

May 29, 2019

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

BSE Limited

Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: L&TFH

Security Code No.: 533519

Kind Attn: Head - Listing Department / Department of Corporate Communications

Dear Sir / Madam,

Sub: Issue of up to 100,00,000 Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of Rs 100 face value at par and aggregating up to Rs. 100,00,00,000 on a private placement basis ("Issue")

Pursuant to the requirements of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), the Securities and Exchange Board of India (Issue and listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and further to our letter dated May 29, 2019 sent earlier today, please find enclosed the information memorandum dated May 29, 2019, in connection with the Issue. We request you to upload the information memorandum on the website.

Thanking you,

Yours faithfully,

For L&T Finance Holdings Limited



Apurva Rathod

Company Secretary and Compliance Officer

Encl: as above

L&T Finance Holdings Limited

Registered Office

Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

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E igrc@ltfs.com

www.ltfs.com

L&T FINANCE HOLDINGS LIMITED

CIN L67120MH2008PLC181833

A public limited company incorporated under the Companies Act, 1956 whose equity shares are listed on the BSE Limited and National Stock Exchange of India Limited and existing preference shares are listed on the BSE Limited.

Registered Office: Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East) Mumbai 98

Tel: (+91 22) 6212 5000 **Fax:** (+91 22) 6621 7509

Company Secretary and Compliance Officer: Ms. Apurva Rathod; **Tel:** (+91 22) 6212 5000;

Fax: (+91 22) 6621 7509; **Email:** igrc@lfs.com; **Website:** www.lfs.com

INFORMATION MEMORANDUM DATED MAY 29, 2019

LISTING BY L&T FINANCE HOLDINGS LIMITED (“ISSUER” OR “COMPANY”) OF LISTED CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES WITH A FACE VALUE OF INR 100 EACH (THE “NCRPS”), OF INR 25,00,00,000 (RUPEES TWENTY FIVE CRORES) AT PAR (“BASE ISSUE”), WITH AN OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION UP TO INR 75,00,00,000 (INDIAN RUPEES SEVENTY FIVE CRORES), AGGREGATING TO INR 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES) ON A PRIVATE PLACEMENT BASIS (THE “ISSUE”). THIS ISSUE WILL BE UNDER THE ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF DEBT SECURITIES ON A PRIVATE PLACEMENT BASIS IN ACCORDANCE WITH SEBI CIRCULAR JANUARY 05, 2018 BEARING REFERENCE NUMBER SEBI/HO/DDHS/CIR/P/2018/05, AND SEBI CIRCULAR DATED AUGUST 16, 2018 BEARING REFERENCE NUMBER SEBI/HO/DDHS/CIR/P/2018/122, EACH AS AMENDED (“SEBI EBP CIRCULARS”), TOGETHER WITH THE UPDATED OPERATIONAL GUIDELINES “FOR ISSUANCE OF SECURITIES ON PRIVATE PLACEMENT BASIS THROUGH AN ELECTRONIC BOOK MECHANISM” ISSUED BY BSE BY THEIR NOTICE NUMBER 20180928-24 DATED 28 SEPTEMBER 2018 (“BSE EBP GUIDELINES”). THE COMPANY INTENDS TO USE THE BSE’S BID PLATFORM FOR THIS ISSUE (“BSE EBP PLATFORM”). THE NCRPS WILL BE LISTED ON BSE LIMITED. THIS DOCUMENT PROVIDES DISCLOSURES IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES) REGULATIONS, 2013, AS AMENDED (“SEBI NCRPS REGULATIONS”) AND PROVIDES CERTAIN ADDITIONAL DISCLOSURES.

GENERAL RISK

INVESTORS ARE ADVISED TO READ THE SECTION TITLED “*RISK FACTORS*” CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR THE PURPOSES OF TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND OF THE ISSUE INCLUDING, THE RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN LEGAL, REGULATORY, TAX, FINANCIAL AND/OR ACCOUNTING ADVISORS ABOUT RISKS ASSOCIATED WITH AN INVESTMENT IN SUCH NCRPS AND THE SUITABILITY OF INVESTING IN SUCH NCRPS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. INVESTMENT IN THESE NCRPS INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. IDENTIFIED INVESTORS ARE ADVISED TO READ THIS INFORMATION MEMORANDUM CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST USE THEIR OWN JUDGMENT AND RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE ISSUE INCLUDING THE RISKS INVOLVED.

INSTRUMENTS OFFERED THROUGH THE OFFER DOCUMENT ARE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES AND NOT DEBENTURES/BONDS. THEY ARE RISKIER THAN DEBENTURES/BONDS AND MAY NOT CARRY ANY GUARANTEED COUPON AND CAN BE REDEEMED ONLY OUT OF THE DISTRIBUTABLE PROFITS OF THE COMPANY OR OUT OF THE PROCEEDS OF A FRESH ISSUE OF SHARES MADE, IF ANY, BY THE COMPANY, OR OTHERWISE AS PERMITTED UNDER APPLICABLE LAWS, FOR THE PURPOSE OF REDEMPTION.

LISTING

THE NCRPS ARE PROPOSED TO BE LISTED ON THE WHOLESALE DEBT MARKET SEGMENT OF BSE (“**STOCK EXCHANGE**”) AND BSE SHALL BE THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE. THE ISSUER SHALL COMPLY WITH THE REQUIREMENTS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED (THE “**SEBI LODR REGULATIONS**”) TO THE EXTENT APPLICABLE TO IT ON A CONTINUOUS BASIS.

CREDIT RATINGS

The NCRPS have been rated ‘**CARE AAA (RPS) (“CARE TRIPLE A rating with stable outlook”)**’ by CARE pursuant to the revalidation letter dated May 28, 2019. CARE’s 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 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.

REGISTRAR TO THE ISSUE



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Fax: +91 22-49186060
Email: ganesh.jadhav@linkintime.co.in

ARRANGER



Trust Investment Advisors Private Limited
109/110, Balarama
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Fax: +91 22 4084 5066
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ISSUE PROGRAMME

Issue Opening Date	Issue Closing Date	Pay-In Date	Date of Allotment
May 31, 2019	May 31, 2019	June 03, 2019	June 03, 2019
The Issue shall be subject to the provisions of the Companies Act (as defined below), the rules notified thereunder, the SEBI NCRPS Regulations, the Memorandum and Articles of Association of the Issuer, the terms and conditions of the Information Memorandum filed with the Stock Exchange and other documents in relation to the Issue.			

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DISCLAIMERS

THIS INFORMATION MEMORANDUM (“IM” or “**INFORMATION MEMORANDUM**”) IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS IM DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE NCRPS TO THE PUBLIC IN GENERAL. APART FROM THIS IM, NO OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE COMPANY NOR IS THIS IM REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS IM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED. **MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE NCRPS TO THE PUBLIC IN GENERAL.**

THIS IM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE COMPANY AND TERMS AND CONDITIONS, INCLUDING THE NATURE OF THE NCRPS, TO IDENTIFIED INVESTORS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE NCRPS. THIS IM HAS BEEN PREPARED IN ACCORDANCE WITH THE PROVISIONS OF THE SEBI NCRPS REGULATIONS AND APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES THEREUNDER. THIS IM DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY IDENTIFIED INVESTOR MAY REQUIRE. NEITHER THIS IM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NCRPS IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR SHOULD ANY RECIPIENT OF THIS IM CONSIDER SUCH RECEIPT A RECOMMENDATION TO SUBSCRIBE TO ANY NCRPS. EACH INVESTOR CONTEMPLATING THE SUBSCRIPTION OF ANY NCRPS SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE COMPANY, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE COMPANY. IDENTIFIED INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE NCRPS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES. IT IS THE RESPONSIBILITY OF THE INVESTORS TO ALSO ENSURE THAT THEY WILL SELL THESE NCRPS IN STRICT ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS IM AND APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER FOR SALE TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT. NONE OF THE INTERMEDIARIES OR THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE COMPANY OR THE FACTORS AFFECTING THE NCRPS OR HAVE ANY RESPONSIBILITY TO ADVISE ANY PROSPECTIVE INVESTOR OR IDENTIFIED INVESTOR IN THE NCRPS OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES OR THEIR RESPECTIVE AGENTS OR ADVISORS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS IM OR IN ANY MATERIAL MADE AVAILABLE BY THE COMPANY TO ANY IDENTIFIED INVESTOR PURSUANT HERETO AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE INTERMEDIARIES AND THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS IM HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN.

ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY IS ACCEPTED BY ANY SUCH INTERMEDIARY, AGENT OR ADVISOR AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS IM OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY. ACCORDINGLY, ALL SUCH INTERMEDIARIES AND THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE SHALL HAVE NO LIABILITY IN RELATION TO THE INFORMATION CONTAINED IN THIS IM OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY IN CONNECTION WITH THIS ISSUE.

THIS INFORMATION MEMORANDUM AND THE CONTENTS HEREOF ARE RESTRICTED FOR PROVIDING INFORMATION UNDER SEBI NCRPS REGULATIONS. AN OFFER OF PRIVATE PLACEMENT SHALL BE MADE BY THE ISSUER BY WAY OF ISSUE OF THE PPOAL (DEFINED BELOW) TO THE SUCCESSFUL BIDDERS WHO HAVE BEEN ADDRESSED THROUGH A COMMUNICATION BY THE ISSUER, AND ONLY SUCH RECIPIENTS ARE ELIGIBLE TO APPLY TO THE NCRPS. ALL ELIGIBLE PARTICIPANTS ARE REQUIRED TO COMPLY WITH THE RELEVANT REGULATIONS/ GUIDELINES APPLICABLE TO THEM FOR INVESTING IN THIS ISSUE. THE CONTENTS OF THIS INFORMATION MEMORANDUM AND ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS INFORMATION MEMORANDUM OR THE NCRPS ARE INTENDED TO BE USED ONLY BY THOSE ELIGIBLE PARTICIPANTS TO WHOM IT IS DISTRIBUTED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED OR DISSEMINATED BY THE RECIPIENT.

THE CONTENTS OF THIS IM ARE INTENDED TO BE USED ONLY BY THOSE INVESTORS TO WHOM IT IS SPECIFICALLY BEEN ADDRESSED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT.

THE PERSON TO WHOM A COPY OF THIS IM IS SENT IS ALONE ENTITLED TO APPLY FOR THE NCRPS. NO INVITATION IS BEING MADE TO ANY PERSONS OTHER THAN THOSE TO WHOM APPLICATION FORMS ALONG WITH THIS IM HAVE BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE IM AND/OR THE APPLICATION FORM HAS NOT BEEN SENT BY THE COMPANY SHALL BE REJECTED.

THE PERSON WHO IS IN RECEIPT OF THIS IM SHALL NOT REPRODUCE OR DISTRIBUTE IN WHOLE OR PART OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO A THIRD PARTY REGARDING ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

EACH PERSON RECEIVING THIS IM ACKNOWLEDGES THAT SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO:

- A. REQUEST AND TO REVIEW AND HAS RECEIVED ALL ADDITIONAL INFORMATION CONSIDERED BY AN INVESTOR TO BE NECESSARY; AND
- B. VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; AND
- C. UNDERSTAND THE NATURE OF THE NCRPS AND THE RISKS INVOLVED IN INVESTING IN THEM INCLUDING FOR ANY REASON HAVING TO SELL THEM OR BE MADE TO REDEEM THEM BEFORE THE REDEMPTION DATE

NO PROSPECTIVE INVESTOR HAS RELIED ON ANY INTERMEDIARY OR THEIR RESPECTIVE AGENTS OR ADVISORS THAT MAY BE ASSOCIATED WITH THE ISSUE IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF INFORMATION OR ITS INVESTMENT DECISION.

NO OFFER IS BEING MADE TO “PERSON RESIDENT OUTSIDE INDIA” AS SUCH TERM IS DEFINED IN FOREIGN EXCHANGE MANAGEMENT ACT, 1999.

THE IM IS MADE AVAILABLE TO INVESTORS ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL.

THE NCRPS HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. THIS IM HAS NOT BEEN SUBMITTED, CLEARED OR APPROVED BY SEBI.

THE NCRPS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATIONS (“REGULATIONS”) UNDER THE SECURITIES ACT) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THE NCRPS WILL ONLY BE OFFERED AND SOLD TO PERSONS RESIDENT IN INDIA AND WILL NOT BE OFFERED OR SOLD TO INVESTORS IN ANY JURISDICTION OUTSIDE INDIA.

DISCLAIMER STATEMENT FROM THE COMPANY

THE COMPANY ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE, OTHER THAN IN THIS IM AND ANY OTHER MATERIAL EXPRESSLY STATED TO BE ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF NCRPS, AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION, MATERIAL OR STATEMENT WOULD BE DOING SO AT THEIR/ITS OWN RISK.

RBI DISCLAIMER

1. (A) RESERVE BANK OF INDIA 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 DISCHARGE OF LIABILITY BY THE COMPANY

(B) NEITHER IS THERE ANY PROVISION IN LAW TO KEEP, NOR DOES THE COMPANY KEEP ANY PART OF THE PUBLIC FUNDS WITH THE RESERVE BANK AND BY ISSUING THE CERTIFICATE OF REGISTRATION TO THE COMPANY, THE RESERVE BANK NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF THE PUBLIC FUNDS TO ANY PERSON/BODY CORPORATE
2. THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 11, 2013 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934 REGISTERING THE COMPANY AS A NON-BANKING FINANCIAL INSTITUTION - CORE INVESTMENT COMPANY. 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 OF REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS OR DISCHARGE OF LIABILITIES BY THE COMPANY.

DISCLAIMER OF THE STOCK EXCHANGE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE INFORMATION MEMORANDUM WITH THE STOCK EXCHANGE OR HOSTING THE SAME ON THE WEBSITE OF STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE INFORMATION MEMORANDUM HAS BEEN 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 CONTENTS OF THIS INFORMATION MEMORANDUM; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR CONTINUE TO BE LISTED ON THE STOCK EXCHANGE; NOR DOES IT TAKE RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE 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 STOCK EXCHANGE OR ANY AGENCY WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION OR ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

PURSUANT TO RULE 14 (3) OF THE COMPANIES (PROSPECTUS & ALLOTMENT OF SECURITIES) RULES, 2014, A COPY OF THIS INFORMATION MEMORANDUM SHALL BE FILED WITH THE REGISTRAR OF COMPANIES, MUMBAI ALONG WITH FEE AS PROVIDED IN THE COMPANIES (REGISTRATION OFFICES & FEES) RULES, 2014, WITHIN A PERIOD OF THIRTY DAYS OF CIRCULATION OF THIS INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM SHALL ALSO BE FILED WITH SEBI AS PER EXISTANT PROVISIONS. THE NCRPS HAVE NOT BEEN RECOMMENDED OR APPROVED BY SEBI NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS INFORMATION MEMORANDUM SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR VETTED BY SEBI. THE 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 THIS INFORMATION MEMORANDUM. HOWEVER SEBI RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE ISSUER, ANY IRREGULARITIES OR LAPSES IN THIS INFORMATION MEMORANDUM.

CAUTIONARY NOTE

WHEN INVESTING IN THE NCRPS, THE ELIGIBLE PARTICIPANTS ACKNOWLEDGE THAT THEY: (I) ARE KNOWLEDGEABLE AND EXPERIENCED IN FINANCIAL AND BUSINESS MATTERS, HAVE EXPERTISE IN ASSESSING CREDIT, MARKET AND ALL OTHER RELEVANT RISK AND ARE CAPABLE OF EVALUATING, AND HAVE EVALUATED, INDEPENDENTLY THE MERITS, RISKS AND SUITABILITY OF PURCHASING THE NCRPS, (II) HAVE NOT REQUESTED THE ISSUER TO PROVIDE IT WITH ANY FURTHER MATERIAL

OR OTHER INFORMATION, (III) HAVE NOT RELIED ON ANY INVESTIGATION THAT ANY PERSON ACTING ON THEIR BEHALF MAY HAVE CONDUCTED WITH RESPECT TO THE NCRPS, (IV) HAVE MADE THEIR OWN INVESTMENT DECISION REGARDING THE NCRPS BASED ON THEIR OWN KNOWLEDGE (AND INFORMATION THEY HAVE OR WHICH IS PUBLICLY AVAILABLE) WITH RESPECT TO THE NCRPS OR THE ISSUER, (V) HAVE HAD ACCESS TO SUCH INFORMATION AS DEEMED NECESSARY OR APPROPRIATE IN CONNECTION WITH PURCHASE OF THE NCRPS, (VI) ARE NOT RELYING UPON, AND HAVE NOT RELIED UPON, ANY STATEMENT, REPRESENTATION OR WARRANTY MADE BY ANY PERSON, INCLUDING, WITHOUT LIMITATION, THE ISSUER, AND (VII) UNDERSTAND THAT, BY PURCHASE OR HOLDING OF THE NCRPS, THEY ARE ASSUMING AND ARE CAPABLE OF BEARING THE RISK OF LOSS THAT MAY OCCUR WITH RESPECT TO THE NCRPS, INCLUDING THE POSSIBILITY THAT THEY MAY LOSE ALL OR A SUBSTANTIAL PORTION OF THEIR INVESTMENT IN THE NCRPS, AND THEY WILL NOT LOOK TO THE LEGAL ADVISOR TO THE ISSUE FOR ALL OR PART OF ANY SUCH LOSS OR LOSSES THAT THEY MAY SUFFER.

DEFINITIONS/ ABBREVIATIONS/ TERMS USED

Term	Full Form / Meaning
Applicable Law	Any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Information Memorandum or at any time thereafter in India
Arranger	A SEBI registered merchant banker, broker or a RBI registered primary dealer, who on behalf of the Eligible Investors bid on the BSE EBP Platform.
Application Form	Application form forming part of the PPOAL to be issued by the Issuer
Application Money	The money credited by an applicant to the Designated Bank Account of the Issuer for the purpose of subscription to the NCRPS
Articles of Association / Articles	The Articles of Association of the Issuer
Beneficial Owners	Those persons whose names appear on the beneficiary details provided by the Depositories (NSDL and/or CDSL) as on the Record Date
Business Day	Means all days on which the money market is functioning in the city of Mumbai
Business Day Convention	Should any of the dates defined above or elsewhere in the Information Memorandum, excepting the Date of Allotment and the Redemption Date, fall on a Saturday, Sunday or a Public Holiday in Mumbai, the next business day shall be considered as the effective date. In case the Redemption Date falls on a Saturday, Sunday or a Public Holiday in Mumbai, the previous business day shall be considered as the Redemption Date and the Date of Allotment
BSE	BSE Limited
BSE EBP Platform	Electronic bidding platform of the BSE for issuance of eligible securities on private placement basis
Board	The board of directors of the Issuer
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIC	Core Investment Company
Companies Act	The Companies Act, 2013, and the rules made thereunder, as applicable, as may be amended or modified or substituted from time to time
Company / LTFHL / Issuer	L&T Finance Holdings Limited
CRAR	Capital to Risk Assets Ratio
Date of Allotment	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”

Term	Full Form / Meaning
Depository Participant / DP	A depository participant as defined under Depositories Act, 1996, as amended
Designated Bank Account	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Designated Stock Exchange	BSE Limited
Director	A Director on the Board of the Company
Dividend Payment Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
EBP	Electronic book platform
ECS	Electronic clearing system
Eligible Participants / Eligible Investors	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Face value	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
FCNR	Foreign currency non-resident
FY/Financial Year	Means each financial year ending on 31 March in each year
Governmental Authority	Any (a) government (central, state or otherwise) or sovereign state; (b) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof; and (c) international organisation, agency or authority, or including, without limitation, any stock exchange or any self-regulatory organization, established under any Applicable Law
GOI	Government of India
GST	Goods and services tax
HFC	Housing Finance Company
ICCL	Indian Clearing Corporation Limited
Identified Investors	Persons who are Eligible Participants and have been identified by the Issuer pursuant to a resolution of the Board/ resolution of a committee of the Board and to whom this Information Memorandum is specifically addressed
India Ratings	India Ratings & Research Private Limited
Ineligible Investor	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Information Memorandum / IM	This Information Memorandum dated 29 May 2019
INR/Rupees	The lawful currency of the Republic of India
IPO	Initial public offering
IT	Information technology
Issue	Private placement of NCRPS, being Rs. 25,00,00,0000 (Rupee Twenty Five Crore) with option to retain oversubscription, up to a total Rs. 75,00,00,000 (Rupees Seventy Five Crore) with an aggregate issue amount of Rs. 100,00,00,0000 (Rupees One Hundred Crore) constitutes the “ <i>Issue</i> ”
Issue Opening Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Issue Closing Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
L&T	Larsen & Toubro Limited
L&T Financial Services Group	Issuer and its direct and indirect Subsidiaries
MCA	Ministry of Corporate Affairs, Government of India
Memorandum of Association	The Memorandum of Association of the Issuer

Term	Full Form / Meaning
NBFC	Non-banking financial company
NBFC-CIC-ND-SI	Systemically important non deposit taking core investment company NBFC
NEFT	National electronic funds transfer
NHB	National Housing Board
NHB Act	National Housing Bank Act, 1987, as amended
NPA	Non-Performing Assets
NSDL	National Securities Depository Limited
Promoter	L&T
Pay-In Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time
PPOAL	Private placement offer and allotment letter issued to successful Eligible Investors in accordance with this Information Memorandum
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Record Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Redemption Amount	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Redemption Date	Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”
Register of NCRPS Holders	The register of members holding NCRPS maintained by the Company and/or the RTA
RTA	Registrar and transfer agent
RTGS	Real time gross settlement
SEBI	Securities and Exchange Board of India
SEBI EBP Circulars	Has the meaning as set out in the cover page
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended
SEBI NCRPS Regulations	SEBI (Issue And Listing Of Non-Convertible Redeemable Preference Shares) Regulations, 2013, as amended
Stock Exchange	BSE Limited
Subsidiary	Has the meaning set out in the section headed “ <i>Information About the Company</i> ”
TDS	Tax deducted at source
UTR	Unique transaction reference

RISK FACTORS

An investment in NCRPS involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Information Memorandum, before making an investment in NCRPS. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our NCRPS could decline and you may lose all or part of your investment.

In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. Unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements as of and for the Financial Years ended March 31, 2019, 2018 and 2017. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” or “Our Group” refers to our Company together with our Subsidiaries, on a consolidated basis.

INTERNAL RISK FACTORS

1. *Restrictions on payment of dividend and redemption*

In accordance with the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of distributable profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the distributable profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. Redemption of the NCRPS can only be made out of the distributable profits of the Company or fresh issue of shares. In case the Company does not have adequate distributable profits, the Company will not be able to pay the dividends on the NCRPS. Further, in case the Company does not have adequate distributable profits or the Company is unable to raise money by fresh issue of shares, the Company may be unable to redeem the NCRPS.

2. *The Company's primary source of revenue is the dividend declared by each of its Subsidiaries*

The Company is the holding company for the L&T Financial Services Group and has only limited operations. As a result, the revenues of the Company are derived mainly from the dividends that the Subsidiaries companies declare from time to time. Consequently, in the event that if one or more of the Subsidiaries companies are unable to or do not declare dividends for whatsoever reasons including but not limited to any

macroeconomic situation or other factors generally affecting the industry in which such Subsidiaries operate, the Company may have lesser, significantly lower or no revenues. In such a situation, the profits of the Company may be affected which would affect the Company's ability to declare and pay dividend on the NCRPS.

3. *Company and its Subsidiaries have undertaken covenants which may affect the Company's ability to pay dividend*

The Company and its Subsidiaries are party to certain financing documents under which the Company or its Subsidiaries are restricted from declaring a dividend if in relation to the Company or such Subsidiary an event of default has occurred including defaults on payments and breach of financial covenants and is continuing. While, the Company is not a party to the financing arrangements entered into by its Subsidiaries, any continuing breach of financial covenants by the Company itself for its Subsidiaries could impact the Company's ability to declare dividends on the NCRPS or the profits of the Company may be affected on account of the inability of the Subsidiaries /s to pay dividend which would in turn affect the Company's ability to declare and pay dividend on the NCRPS. Further, the Company has independently entered into financing arrangements and this risk factor shall be applicable on the occurrence of any events of default under such financing arrangements. As of the date of the Information Memorandum, there is no event of default subsisting in the Company or its Subsidiaries.

4. *Downgrading of rating*

In case the Company is unable to pay the dividend in accordance with the terms of the NCRPS for any reason whatsoever, including for reasons of inadequate profit, the rating for the NCRPS as well as other rated instruments of the Company may be downgraded which may adversely impact the business, profitability and financing abilities of the Company.

5. *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 depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including bank loans and working capital facilities, non-convertible debentures, perpetual debts, FCNR, commercial paper, equity and preference shares and subordinated debt. 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 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 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, as amended (“**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.

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.

6. *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 (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other

NBFCs who are active in infrastructure, retail and corporate finance. Many 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. Many 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.

In relation to the asset management, wealth management, advisory and syndication services we offer, we also face competition from banks, asset management companies and consulting organizations. 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.

7. *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.

8. *We are affected by volatility in interest rates for both our lending and treasury operations, 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 ₹ 3,058.32 crore or 90.38 % of our total income of ₹ 3,383.92 crore for the quarter ended

March 31, 2019 and ₹ 11,637.90 crore or 87.49 % of our total income of ₹ 13,301.52 crore for the Financial Year 2019.

Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions 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 rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, 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 that borrow only at fixed interest rates. 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.

Fluctuations in interest rates may also adversely affect our treasury 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 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. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings 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.

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

As of March 31, 2019, our total loans outstanding were ₹ 99,121 crore. The table below sets out a breakdown of our total loans and NPAs by business segments:

	Adjusted Total Loans and Advances	Gross NPAs	
	₹ crore	₹ crore	% of total loans*
Wholesale finance	47,178	4,161	9.68%
Housing finance	25,519	208	0.83%

Rural finance	25,577	864	3.46%
Defocused business	848	316	37.46%
Adjusted Total Loans and advances	99,121	5,549	5.90%

%age is derived based on principal outstanding

Our wholesale finance business primarily provides 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:

- 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 inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings 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.

Further, we provide construction finance loans through our housing finance segment and construction finance loans may be exposed to risks related to time and cost overruns and related increases. 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 substantially 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, as amended ("**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 finance business, our NPAs are 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 finance 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 March 31, 2019, our total loans outstanding were ₹ 91,324.63 crore and we expect that the size of our loan assets will grow as a result of our expansion strategy in existing as well as new products, which may expose us to an increase in NPAs 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.

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

We operate under five principal business segments: rural finance, housing finance and wholesale finance under our lending business, and investment management and wealth management under our non-lending business. 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 microfinance industry, such as the microfinance crisis of 2010 in India and the impact of currency demonetization in 2016 on micro-loans generally;
- 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.

11. *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 non-performing assets in our portfolio, adversely affecting our business, financial performance and results of operations.*

As at March 31, 2019, with 19.68%, 15.16%, 9.83%, 7.43%, 5.79% and 1.49% of our total adjusted loans and advances comprising 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 non-performing assets in our portfolio and may adversely affect our business, financial performance and results of operations.

12. *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 non-performing assets in our portfolio, may adversely affect our business, financial performance and results of operations.*

Our top 20 borrowers in terms of adjusted loans and advances represented 26.91%, 15.99%, and 9.82% of our total adjusted loans and advances as of March 31, 2019, 2018 and 2017, respectively. We may continue to have significant concentration of loans to such borrowers or other large corporate groups in India. Any negative developments impacting the ability of such borrowers to perform their obligations under their financing agreements with us, including any defaults on their obligations as a result of their bankruptcy, competition within their respective sectors, lack of liquidity, operational failure, government or other regulatory intervention, among others, may increase the level of non-performing assets in our portfolio and may adversely affect our business, financial performance and results of operations.

13. *Our Company is a holding company and all our company's business operations are conducted through our Subsidiaries and the performance of our Subsidiaries may adversely affect our results of operations.*

We are a holding company and all our business operations are conducted through our Subsidiaries, primarily L&T Infrastructure Finance Company Limited, L&T Finance Limited, L&T Housing Finance Limited, L&T Infra Debt Fund Limited, L&T Capital Markets Limited and L&T Investment Management Limited. The financial condition and results of operations of our Company are thus dependent upon the performance of our Subsidiaries and the dividends our Company receives from them. Our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event they cease to be our subsidiaries. The ability of our Subsidiaries to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Subsidiaries may contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration or payment of dividends by these Subsidiaries. Further, in the event of a bankruptcy, liquidation or re-organisation of a Subsidiary, our Company's claim in the assets of such Subsidiary as a shareholder remains subordinated to the claims of lenders and other creditors of such Subsidiary.

14. *We are subject to laws and regulations governing the banking and financial services industry in India as well as those for companies having listed securities in India. 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 and SEBI. For example, we are subject to the RBI's guidelines on 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. As we have equity, debt and other securities listed on Indian stock exchange, we are also required to comply with the regulations of SEBI from time to time. 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.

Certain of our Subsidiaries are similarly subject to regulation by Government authorities. For example, our Subsidiary, L&T Housing Finance Limited, is registered as a housing finance company (“**HFC**”) with the NHB under the National Housing Bank Act, 1987 (“**NHB Act**”). Pursuant to the NHB Act and various regulations, circulars and guidelines issued by the NHB, deposit taking HFCs are currently required to comply with, among others, limits on borrowings, investments, interest rates and tenure on deposits, prudential norms for income recognition, asset classification and provisioning for standard and non-standard assets, norms for creation of special reserves and provision for demand and time liabilities as well as minimum capital adequacy and liquidity requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. NHB regulations also require HFCs to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Further the total tier II capital at any point of time shall not exceed 100% of the tier I capital. At a minimum, tier I capital shall not be less than 6% of risk weighted assets.

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.

15. *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 (“**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. Certain

of our Subsidiaries are similarly subject to periodic inspection by the relevant Government authorities governing them. For example, our Subsidiary, L&T Housing Finance Limited, is registered as an HFC with the NHB and is subject to periodic inspections by the NHB with respect to the controls, laws and regulations applicable to it as an HFC. 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, or, 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.

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

As at March 31, 2019, a large percentage 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 finance 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 among other things, 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, as the underlying security on our housing loans is primarily mortgages or other form of security over the other real property of the borrower, a substantial portion of our loan portfolio is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. 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 finance 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.

Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims or if a specialized regulatory agency gains jurisdiction over any of our borrowers, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral, thereby adversely affecting our business, future financial performance and results of operations.

17. *Micro loans poses unique risks not generally associated with other forms of lending in India, and, as a result, we may 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.*

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 informal 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 is 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, 2019, adjusted loans and advances for our micro loans segment were ₹ 12,476 crore, which accounted for 12.59 % of our total adjusted loans and advances. As at March 31, 2019, the Gross NPAs for our micro loans segment was ₹ 357 crore. The gross NPAs as a percentage of the gross loans and advances for our micro loans segment were 2.91%, 4.68%, and 4.06% as at March 31, 2019, 2018 and 2017, respectively, while the net NPAs as a percentage of net loans and advances were 0.24%, 0.58%, and 0.00% as at March 31, 2019, 2018 and 2017, respectively. 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.

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

Commencing on April 1, 2016, we have streamlined and reorganized our financing businesses and employees under three primary financing business segments, i.e., rural finance, housing finance and wholesale finance. 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 other financing businesses comprised 0.86%, 1.84%, and 4.01%, of our total adjusted loans and advances as of March 31, 2019, 2018 and 2017, respectively. We may also consider divesting certain of our existing investments. In the event we are unable to further reduce the amount of loans outstanding under our other financing 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 NPAs, our business, asset quality and results of operations may be adversely affected.

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

We adhere to provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations, as are relevant to us and our various Subsidiaries. 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.

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

Part of our collections, specifically collections in our rural finance 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. 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 finance 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.

21. *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 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 TransUnion CIBIL Limited 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 non-performing and restructured assets, which could adversely affect our business prospects, financial condition and results of operations.

22. *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. 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.

23. *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 has rated our Company's non-convertible debentures ("NCDs") at ICRA AAA/Stable, CARE has rated our Company's NCDs at 'CARE AAA/Stable' and non-convertible cumulative preference shares at 'CARE AAA(RPS)/Stable' and India Ratings has rated our NCDs at 'IND AAA/ Stable'. The rating on our Company's short-term debt by ICRA, CARE and India Ratings are at ICRA A1+, CARE A1+, IND A1+, respectively.

Credit ratings across the industries we operate may also depend on the underlying circumstances and economic environment around such industries. For instance, during the Financial Year 2010, credit ratings were downgraded for micro-finance institutions with substantial lending exposure to a particular state, as a result of a crisis in the microfinance industry, there was an impact on fundraising activities and the business and financial performance of companies with large exposure to micro-finance sector. Further, 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 microfinance companies 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.

24. *We may require additional financing for our business operations, including for our Subsidiaries, 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.

25. *We may experience difficulties in expanding our business into new regions and markets in and outside 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 finance 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. Further, we seek to expand our business to locations outside of India in addition to our subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited) with respect to our wealth management business. 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.

26. *We undertake certain business operations outside of India and it is possible that we find it difficult to maintain our operations in such jurisdictions.*

We currently provide wealth management services to clients outside of India, through our wholly owned subsidiary in Dubai, UAE. Operating in such jurisdictions presents additional difficulties including:

- lack of equivalent experience in operating in these jurisdictions as compared to our experience in operating in India;
- operations in such jurisdictions are subject to different competitive environments and regulatory regimes in respect of which we have less knowledge and expertise; and
- the client base in such jurisdictions that may be interested in our wealth management services is more limited than in India.

Therefore, we may not be able to grow our business outside of India at the same rate as we grow our domestic business, or at all, and it is possible that we find it difficult to maintain our operations in such jurisdictions.

27. *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.

28. *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 & Chief Executive Officer and key managerial personnel 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 March 31, 2019, we employed 21,042 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.

29. *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 housing finance business has the highest contribution from the Mumbai Metropolitan Region and the National Capital Region with 66%, 74%, and 59% of our outstanding housing finance loans as of March 31, 2019, 2018 and 2017, respectively, arising from these regions. Further, our farm equipment finance business is dependent on the state of Madhya Pradesh, with 14.39%, 17.81%, and 23.79% of our outstanding farm equipment finance loans as of March 31, 2019, 2018 and 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.

30. *We have presented in this Information Memorandum certain financial measures and other selected statistical information relating to our financial condition and operations which is not prepared under or required by Ind AS or erstwhile Indian GAAP. These financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.*

We compute and disclose such non-GAAP financial information relating to our financial condition and operations as we consider such information to be useful measures of our business and financial performance. Such non-GAAP financial information is based on management accounts and internal financial information systems of our Company and is prepared by adjusting, based on management estimates, the financial measures in the audited or reviewed consolidated financial statements of our Company. Non-GAAP information should not be considered in isolation from, or as a substitute for, financial information presented in the audited or reviewed consolidated financial statements of our Company.

Further, the non-GAAP financial information may be different from financial measures and statistical information disclosed or followed by other NBFCs and HFCs. The non-GAAP financial information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, HFCs or other financial services companies. Accordingly, investors should not place undue reliance on the non-GAAP financial information included in this Information Memorandum.

All the financial numbers and ratios provided in the Information Memorandum pertaining to March 2019 are in accordance with applicable IndAS and previous financial numbers are stated in erstwhile IGAAP.

31. *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 novate or 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 March 31, 2019, our portfolio of assigned outstanding loans was ₹ 9.81 crore. 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.

32. *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.

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

As a NBFC-CIC-ND-SI, our Company is required to maintain a capital ratio requirement of at least 30% 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, our Subsidiaries, being financial institutions regulated by the RBI and/or NHB, are subject to certain capital adequacy ratios. The minimum capital requirement or capital adequacy ratios required to be maintained by us and our Subsidiaries, as well as the respective capital adequacy ratios of us and our Subsidiaries as at March 31, 2019 are as follows:

Name of Company	Category	Minimum capital requirement/ adequacy ratio	Capital Adequacy Ratio		
			31 March 2019	31 March 2018	31 March 2017
L&T Finance	NBFC-CIC-ND-SI	30%	77.88%	95.08%	82.17%
L&T Infrastructure	NBFC-ND-SI	15%	21.19%	20.67%	19.69%
L&T Finance Ltd	NBFC-ND-SI	15%	15.77%	17.92%	16.42%
L&T Infra Debt	NBFC-IDF	15%	24.13%	28.39%	39.32%

L&T Housing Finance Ltd	HFC	12%	17.92%	17.74%	15.39%
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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.

34. *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. 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.

35. *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 finance 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, know your customer 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.

36. *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.

37. *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. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a 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.

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

Our Company, Promoter, our Directors and Subsidiaries are party to various 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.

39. *We benefit from our relationship with our Promoter. Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow it to exercise significant influence over us.*

Our Promoter shall 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.

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 the L&T group. We believe that this goodwill ensures a steady inflow of business. In the event L&T significantly dilutes its shareholding in our Company, 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. L&T has also provided corporate guarantees in relation to certain borrowings availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

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.

40. *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.

41. *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.

42. *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.

43. *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, know your customer requirements and other internal control mechanisms. We also require licenses and approvals to operate our various lines of business under our Subsidiaries. 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.

44. *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.

45. *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 our Promoter. Pursuant to a trademark license agreement dated December 1, 2010, as amended from time to time (the "Trademark License Agreement"), with our Promoter, our Company and our Subsidiaries 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 profit after tax for the first year, 3.0% of the PAT for the second year or 5.0% of profit after tax for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. The payment of such consideration is made on an annual basis, unless otherwise agreed amongst the parties. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo.

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.

46. *Our home loans business is subject to certain tax and fiscal benefits which may be discontinued in the future by the GoI or state governments relating to financing of purchase or construction of property.*

The rapid growth in the housing finance industry in India in recent periods has in part been due to tax and related fiscal benefits extended to homeowners by the Government of India or state governments. Interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. We cannot assure you that the Government of India will continue to offer such tax benefits to borrowers at the current levels or at all, which may adversely affect the demand for housing and consequently housing finance. The Government of India has also

provided incentives to the housing finance industry by extending priority sector status to certain housing loans and making funds available to housing finance companies at lower rates. In addition, our Subsidiary, L&T Housing Finance Limited, being a housing finance company, is entitled for other tax benefits under the Income Tax Act which result in a reduction of our annual income tax rate. We cannot assure you that the Government of India will continue to make such tax or fiscal benefits available to housing finance companies such as us or that it will continue to offer us low cost funding on the same terms or at all. If such low cost funding is not made available to us, there may be an adverse effect on our cost of funds and consequently our operating margins and net interest margin.

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 March 31, 2019 all the 322 branches of our subsidiaries 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 March 31, 2019, our Company, at a consolidated level, had total borrowings of ₹ 91,506.98 crore. 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, certain entities forming part of our Group are required to obtain prior written consents from their respective lenders for, among others, the following matters:

- to declare or pay dividend to any of their shareholders whether equity or preference, during any Financial Year unless they have paid to the lender the dues payable by them in that year;
- to change their capital structure;

- to undertake or permit any merger, amalgamation or compromise with their shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to amend their MOA and AOA or alter their constitution;
- to undertake substantial change in general nature of business;
- to change their 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 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 ₹ 30,363.70 crores as of March 31, 2019, interest rates for which are either fully floating or partially floating in nature, expressed as a base rate 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.

50. *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 for Financial Years 2019, 2018, and 2017. No assurance can be made that this will not continue in the future.

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

As of March 31, 2019, we had certain contingent liabilities not provided for, amounting to ₹ 3,220.50 crores 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 audited financial statements 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. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

52. *Some of our Subsidiaries have incurred losses in the past.*

Certain of our Subsidiaries have incurred losses in the last three Financial Years as indicated in the table below:

Particulars	in ₹ crores		
	Financial Year 2019	Financial Year 2018	Financial Year 2017
	IndAS	IGAAP	IGAAP
L&T Investment Management Limited	-	-	25.81
L&T Capital Markets (Middle East) Limited	1.56	-	-
Mudit Cement Private Limited	6.88	5.68	5.49
L&T Access Distribution Services Limited (amalgamated with L&T Capital Markets Limited, appointed date being April 1, 2017)	-	-	0.94
L&T Mutual Fund Trustee Limited	0.10	0.06	-
L&T Infra Investment Partners Trustee Private Limited	-	0.01	-
L&T Infra Investment Partners Advisory Private Limited	4.26	-	-

We cannot assure you that our Subsidiaries will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not adversely affect our business, future financial performance and results of operations.

53. *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 and audited 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. While we have not determined with any degree of certainty the impact that the adoption of Ind AS will have on our financial statements, 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.

In addition, our Promoter, L&T, currently prepares its consolidated annual and quarterly financial statements in Ind AS. As a result, and solely for the purposes of consolidation, our Company has been preparing and providing its financial information under Ind AS to L&T for periods prior to April 1, 2018. These results are used by L&T to prepare its consolidated results and are also disclosed by L&T as a part of its financial services segment. Our financial results under Ind AS will vary from the results currently published by L&T as part of its financial services segment since the date of transition to Ind AS shall be different under both the scenarios.

54. *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 an increase in the cost of tax compliance 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 may lead to increase in pending litigations.

RISK RELATING TO THE INSTRUMENT

55. *In case the Company does not have adequate profits, the Company will not be able to pay dividends on the NCRPS.*

As per the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and

the rules made thereunder. Further, it is clarified that the dividend on NCRPS is required to be paid out of respective current year's profit only. In case the Company does not have adequate profits, the Company will not be able to pay the dividends on the NCRPS.

56. *There could be adverse changes in the future to the credit rating assigned to the NCRPS, which will adversely affect the holders of the NCRPS.*

The current issue has been rated 'CARE AAA (RPS)'.

In the event of deterioration in the financial health of the Company, there is possibility that the rating agency may downgrade the ratings of the NCRPS. In such a case, a potential investor may incur losses on revaluation of the investments or may have to make provisions towards sub-standard / non-performing investment as per their standard norms. The rating is not a recommendation to purchase, hold or sell the NCRPS in as much as the ratings do not comment on the market price of the NCRPS or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

57. *There may not be an active secondary market for the NCRPS which will affect the tradability of NCRPS in the market.*

While the NCRPS are being issued on a private placement basis, investors are requested to note that there may not be an active secondary market for NCRPS. There is no assurance that a trading market for the NCRPS will exist and no assurance as to the liquidity of any trading market. Further, the liquidity and market prices of NCRPS can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of such instruments.

58. *Failure to receive listing approval for issuance of NCRPS will affect the holders of NCRPS.*

An issuer desirous of making an offer of NCRPS on a private placement basis shall make an application for listing to the Stock Exchanges. The Issuer is required to comply with conditions of listing of such NCRPS as specified in the listing agreement with the Stock Exchange where the NCRPS are sought to be listed. Failure to receive listing approval will adversely affect the holders of NCRPS.

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. *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 INR 62.16 to U.S. dollar and a low of INR 68.78 to the U.S. dollar during fiscal year 2016. In October 2018, the Indian Rupee recorded a high of INR 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.

63. *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.

64. *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.

GENERAL INFORMATION

DETAILS OF THE COMPANY

Name of the Company: L&T FINANCE HOLDINGS LIMITED

Date of Incorporation: May 1, 2008

A public limited company incorporated under the Companies Act, 1956, having its equity shares listed on the BSE Limited and National Stock Exchange of India Limited and existing preference shares listed on BSE Limited.

Registered Office:

Brindavan, Plot No. 177, C. S. T. Road, Kalina, Santacruz (East) Mumbai 98

Registration:

Certification of incorporation dated May 1, 2008 issued by the Registrar of Companies, Maharashtra, Mumbai

CIN: L67120MH2008PLC181833

Certificate of Registration as a core investment company under Section 45 IA of the Reserve Bank of India Act, 1934 issued by the Department of Non-banking Supervision (Mumbai RO), Reserve Bank of India on September 11, 2013

Registration No: N-13.02052

Income-Tax Registration:

PAN : AABCL5046R

Compliance Officer:

Name : Ms. Apurva Rathod
Designation : Company Secretary
Address : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East) Mumbai 98
Telephone : +91 22 6212 7500
Fax : +91 22 6212 7509
E-Mail : igrc@ltfs.com

Investors can contact the Registrar & Share Transfer Agents (RTA) in case of any pre-issue or post-issue related problems such as non-receipt of demat credit, refund orders or interest on Application Money.

Registrar & Share Transfer Agents (RTA):

Link Intime India Pvt. Ltd.

C 101, 247 Park,
L.B.S Marg, Vikroli (West),
Mumbai 400 083.
Tel: 022-49186270

Fax: 022-49186060
Email: ganesh.jadhav@linkintime.co.in

The investors can contact the RTA in case of any pre-issue/post-issue related problems such as non-receipt of demat credit, refund orders or interest on Application Money.

Arranger to the Issue:

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 5066
Email: mbd.trust@trustgroup.in

Legal Advisor to Issue:

ZBA

412, Raheja Chambers
213 Nariman Point
Mumbai 400 021
Tel: +91 22 6743 5013

Joint Statutory Auditors:

M/s. B. K. Khare & Co.

706/708, Sharda Chambers
New Marine Lines
Mumbai – 400020
Tel: +91 22 2200 0607/7318/6360
+91 22 6631 5835/36
Fax: +91 22 22003476

M/s. Deloitte Haskins & Sells, LLP

Indiabulls Finance Centre Tower 3
27th-32nd Floor, Senapati Bapat Marg
Elphinstone Road (W)
Mumbai – 400013
Tel: +91 22 6185 4000
Fax: +91 22 6185 4000

Chief Financial Officer of the Issuer:

Mr. Sachinn Joshi

Brindavan, Plot No. 177,
CST Road, Kalina
Santacruz (East) Mumbai 98
Tel: +91 22 6212 5000
Fax: +91 22 6621 7509
E-mail: igrc@lifs.com

Credit Rating Agency:

Credit Analysis & Research Limited

4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway,
Sion (East), Mumbai – 400 022, India
Tel: +91 22 6754 3456
Fax: +91 22 6754 3457
E-mail: care@careratings.com

Credit Ratings

CARE

By its letter dated May 28, 2019 CARE has reaffirmed a rating of ‘CARE AAA (RPS) (Triple A Outlook Stable) (Redeemable Preference Shares)) to this issue of NCRPS by the Issuer to the extent of INR 2,271 crores (including NCRPS aggregating to INR 1,034.40 crores already issued by the Company as on April 30, 2019). Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Set out as Annexure A is the rating letter and the rating rationale.

Kindly note that the above ratings are not a recommendation to buy, sell or hold the NCRPS and subscribers should take their own independent decisions. The ratings may be subject to revision or withdrawal at any time by the rating agency and the rating agency has a right to suspend or withdraw the rating(s) at any time on the basis of new information, etc.

Issue Programme

ISSUE OPENING DATE	MAY 31, 2019
ISSUE CLOSING DATE	MAY 31, 2019
PAY IN DATE	JUNE 03, 2019
DATE OF ALLOTMENT	JUNE 03, 2019

INFORMATION ABOUT THE COMPANY

(i) **BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE COMPANY AND ITS LINE OF BUSINESS.**

(a) *Overview and Corporate Structure*

We are one of the leading private non-banking financial services companies in India in terms of total loans outstanding, with ₹ 99,121 crore of total loans outstanding as of March 31, 2019. We had ₹ 70,944 crore of average assets under management in our investment management (mutual funds) business as of March 31, 2019 averaged over three months and ₹ 28,164 crore of assets under service in our wealth management business, as of March 31, 2019. Our primary businesses are wholesale finance, housing finance, rural finance, investment management and wealth management.

Our Company is registered with the RBI as a NBFC-CIC-ND-SI and has received a certificate of registration as a core investment company dated September 11, 2013 under Section 45-IA of the Reserve Bank of India Act, 1934, registering the Company as a non-deposit taking, non-banking financial institution, core investment company. The equity shares of our Company are listed on the BSE Limited and National Stock Exchange of India Limited. In April 2016, we streamlined and reorganized our financing businesses under three primary business segments, i.e., wholesale finance, housing finance and rural finance, and re-allocated capital towards these business segments, with return on equity as an important performance metric. Post this reorganization, we have divested or are in the process of running-down certain non-core business assets, i.e. our defocused businesses

Our Promoter, L&T 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 2008, our Company was incorporated as a holding company for L&T's financial services businesses and in 2011, our Company became a publicly listed company.

Our network of offices has been established to cater to the business needs of our diverse customer base, which includes individual retail customers as well as large companies, banks, multinational companies and small and medium-enterprises, and to provide them with satisfactory customer service according to their varying requirements.

Our wholesale business initially comprised of infrastructure finance, supply chain finance and structured corporate finance. Earlier in Financial Year 2018-19, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services 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 a transition services agreement ("**Transition Services Agreement**") had 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 March 31, 2019, our total adjusted loans and advances under our wholesale finance business were ₹47,178 crore; with ₹41,017 crore, ₹6,161 crore of adjusted loans and advances under our infrastructure finance, structured corporate finance respectively.

Our housing finance business comprises home loans and loans against property, and real estate finance. As of March 31, 2019, our adjusted total loans and advances under our housing finance business were ₹25,519 crore; with ₹10,492 crore and ₹15,027 crore of adjusted loans and advances under our home loans and loans against property and real estate finance businesses, respectively.

Our rural finance business comprises farm equipment finance, two-wheeler finance and micro loans. As of March 31, 2019, our adjusted total loans and advances under our rural finance business were ₹25,577 crore, with ₹7,362 crore, ₹5,739 crore and ₹12,476 crore of adjusted loans and advances under our farm equipment finance, two-wheeler finance and micro loans businesses, respectively.

Our investment management business had average assets under management of ₹70,944 crore as of March 31, 2019 averaged over three months and our wealth management business had assets under service of ₹28,164 crore as of March 31, 2019.

We have a professional and experienced management team, led by our Managing Director and CEO, which 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 organizational functions for our Issuer. Together, they have demonstrated an ability to manage and grow our operations. 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, including the independent directors, also 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.

Customer Base of Primary Businesses

The table below illustrates our key customers for our primary businesses:

Business	Key Customers
Rural finance	
Farm equipment finance	Farmers
Two-wheeler finance	Salaried and self-employed individuals across all age
Micro loans	Women micro entrepreneurs (through a joint liability
Housing finance	
Home loans and loans against	Self-employed non-professionals and salaried
Real estate finance	Real estate developers
Wholesale business	
Infrastructure finance	Infrastructure project developers

Structured corporate finance	Corporate clients
Investment management	Retail and corporate investors
Wealth management	High net worth individuals and families

Branches or Units of the Issuer and its Subsidiaries

Sr. No.	Name of the Entity	Number of Branches
1.	L&T Finance Holdings Limited	1
2.	L&T Infrastructure Finance Company Limited	5
3.	L&T Finance Limited	220
4.	L&T Investment Management Limited	52
5.	L&T Mutual Fund Trustee Limited	-
6.	L&T Infra Investment Partners Advisory Private Limited	-
7.	L&T Infra Investment Partners Trustee Private Limited	-
8.	L&T Infra Debt Fund Limited	-
9.	L&T Financial Consultants Limited	2
10.	L&T Housing Finance Limited	31
11.	L&T Capital Markets Limited	12*
12.	Mudit Cement Private Limited	-

* One branch of L&T Capital Markets Limited is located at the Dubai International Finance Centre, and is operating out of the premises of L&T Capital Markets (Middle East) Limited pursuant to a no objection certificate.

Our Company is registered with the RBI as a NBFC-CIC-ND-SI conducting business through our wholly-owned Subsidiaries, as detailed below:

I	Holding Company
	Larsen and Toubro Limited
II	Subsidiary Companies (“Subsidiaries”)
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
5.	L&T Housing Finance Limited
6.	L&T Finance Limited
7.	L&T Capital Markets Limited
8.	L&T Infra Investment Partners Advisory Private Limited*
9.	L&T Infra Investment Partners Trustee Private Limited*
10.	L&T Infra Debt Fund Limited**
11.	Mudit Cement Private Limited
12.	L&T Capital Markets (Middle East) Limited
13.	L&T Infra Investment Partners***

* indirectly wholly-owned Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 100% of outstanding share capital.

** indirectly wholly-owned Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 48.36%, L&T Finance Limited holding 28.28% and our Company holding 23.36%, of its outstanding share capital.

*** indirect Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 54.93% of outstanding share capital.

(b) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis

(INR In Crore)

Parameters	March FY19
	IndAS
Networth	13,448.60
Non-controlling interest	222.26
Total debt	91,506.98
Other financial liabilities	705.39
Other non-financial liabilities	171.87
Net fixed assets	527.04
Cash and bank balance	1,874.15
Investments	8,640.81
Loans	91,324.63
Other financial assets	250.49
Other non-financial assets	3437.98
Interest income	11,637.90
Interest expense	6,860.03
Impairment on financial instruments	700.88
Net loss on fair value changes	383.16
Net loss on derecognition of financial instruments under amortised cost category	384.01
Profit after tax	2,226.30
Gross NPA (%) (Consolidated)*	6.53
Net NPA (%) (Consolidated)*	2.58
Tier I Capital Adequacy Ratio (%)# (Standalone)	77.88
Tier II Capital Adequacy Ratio (%)# (Standalone)	-

* Stage 3 EAD is considered as NPA.

Preference share capital is not considered as a part of Tier-II capital as the same is part of borrowings under Ind AS

(INR in crore)

Parameters	March FY18	March FY17
	IGAAP	IGAAP
For Financial Entities		
Networth	12,549.88	7,893.94
Preference Share Capital	1,034.40	1,213.40
Total Debt	71,577.05	59,811.05
Of which – Non Current Maturities of Long Term Borrowing	51,043.24	43,230.35
- Short Term Borrowing	10,802.96	11,764.10
- Current Maturities of Long Term Borrowing	9,730.85	4,816.61
Net Fixed Assets	531.14	618.85
Non Current Assets	65,441.11	51,670.35
Non Current Investments	2,562.81	2,176.02
Non Current Liabilities	706.96	998.27
Cash and cash equivalents	1,063.31	594.38
Current Investments	2,280.52	3,835.51
Current Assets	17,351.68	13,618.48
Current Liabilities	3,239.13	2,478.36
Assets under Management	61,603.00	40,775.50
Off Book Assets	-	-
Interest Income including other income	10,499.94	8,572.31
Interest Expense	5,326.11	4,627.03
Provisioning & write – offs	1,896.75	1,589.90
Profit after tax	1,459.49	1,042.19
Gross NPA (%)	4.80%	4.94%
Net NPA (%)	2.34%	2.89%
Tier I Capital Adequacy Ratio (%)* (Standalone)	83.65%	62.94%
Tier II Capital Adequacy Ratio (%)* (Standalone)	11.42%	19.23%

* Preference shares issued by the Company have been calculated as part of the borrowing base.

(c) Gross Debt: Equity Ratio of the Company on a consolidated basis

Before the issue of non-convertible redeemable preference shares	6.51% *
After the issue of non-convertible redeemable preference shares	6.52% *

* Preference shares issued by the Company have been calculated as part of the borrowing base.

(d) Interest coverage ratio for last three years

(INR in crore)

	FY 19	FY 18	FY 17
	IndAS	IGAAP	IGAAP
Cash profit	3,749.70*	3,698.87	2,736.82
Interest cost	6,860.03	5,326.10	4,627.03

Tax expense	819.95	274.83	36.44
Cash profit after tax plus interest paid	9,789.78	8,750.14	7,327.42
Interest Coverage Ratio (Cash profit after tax plus interest paid / Interest paid)	1.43	1.64	1.58

**Cash profit: Profit after Tax+Net loss on fair value changes+Net loss on derecognition of financial instruments under amortised cost category+Impairment on financial instruments*

(i) BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION

(a) Details of the share capital as on 31 March 2019

(in INR)

SHARE CAPITAL	
Authorized Share Capital	
5,00,00,00,000 equity shares of face value of ₹ 10/- each	50,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,99,88,12,360 equity shares of face value of ₹10/- each	19,98,81,23,600
Size of the Offer	100,00,00,000*
Paid up Capital of the Issuer after the Issue	
1,99,88,12,360 equity shares of face value of ₹10/- each	19,98,81,23,600
SHARE PREMIUM ACCOUNT	
Before the Issue (In Crore)	5,083.23
After the Issue (In Crore)	5,083.23

**Preference share will be part of liability instead of share capital in accordance with IndAS.*

(b) Changes in its (authorized) Capital Structure in the last five years

Date of Change (AGM/EGM)	Authorised Capital (INR)	Reason for Change
March 12, 2013 (Postal Ballot)	60,00,00,00,000 50,00,00,00,000 consisting of 5,00,00,00,000 Equity Shares of face value of ₹ 10 each 10,00,00,00,000 consisting of 10,00,00,000 Preference Shares of face value of ₹ 100 each	Increase in Authorised Share Capital from ₹ 50,00,00,00,000 to ₹ 60,00,00,00,000
April 4, 2014 (Postal Ballot)	80,00,00,00,000 50,00,00,00,000 consisting of 5,00,00,00,000 Equity Shares of face value of ₹10 each 30,00,00,00,000 consisting of 30,00,00,000 Preference Shares of face value of ₹ 100 each	Increase in Authorised Share Capital from ₹ 60,00,00,00,000 to ₹ 80,00,00,00,000

Date of Change (AGM/EGM)	Authorised Capital (INR)	Reason for Change
September 8, 2015 (Annual General Meeting)	1,00,00,00,00,000 50,00,00,00,000 consisting of 5,00,00,00,000 Equity Shares of face value of ₹10 each 50,00,00,00,000 consisting of 50,00,00,000 Preference Shares of face value of ₹100 each	Increase in Authorised Share Capital from ₹80,00,00,00,000 to ₹ 1,00,00,00,00,000

(c) Share Capital History of the Company for the last five years

(i) Equity Share Capital History of the Company as on March 31, 2019

Date of allotment	No. of Equity Shares	Face value (INR)	Issue price (INR)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (INR)	Cumulative share premium	Consideration
May 1, 2008	50,000	10	10	Subscription to Memorandum of Association	50,000	5,00,000	0	Cash
January 13, 2009	20,00,000	10	10	Preferential allotment to L&T	20,50,000	2,05,00,000	0	Cash
April 25, 2009	1,07,65,41,591	10	10	Preferential allotment to L&T	1,07,85,91,591	10,78,59,15,910	0	Cash
November 18, 2009	27,50,00,000	10	10	Preferential allotment to L&T	1,35,35,91,591	13,53,59,15,910	0	Cash
September 20, 2010	6,34,32,835	10	67	Preferential allotment to L&T	1,41,70,24,426	14,17,02,44,260	3,61,56,71,595	Cash
July 7, 2011	5,77,68,000	10	55	Pre-IPO Placement	1,47,47,92,426	14,74,79,24,260	6,21,52,31,595	Cash
July 7, 2011	22,32,000	10	55	Pre-IPO Placement	1,47,70,24,426	14,77,02,44,260	6,31,56,71,595	Cash
August 6, 2011	2,73,30,300	10	56	IPO Allotment (Anchor)	1,50,43,54,726	15,04,35,47,260	7,57,28,65,395	Cash
August 6, 2011	1,00,00,000	10	50	IPO Allotment (Employees)	1,51,43,54,726	15,14,35,47,260	7,97,28,65,395	Cash
August 6, 2011	20,03,75,061	10	52	IPO Allotment (Public)	1,71,47,29,787	17,14,72,97,870	16,38,86,17,957	Cash
January 25, 2012	31,825	10	44.2	ESOP	1,71,47,61,612	17,14,76,16,120	16,38,97,06,372	Cash
October 19, 2012	51,913	10	44.2	ESOP	1,71,48,13,525	17,14,81,35,250	16,39,14,81,797	Cash
December 14, 2012	13,74,665	10	44.2	ESOP	1,71,61,88,190	17,16,18,81,900	16,43,84,95,340	Cash
January 28, 2013	3,65,929	10	44.2	ESOP	1,71,65,54,119	17,16,55,41,190	16,45,10,10,111	Cash
March 21, 2013	2,06,413	10	44.2	ESOP	1,71,67,60,532	17,16,76,05,320	16,45,80,69,436	Cash
April 25, 2013	81,831	10	44.2	ESOP	1,71,68,42,363	17,16,84,23,630	16,46,08,68,056	Cash

Date of allotment	No. of Equity Shares	Face value (INR)	Issue price (INR)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (INR)	Cumulative share premium	Consideration
July 23, 2013	90,699	10	44.2	ESOP	1,71,69,33,062	17,16,93,30,620	16,46,39,69,962	Cash
October 21, 2013	6,64,799	10	44.2	ESOP	1,71,75,97,861	17,17,59,78,610	16,48,67,06,088	Cash
January 23, 2014	8,51,114	10	44.2	ESOP	1,71,84,48,975	17,18,44,89,750	16,51,58,14,187	Cash
April 23, 2014	2,22,845	10	44.2	ESOP	1,71,86,71,820	17,18,67,18,200	16,52,34,35,486	Cash
July 16, 2014	4,49,704	10	44.2	ESOP	1,71,91,21,524	17,19,12,15,240	16,53,88,15,362	Cash
October 22, 2014	3,35,537	10	44.2	ESOP	1,71,94,57,061	17,19,45,70,610	16,55,02,90,728	Cash
January 21, 2015	8,28,839	10	44.2	ESOP	1,72,02,85,900	17,20,28,59,000	16,57,86,37,022	Cash
April 23, 2015	4,13,411	10	44.2	ESOP	1,72,06,99,311	17,20,69,93,110	16,59,27,75,678	Cash
July 23, 2015	365,283	10	44.2	ESOP	1,721,064,594	17,210,645,940	16,60,52,68,356	Cash
October 21, 2013	296,499	10	44.2	ESOP	1,721,361,093	17,213,610,930	16,61,54,08,622	Cash
January 23, 2014	31,836,971	10	74	Preferential Issue	1,753,198,064	17,531,980,640	18,65,29,74,766	Cash
April 23, 2014	200,487	10	44.2	ESOP	1,753,398,551	17,533,985,510	18,65,98,31,422	Cash
July 16, 2014	391,450	10	44.2	ESOP	1,753,790,001	17,537,900,010	18,67,32,19,012	Cash
October 22, 2014	331,524	10	44.2	ESOP	1,754,121,525	17,541,215,250	18,68,45,57,132	Cash
January 21, 2015	825,074	10	44.20	ESOP	1,754,946,599	17,549,465,990	18,71,27,74,663	Cash
January 24, 2017	255,762	10	44.20	ESOP – 2010	1,755,202,361	17,552,023,610	18,72,15,21,724	Cash
	519,500	10	67.85	ESOP – 2013	1,755,721,861	17,557,218,610	18,75,15,74,799	Cash
May 4, 2017	575,146	10	44.20	ESOP – 2010	1,756,297,007	17,562,970,070	18,77,12,44,792	Cash
	1,097,000	10	67.85	ESOP – 2013	1,757,394,007	17,573,940,070	18,83,47,06,242	Cash
May 17, 2017	63,820,990	10	74	Preferential Issue	1,821,214,997	18,212,149,970	22,91,92,49,602	Cash
July 26, 2017	198,125	10	44.20	ESOP – 2010	1,821,413,122	18,214,131,220	22,92,60,25,477	Cash
	299,000	10	67.85	ESOP – 2013	1,821,712,122	18,217,121,220	22,94,33,22,627	Cash
October 26, 2017	784,462	10	44.20	ESOP – 2010	1,822,496,584	18,224,965,840	22,97,01,51,227	Cash
	1,114,500	10	67.85	ESOP – 2013	1,823,611,084	18,236,110,840	23,03,46,25,052	Cash
January 25, 2018	133,275	10	44.20	ESOP – 2010	1,823,744,359	18,237,443,590	23,03,91,83,057	Cash
	1,070,000	10	67.85	ESOP – 2013	1,824,814,359	18,248,143,590	23,10,10,82,557	Cash
March 8, 2018	107,810,899	10	185.51	Preferential allotment to L&T	1,932,625,258	19,326,252,580	42,02,29,73,441	Cash
March 15, 2018	63,051,702	10	158.60	Qualified Institutions Placement	1,995,676,960	19,956,769,600	51,39,24,56,358	Cash

Date of allotment	No. of Equity Shares	Face value (INR)	Issue price (INR)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (INR)	Cumulative share premium	Consideration
May 3, 2018	27,750	10	44.20	ESOP – 2010	1,995,704,710	19,957,047,100	51,39,34,05,408	Cash
	50,000	10	67.85	ESOP – 2013	1,995,754,710	19,957,547,100	51,39,62,97,908	Cash
July 19, 2018	20,975	10	44.20	ESOP – 2010	1,995,775,685	19,957,756,850	51,39,70,15,253	Cash
	60,000	10	67.85	ESOP – 2013	1,995,835,685	19,958,356,850	51,40,04,86,253	Cash
	1,214,100	10	75.35	ESOP – 2013	1,997,049,785	19,970,497,850	51,47,98,27,688	Cash
October 23, 2018	1,39,075	10	44.20	ESOP – 2010	1,997,188,860	19,971,888,600	51,48,45,84,053	Cash
	15,000	10	67.85	ESOP – 2013	1,997,203,860	19,972,038,600	51,48,54,51,803	Cash
	1,28,000	10	75.35	ESOP – 2013	1,997,331,860	19,973,318,600	51,49,38,16,603	Cash
January 21, 2019	1,98,000	10	44.20	ESOP – 2010	1,997,529,860	19,975,298,600	51,50,05,88,203	Cash
	11,06,000	10	67.85	ESOP – 2013	1,998,635,860	19,986,358,600	51,56,45,70,303	Cash
	1,76,500	10	75.35	ESOP – 2013	1,998,812,360	19,988,123,600	51,57,61,04,578	Cash

(ii) *Preference Share Capital History of the Company as on March 31, 2019*

Date of allotment	No. of Preference Shares	Face value (INR)	Issue price (INR)	Nature of Allotment	Cumulative No. of Preference Shares	Cumulative paid-up share capital (INR)	Cumulative share premium	Consideration
March 20, 2013	5,00,00,000	100	100	Private Placement	5,00,00,000	5,00,00,00,000	NIL	Cash
March 31, 2013	2,50,00,000	100	100	Private Placement	7,50,00,000	7,50,00,00,000	NIL	Cash
October 15, 2013	2,50,00,000	100	100	Private Placement	10,00,00,000	10,00,00,00,000	NIL	Cash
June 30, 2014	2,63,40,000	100	100	Private Placement	12,63,40,000	12,63,40,00,000	NIL	Cash
August 13, 2014	1,00,00,000	100	100	Private Placement	13,63,40,000	13,63,40,00,000	NIL	Cash
May 6, 2015	60,000,000	100	100	Private Placement	196,340,000	19,634,000,000	NIL	Cash
October 12, 2018	2,50,00,000	100	100	Private Placement	221,340,000	22,134,000,000	NIL	Cash

(e) Details of allotments made by the Company in the last one year

(i) Details of allotment of Equity Shares

Date of allotment	No. of Equity Shares	Face value (INR)	Issue price (INR)	Reasons for allotment	Details of Consideration
May 4, 2017	575,146	10	44.20	ESOP – 2010	Cash
	1,097,000	10	67.85	ESOP – 2013	Cash
May 17, 2017	63,820,990	10	74.00	Preferential Issue	Cash
July 26, 2017	198,125	10	44.20	ESOP – 2010	Cash
	299,000	10	67.85	ESOP – 2013	Cash
October 26, 2017	784,462	10	44.20	ESOP – 2010	Cash
	1,114,500	10	67.85	ESOP – 2013	Cash
January 25, 2018	133,275	10	44.20	ESOP – 2010	Cash
	1,070,000	10	67.85	ESOP – 2013	Cash
March 8, 2018	107,810,899	10	185.51	Preferential allotment to L&T	Cash
March 15, 2018	63,051,702	10	158.60	Qualified Institutions Placement	Cash
May 3, 2018	27,750	10	44.20	ESOP – 2010	Cash
	50,000	10	67.85	ESOP – 2013	Cash
July 19, 2018	20,975	10	44.20	ESOP – 2010	Cash
	60,000	10	67.85	ESOP – 2013	Cash
	1,214,100	10	75.35	ESOP – 2013	Cash
October 23, 2018	1,39,075	10	44.20	ESOP – 2010	Cash
	15,000	10	67.85	ESOP – 2013	Cash
	1,28,000	10	75.35	ESOP – 2013	Cash
January 21, 2019	1,98,000	10	44.20	ESOP – 2010	Cash
	11,06,000	10	67.85	ESOP – 2013	Cash
	1,76,500	10	75.35	ESOP – 2013	Cash
April 26, 2019	3,34,500	10	44.20	ESOP – 2010	Cash
	2,84,000	10	67.85	ESOP – 2013	Cash
	1,04,000	10	75.35	ESOP – 2013	Cash

(ii) Details of allotment of Preference Shares

Date of allotment	No. of Preference Shares	Face value (INR)	Issue price (INR)	Reasons for allotment	Details of Consideration
October 12, 2018	2,50,00,000	100	250,00,00,000	Private Placement	Cash
May 17, 2019	14,54,00,000	100	145,40,00,000	Private Placement	Cash

(f) Details of any Acquisition or Amalgamation in the last one year

During the last one year, the Company has not undertaken any acquisition or amalgamation.

(g) Details of any Reorganization or Reconstruction, in the last one year

The Company has not undertaken any reorganization or reconstruction in the last one year.

(ii) DETAILS OF SHAREHOLDING OF THE COMPANY AS ON MARCH 31, 2019

(a) Shareholding Pattern of the Company as on March 31, 2019: Please refer to **Annexure I**.

(b) Top Ten Equity Shareholders of the Company as on March 31, 2019:

Sr. No.	Name of Shareholders	Total Number of Equity Shares	% to Equity Capital Shareholding as % of Total No. of Equity Shares
1.	Larsen and Toubro Limited	1,27,75,20,203	63.914
2.	BC Asia Growth Investments	6,38,20,990	3.1929
3.	Citigroup Global Markets Mauritius Private Limited	5,78,69,992	2.8952
4.	ICICI Prudential Life Insurance Company Limited	5,69,66,651	2.85
5.	Smallcap World Fund, Incorporated	3,61,76,853	1.8099
6.	BC Investments VI Limited	3,18,36,971	1.5928
7.	East Bridge Capital Master Fund I Ltd	1,16,56,026	0.5831
8.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity Fund	92,96,332	0.4651
9.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	79,18,034	0.3961
10.	Vanguard Total International Stock Index Fund	77,29,636	0.3867
	TOTAL	1,56,07,91,688	78.0858

(iii) DETAILS REGARDING MANAGEMENT OF THE COMPANY

(a) Details of the current Directors of the Company

Name & DIN	Designation and Occupation	Age	Address	Date of Appointment	Other Directorships
Mr. S. V. Haribhakti 00007347	Independent Director Chartered Accountant	63	10 & 11, Sahil Apartments, 14 Altamount Road, Aairavat Co-operative Housing Society Ltd, Cumbala Hill Mumbai - 400026	September 25, 2010	<ul style="list-style-type: none"> • Torrent Pharmaceuticals Ltd • ACC Limited • Ambuja Cements Limited • Blue Star Limited • Mahindra Lifespace Developers Limited • Future Lifestyle Fashions Limited • Bennett Coleman and Company Limited • Gaja Trustee Company Private Limited • L&T Mutual Fund Trustee Limited • Mentorcap Management Private Limited • NSDL E-Governance Infrastructure Limited

Name & DIN	Designation and Occupation	Age	Address	Date of Appointment	Other Directorships
					<ul style="list-style-type: none"> • Quadrum Solutions Private Limited • Intuit Consulting Private Limited • Planet People and Profit Consulting Private Limited • Cloud Infosolutions Private Limited • Epigeneres Biotech Private Limited
Mr. Dinanath Dubhashi 03545900	Managing Director & Chief Executive Officer	52	1703, 1704, 17 th Floor, Tower T3, Emerald Isle, Saki Vihar Road, Powai Mumbai - 400072	April 14, 2016	<ul style="list-style-type: none"> • L&T Infra Debt Fund Limited • L&T Housing Finance Limited • L&T Finance Limited • L&T Investment Management Limited • L&T Infrastructure Finance Company Limited • L&T Infra Investment Partners Advisory Private Limited • L&T Capital Markets Limited
Mr. R. Shankar Raman 00019798	Non-Executive Director Company Executive for Larsen & Toubro Limited and its group companies	59	Flat No 123, 12 th Floor, Kalpataru Royale, Plot No. 110, Road No. 29, Sion (E), Mumbai 400 022	May 1, 2008	<ul style="list-style-type: none"> • Larsen & Toubro Infotech Limited • Larsen And Toubro Limited • L&T Hydrocarbon Engineering Limited • L&T Seawoods Limited • L&T Metro Rail (Hyderabad) Limited • L&T Investment Management Limited • L&T Infrastructure Development Projects Limited • L&T Realty Limited
Mr. P. V. Bhide 03304262	Independent Director IAS (Retd.)	69	H. No. D – 1/48, 1 st Floor, Vasant Vihar, Near D Block Market, Delhi – 110057	March 22, 2011	<ul style="list-style-type: none"> • Glaxosmithkline Pharmaceuticals Limited • VST Industries Limited • Tube Investments of India Limited • NOCIL Limited • Gujarat Borosil Limited • L&T Housing Finance Limited • L&T Finance Limited • A.P.I.D.C. Venture Capital Private Limited • Shiksha Financial Services India Private Limited
Mr. Thomas Mathew T.	Independent Director	65	19A011, Kohinoor City, Phase-	July 23, 2015	<ul style="list-style-type: none"> • L&T Infra Debt Fund Limited • Larsen and Toubro Limited

Name & DIN	Designation and Occupation	Age	Address	Date of Appointment	Other Directorships
00130282	former Managing Director of Life Insurance Corporation of India		2, Kirol Road, Kurla West Mumbai 400070		<ul style="list-style-type: none"> • Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited • L&T Infrastructure Finance Company Limited
Ms. Nishi Vasudeva 03016991	Independent Director	63	21 A Land Breeze 52 Pali Hill, Bandra Mumbai 400050	June 15, 2017	<ul style="list-style-type: none"> • L&T Infra Debt Fund Limited • HCL Technologies Limited • L&T Infrastructure Finance Company Limited • Atria Convergence Technologies Limited
Mr. Pavninder Singh 03048302	Nominee Director	42	703, Taj Wellington Mews, 33 Nathalal Parekh Marg, Colaba, Mumbai 400001	June 15, 2017	-
Dr. (Mrs.) Rajani Gupte 03172965	Independent Director	63	10, Dream Residency, 128, Anand Park Near Hotel Seasons, Aundh Pune Maharashtra 411007 India	June 28, 2018	<ul style="list-style-type: none"> • L&T Housing Finance Limited • L&T Finance Limited • National Securities Depository Limited • Symbiosis Centre For Entrepreneurship and Innovation
Mr. Prabhakar B 02101808	Non-Executive Director	65	333/13, Halagevader ahalli BEML Layout, V-Stage, Raja Rajeshwari Nagar Bengaluru 560098	June 28, 2018	<ul style="list-style-type: none"> • The Karnataka Bank Limited • Canara HSBC Oriental Bank of Commerce • Life Insurance Company Limited • ASREC (India) Limited • National Securities Depository Limited

None of the above directors appears in RBI defaulter list and/or ECGC defaulter list. For brief particulars of our management, please refer to Annexure E.

(b) Details of change in Directors since last three years

Name	Designation	Date of Appointment	Date of Cessation	DIN
Mr. Pavninder Singh	Nominee Director	June 15, 2017	-	03048302
Ms. Vaishali Kasture	Independent Director	June 15, 2017	May 29, 2018	01837395
Ms. Nishi Vasudeva	Independent Director	June 15, 2017	-	03016991

Name	Designation	Date of Appointment	Date of Cessation	DIN
Mr. B. V. Bhargava	Independent Director	April 1, 2014	August 31, 2017	00001823
Mr. Amit Chandra	Nominee Director	December 23, 2015	June 15, 2017	00009797
Mr. Y. M. Deosthalee	Non-Executive Director and Chairperson	-	May 31, 2017	00001698
Ms. Kamakshi Rao	Independent Director	April 1, 2014	March 21, 2017	03631768
Mr. Dinanath Mohandas Dubhashi	Managing Director & Chief Executive Officer	April 14, 2016	-	03545900
Mr. N. Sivaraman	Whole-time Director	-	April 12, 2016	00001747
Mr. Thomas Mathew T	Independent Director	July 23, 2015	-	00130282
Mr. Shailesh Vishnubhai Haribhakti	Independent Director	April 1, 2014	-	00007347
Mr. P. V. Bhide	Independent Director	April 1, 2014	-	03304262
Mr. Harsh Charandas Mariwala	Independent Director	April 1, 2014	April 1, 2019	00210342
Mr. R. Shankar Raman	Non - Executive Director	May 1, 2008	-	00019798
Dr. (Mrs.) Rajani R Gupte	Independent Director	June 28, 2018	-	03172965
Mr. Prabakar B.	Non - Executive Director	June 28, 2018	-	02101808

(c) Details of change in auditor since the last three years

Name	Address	Date of Appointment/ Resignation	Auditor of the Company since (in case of resignation)	Remarks
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre Tower 3, 27 th - 32 nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400013	August 23, 2016	2016	-
B. K. Khare & Co.	706/708, Sharda Chambers, New Marine Lines, Mumbai - 400 020	August 23, 2016	2016	-

(c) Remuneration of directors

(Rs. in lakhs)			
Name of Director	FY 19	FY 18	FY 17
Mr. Dinanath Dubhashi	587.55*	856.95*	472.51*
Mr. Shailesh Vishnubhai Haribhakti	57.00	56.87	23.10
Mr. R. Shankar Raman	-	-	-
Mr. Pradeep Vasudeo Bhide	15.75	24.60	20.35
Mr. Harsh Charandas Mariwala	16.80	27.00	22.65
Mr. Thomas Mathew T.	19.67	25.60	15.60
Ms. Nishi Vasudeva	15.22	11.70	-
Mr. Pavninder Singh	7.75	14.85	-
Dr. (Mrs.) Rajani R. Gupte	8.00	-	-
Mr. Prabhakar B.	8.00	-	-

*includes variable pay paid in the next year

(d) Details of Key Managerial Personnel

Name	Designation
Mr. Dinanath Dubhashi	Managing Director & Chief Executive Officer
Mr. Sachinn Joshi	Chief Financial Officer
Ms. Apurva Rathod	Company Secretary

(e) Interest of Directors, Promoter and Key Managerial Personnel in the Issue

The Promoter, Directors and the Key Managerial Personnel may be regarded as interested in the NCRPS, if any NCRPS, are subscribed by or allotted to them or their relatives or the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

(f) Contribution made by the Promoter or the Directors either as part of the Issue or separately in furtherance of the objects of the Issue

The Promoter and the Directors may contribute to the Issue, to the extent of the NCRPS that are subscribed by or allotted to them.

(iv) DETAILS OF BORROWINGS OF THE COMPANY, SEGREGATING THE RUPEE DENOMINATED BORROWINGS AND BORROWINGS MADE IN FOREIGN CURRENCY, AS ON MARCH 31, 2019

1. Details of Secured Loan Facilities

The Company does not have any secured loan facilities as on March 31, 2019.

2. Details of Unsecured Loan Facilities

The Company does not have any unsecured loan facilities as on March 31, 2019 other than as set out in points 5 and 6 below.

3. Details of Non Convertible Debentures

The Company does not have any non convertible debenture as on March 31, 2019.

4. Corporate guarantee issued by the Company

The Company does not have any corporate guarantee issued as of March 31, 2019.

5. Details of Commercial Paper outstanding as on March 31, 2019

Particulars	Lender Name	Type of facility/ Instrument	Principal Amount outstanding (INR in Crores)	Repayment Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Commercial Paper	SBI MF	Short Term Borrowing – CP	250.00	03-May-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	HDFC MF	Short Term Borrowing – CP	100.00	04-Jun-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	Reliance MF	Short Term Borrowing – CP	100.00	04-Jun-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	Reliance MF	Short Term Borrowing – CP	300.00	29-Apr-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	Union MF	Short Term Borrowing – CP	25.00	29-Apr-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	SBI MF	Short Term Borrowing – CP	300.00	10-Jun-19	Care A1+ ICRA A1+	Unsecured	N.A.
Commercial Paper	SBI MF	Short Term Borrowing – CP	100.00	04-Jun-19	Care A1+ ICRA A1+	Unsecured	N.A.

6. Details of Rest of the Borrowing as on March 31, 2019 (if any including hybrid debt like FCCB, Optionally Convertible Debentures)

Particulars	Lender Name	Type of facility/ Instrument	Amount sanctioned (INR in Crores)	Lender Name	Principal Amount outstanding (INR in Crores)	Repayment Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Cash Credit	City Union Bank	Cash Credit	5	City Union Bank	4.99	-	-	Unsecured	N.A.

7. Details of default / Delays in payments of statutory dues, interest and principal of any kind of term loans, debt securities, debentures, deposits and other financial indebtedness in the past five years.

The Company has never defaulted or delayed in payments of statutory dues, interest and principal of any kind of term loans, debt securities, deposits and other financial indebtedness in the last five years.

8. Details of any 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.

The Company until date has not issued any debt security for consideration other than cash either at premium or at discount.

(v) Details of the Promoter of the Company

Details of the Promoter holding in the Company as on March 31, 2019

Name of the Shareholders	Details of Shares Held		Encumbered Shares	
	Number of Shares Held*	% to Equity	Number of Shares Held	% to Equity
Larsen & Toubro limited	1,27,75,20,203	63.914	-	-
Total	1,27,75,20,203	63.914	-	-

**All Shares are held in demat form*

(vi) Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for the last three years and summary of auditor qualifications for the last three years, if any.

The abridged audited consolidated and standalone financial information for last three years is annexed herewith as Annexure B. The auditors have not made any adverse remarks or qualifications on their reports on the financial statements of the Company for the last five years.

(vii) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.

The Group has adopted Indian Accounting Standards (“**Ind AS**”) notified under Section 133 of the Companies 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 Companies Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (“**RBI**”) and National Housing Bank (“**NHB**”). 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 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

(viii) Any material event/development or change having implications on the financials/credit quality at the time of Issue which may affect the Issue or the Investor’s decision to invest/continue to invest in the non-convertible redeemable preference shares.

To the best of our knowledge there is no material event/development or change at the time of issue or subsequent to the issue which may affect the Issue or the Investor’s decision to invest/continue to invest in the non-convertible redeemable preference shares.

(ix) The credit rating letter issued by the rating agencies.

The credit rating letter issued by CARE dated May 28, 2019 along with the rating rationale is annexed herewith as Annexure A.

(x) Names of all the recognized stock exchange where the NCRPS are proposed to be listed clearly indicating the designated stock exchange.

The NCRPS are proposed to be listed on BSE. BSE shall be the designated stock exchange.

- (xi) Details of any litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any Promoter of the Issuer during the last three years immediately preceding the year of the circulation of this Information Memorandum and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action

Please refer to Annexure J.

- (xii) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non convertible redeemable preference shares.

Apart from the litigations disclosed in Annexure J, there are no material developments/ events that may impact the financials / credit quality of the non convertible redeemable preference shares.

- (xiii) Related party transactions entered during the last three Financial Years

Sr. No.	Nature of Transactions	2019-18 (INR in Crore)	2018-17 (INR in Crore)	2017-16 (INR in Crore)
1	Subscription to Equity shares of			
	L&T Capital Markets Limited	-	-	2.00
	L&T Housing Finance Limited	-	600.00	75.00
	L&T Infra Debt Fund Limited	-	16.35	-
	L&T Finance Limited	-	1,400.00	-
	L&T Infrastructure Finance Company Limited	1,300.39	450.00	220.00
	L&T Access Distribution Services Limited	-	-	15.35
	L&T Capital Markets (Middle East) Limited	5.41	-	-
2	Inter corporate deposits given			
	L&T Finance Limited	8,036.51	7,421.03	7,656.06
	L&T Infrastructure Finance Company Limited	2,754.75	4,224.65	2,701.35
	L&T Capital Markets Limited	-	16.52	-
	L&T Access Distribution Services Limited	-	-	5.81
	L&T Financial Consultants Limited	371.29	392.68	381.80
	L&T Housing Finance Limited	1,917.72	2,340.07	1,843.25
	L&T Investment Management Limited	36.22	-	-
	L&T Infra Investment Partners Advisory Private Limited	0.15	-	-
	L&T Capital Markets (Middle East) Limited	15.66	-	-
3	Professional fees expense			
	Larsen & Toubro Limited	0.04	0.04	0.04
4	Rent and maintenance expenditure			
	L&T Financial Consultants Limited	1.42	1.37	0.75
	L&T Finance Limited	-	-	0.08
5	Reimbursement of Expense to			
	Larsen & Toubro Limited	0.11	0.08	0.16
	L&T Finance Limited	-	-	0.09
	L&T Financial Consultants Limited	0.03	-	-

6	Interest income on NCD			
	L&T Financial Consultants Limited	-	-	50.86
7	Reimbursement of expense from			
	L&T Infrastructure Finance Company Limited	-	0.08	-
	L&T Investment Management Limited	-	0.08	-
	L&T Housing Finance Limited	-	0.08	-
	L&T Capital Markets Limited	-	0.08	-
	L&T Finance Limited	-	0.08	-
8	ESOP charges recovered			
	L&T Finance Limited	25.91	15.39	0.08
	L&T Infrastructure Finance Company Limited	8.11	5.49	-
	L&T Housing Finance Limited	1.33	0.69	-
	L&T Financial Consultants Limited	0.37	0.13	-
	L&T Infra Debt Fund	0.38	0.13	-
	L&T Capital Market Limited	3.51	2.35	-
	L&T Investment Management Limited	20.88	11.57	-
10	Interest expense on inter corporate borrowings			
	L&T Infrastructure Finance Company Limited	0.44	-	-
	Larsen & Toubro Limited	17.95	-	-
11	Interest Income on Inter Corporate Deposit			
	L&T Finance Limited	95.08	31.29	21.49
	L&T Infrastructure Finance Company Limited	4.36	6.71	3.34
	L&T Investment Management Limited	0.09		
	L&T Capital Markets Limited	-	0.03	-
	L&T Housing Finance Limited	3.58	2.86	5.98
	L&T Financial Consultants Limited	34.65	32.12	19.22
	L&T Infra Investment Partner Advisory Pvt Ltd.	-	-	-
	L&T Capital Markets (Middle East) Limited	0.16	-	-
12	Interest Income on NCD			
	L&T Financial Consultants Limited	-	-	0.51
13	Management fees income			
	L&T Finance Limited	1.31	2.62	4.97
	L&T Infra Debt Fund Limited	0.82	0.33	-
	L&T Infrastructure Finance Company Limited	4.09	1.96	4.34
	L&T Investment Management Limited	0.82	0.65	-
	L&T Capital Markets Limited	0.82	0.33	-
	L&T Housing Finance Limited	2.45	0.65	1.27
	L&T General Insurance Company Limited	-	-	1.02
14	Repayment of Security Deposit by			
	L&T Financial Consultants Limited	0.06	-	-
15	Dividend income			
	L&T Finance Limited	191.90	-	140.33
	L&T Housing Finance Limited	114.93	173.44	-
	L&T Infrastructure Finance Company Limited	-	151.54	86.00
	L&T Financial Consultants Limited	6.75	52.03	-
	L&T Investment Management Limited	30.22	-	-
16	Deputation cost recovered			
	L&T General Insurance Company Limited	-	-	1.65
17	Subscription to equity shares of the company by			
	Larsen & Toubro Limited	-	2,000.00	-

18	Managerial remuneration			
	Mr. Dinanath Dubhashi	5.62	8.21	5.67
	Mr. Y.M. Deosthalee	-	-	1.58

- (xiv) **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act against the Company and / or its subsidiaries and prosecutions filed (whether pending or not) fines imposed, compounding of offences by the Company and / or its subsidiaries in the last three years**

Company

There are none.

Subsidiaries

L&T Infrastructure Finance Company Limited

There are none.

L&T Finance Limited

1. The National Company Law Tribunal, Kolkata bench, passed two orders dated November 24, 2016 (the "**Orders**") to compound the offences under Section 220(1) of the Companies Act, 1956 for failure to attach the auditors' report to the balance sheet filed with RoC, West Bengal and Section 372 A (3) of the Companies Act, 1956 for provision of loan at a rate lower than the prevailing bank rate. The Orders were passed pursuant to the prosecution initiated against L&T Finance and certain of its officials by the RoC, West Bengal and the suo moto application filed by L&T Finance under section 621A of the Companies Act, 1956, respectively, and payment of compounding fees was made to the credit of the Central Government.
2. L&T Finance Limited ("**Transferor 1**") and L&T Fincorp Limited ("**Transferor 2**") amalgamated with Family Credit Limited (subsequently name 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.

L&T Investment Management Limited

There are none.

L&T Mutual Fund Trustee Limited

There are none.

L&T Infra Investment Partners Advisory Private Limited

There are none.

L&T Infra Investment Partners Trustee Private Limited

There are none.

L&T Infra Debt Fund Limited

There are none.

L&T Financial Consultants Limited

There are none.

L&T Housing Finance Limited

There are none.

L&T Capital Markets Limited

There are none.

Mudit Cement Private Limited

There are none.

(xv) Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company

No act of material fraud has been committed against the Company in the last three years.

(xvi) List of Authorised Signatories

Pursuant to the resolution passed by the committee of Directors of the Company at its meeting held on 29 May 2019, certain persons were severally authorized to issue the IM.

(xvii) Documents Submitted to the Stock Exchange

The Issuer shall submit the following documents to the Stock Exchange:

- i. Memorandum and Articles of Association and necessary resolution(s) for the allotment of NCRPS;
- ii. Copies of last three years audited annual reports;
- iii. Statement containing particulars of dates of, and parties to all material contracts and agreements;
- iv. Copy of the Board or committee of the Board resolution authorizing the borrowing and its list of authorised signatories.

DISCLOSURES RELATING TO WILFUL DEFAULT

Name of Bank declaring entity to be wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of entity declared as wilful defaulter	Steps taken for removal from list of wilful defaulters	Other disclosures	Any other disclosures
NIL	NIL	NIL	NIL	NIL	NIL	NIL

OTHER DETAILS

Capital Redemption Reserve Creation – Relevant Regulations and Applicability

Adequate capital redemption reserve will be created by the Company, in accordance with applicable statutory provisions.

Issue and Instrument Specific Regulations - Relevant Details (Companies Act, RBI guidelines etc.)

The NCRPS offered are subject to provisions of the Companies Act, SEBI NCRPS Regulations, SEBI LODR Regulations, Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, and rules and regulations made under these enactments.

Future Borrowings

The Company shall be entitled to borrow or raise loans or avail of financial assistance in whatever form as also issue NCRPS, debentures, notes or other securities in any manner with ranking pari passu or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to the NCRPS Holders in this connection.

Business Day Convention / Effect of Holidays

If any of the Dividend Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Dividend Payment Date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the NCRPS. In other words, the subsequent Dividend Payment Date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

If the Redemption Date of the NCRPS falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day, which becomes the new redemption date, along with interest accrued on the NCRPS until but excluding the date of such payment.

ADDITIONAL DISCLOSURES

	Particulars	Disclosures
A	Details of Branches and Units	Provided in the IM
B	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	
i)	statutory dues;	None
ii)	debentures and interest thereon;	None
iii)	deposits and interest thereon; and	None
iv)	loan from any bank or financial institution and interest thereon.	None
C	Details of default in annual filing of the Company, if any, under the Companies Act, 2013 and the rules made thereunder	There are no defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder as on date.
D	The change in control, if any, in the Company, that would occur consequent to the private placement	N.A.
E	The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price	NIL
F	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Not applicable
G	The details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.	There are no material orders passed by the regulators, courts and tribunals which impact the going concern status of the Company and its future operations.
H	The pre-issue and post-issue shareholding pattern of the Company	As provided in Annexure C
I	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/issue and the effect of such interest in so	None of the directors, promoters or key managerial personnel has financial or material interests in the offer.

	far as it is different from the interests of other persons.	
J	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Information Memorandum and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	Not applicable
K	The proposed time within which the allotment shall be completed	On the Date of Allotment
L	Purposes and objects of the offer	Subject to compliance with Applicable Laws and regulations, the Company intends to use the proceeds for redemption of preference shares, and funding the operations of the Company, including but not limited to, repayment of loans of the Company or to invest in its Subsidiaries in the form of Tier I and Tier II capital to enhance their capital adequacy.
M	Interim utilisation of proceeds	Pending utilisation of the proceeds towards the objects of the Issue, in the interim, the Company intends to invest in its Subsidiaries in the form of inter-corporate deposits or in money market instruments, mutual funds, or deposits with banks/corporates or other securities. Such investments would be in accordance with the investment policies as approved by our Board from time to time and Applicable Laws and regulations.

DIVIDEND POLICY

Our Company has adopted dividend distribution policy effective from October 25, 2016. The declaration and payment of dividends, if any, will be recommended by our Board and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The declaration of dividends will be dependent on a number of internal and external factors, including, but not limited to, cash flow required to meet contingencies, borrowings outstanding, present and future capital requirements of the business, funding of business acquisitions, regulatory environment, and past dividend trends. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

At the Tenth Annual General Meeting of the Company held on August 28, 2018, the Company had declared final dividend of INR 1 per Equity Share of face value INR 10 each. The Company had, on March 26, 2019 also declared interim dividend at the rates mentioned below on Cumulative Compulsorily Redeemable Preference Share of face value INR 100 each:

Issuance	Rate of Dividend (% per annum)
CRPS FY15 A*	8.50%
CRPS FY15 B **	8.35%
CRPS FY16	8.15%
CRPS FY 19 A	8.95%

* Matured on June 30, 2019

** Matured on August 13, 2019

The dividend declared by the Company in the last three Financial Years is provided below:

(INR in crore)

	FY19	FY 18	FY 17
Dividend on Equity Shares	199.88*	199.70	145.74
Dividend on Preference Shares	88.62	93.07	106.77
Total Dividend	288.50	292.77	252.51

**The Board of Directors have recommended a final dividend of INR 1 per Equity Share of INR 10 each subject to approval of shareholders in forthcoming annual general meeting of the Company.*

The Issuer and its subsidiaries have not been prohibited or restricted in payment of dividends by virtue of any default of its contractual obligations or otherwise.

The Company shall pay dividends to the NCRPS Holders in accordance with the terms of this Issue and Applicable Law. In the event the dividend is not paid in a particular year, the same shall be accumulated and paid along with the dividend payout in the next year.

STATEMENT OF TAX BENEFITS

May 28, 2019

The Board of Directors
L&T Finance Holdings Limited
Brindavan, 2nd Floor
Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098

Dear Sirs,

Sub: Statement of possible special tax benefits available to L&T Finance Holdings Limited and its shareholders in connection with the proposed private placement of listed Cumulative Non-Convertible Redeemable Preference Shares of face value Rs. 100 each (the “Securities”) of aggregate value up to INR 100 Crore, of L&T Finance Holdings Limited (the “Offering” or “Issue”)

We refer to the proposed Offering by **L&T Finance Holdings Limited** (the “Company”) and enclose the Statement of possible special tax benefits available to the Company and its preference shareholders under the Income-tax Act, 1961 (the “Statement”) showing the current position of taxation applicable to the Company and its shareholders as per the provisions of the Income Tax Act, 1961 (the “Act”) for inclusion in the “Information Memorandum”. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders 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 guide the investors 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 investor 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 investor to invest money based on this statement.

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

- the Company or its shareholders 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 Information Memorandum 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 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 Offering 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.

For
B. K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)

Padmini Khare Kaicker
Partner
(Membership No. 044784)

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHAREHOLDERS

UNDER THE INCOME TAX ACT 1961 (“THE ACT”)

L&T Finance Holdings Limited (“the Company”) is an Indian Company, subject to tax in India. The Company is taxed on its profits and gains. Profits are computed after claiming all applicable exemptions and allowing deductions for all reasonable business expenditure, laid out wholly and exclusively for the purpose of the business, and allowances including depreciation.

The statement of Special Tax Benefits (captured below) is as per the Finance Act, 2019 relevant for the Financial Year 2019-20.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

Considering the activities and the business of the Company, there are no special benefits available to the Company under the provisions of the Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special benefits available to the Preference Shareholders under the provisions of the Act.

Notes:

- a. This statement is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- b. We have not commented on the taxation aspect under any law for the time being in force, as applicable of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

TERMS OF THE ISSUE

Issuer/Company	L&T Finance Holdings Limited
Date of special resolution passed by the shareholders authorising the Issue	August 28, 2018 at their annual general meeting
Instrument Name	Rated, listed, cumulative compulsorily redeemable non-convertible preference shares of a face value of INR 100 each (“ NCRPS ”) being issued by the Issuer on a private placement basis
Type of Instrument	Rated, listed, cumulative, compulsorily redeemable, non-convertible preference shares (“ NCRPS ”)
Nature of Instrument	<ul style="list-style-type: none"> a) The NCRPS shall not be convertible into equity shares; b) The NCRPS shall be redeemable at the end of the Tenor; c) Dividend on the NCRPS shall be payable on a cumulative basis; d) The NCRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.
Seniority	Claims of the NCRPS Holder shall rank senior to claims by any holder of equity shares of the Company and shall rank <i>pari passu</i> with all other preference shares issued by the Company. Claims of the NCRPS Holder shall be subordinate to the both secured and unsecured creditors of the Company.
Mode of Issue	Private placement
Rating of the instrument	CARE AAA (RPS); Stable (Triple A (Redeemable Preference Shares); Outlook: Stable) by CARE Ratings Limited (“ CARE ”). Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
Issue Size	Up to 25,00,000 NCRPS, aggregating up to INR 25,00,00,000
Option to retain oversubscription	Up to 75,00,000 NCRPS, aggregating up to INR 75,00,00,000
Objects of the Issue	Subject to compliance with Applicable Laws and regulations, the Company intends to use the proceeds for redemption of preference shares, repayment of loans of the Company or to invest in its Subsidiaries in the form of Tier I and Tier II capital to enhance their capital adequacy
Interim utilisation of proceeds	Pending utilisation of the proceeds towards the objects of the Issue, in the interim, the Company intends to invest in its Subsidiaries in the form of inter-corporate deposits or in money market instruments, mutual funds, or deposits with banks/ corporates or other securities. Such investments would be in accordance with the investment policies as approved by our Board from time to time and Applicable Laws and regulations
Details of Utilization of Proceeds	The Company shall utilize the proceeds of the Issue solely for meeting the objects of the Issue as stated in the Information Memorandum

Face Value	INR 100 per NCRPS					
Premium / Discount on Issue	None					
Issue Price	INR 100 per NCRPS					
Tenor	42 months from the Date of Allotment					
Redemption Date	December 02, 2022					
Dividend	Amount of dividend to be paid on the NCRPS calculated at the Dividend Rate					
Dividend Rate	7.95% per annum					
Dividend Payment Frequency	First Dividend on 26 th March 2020 and thereafter annually and on the Redemption Date					
Redemption Premium/Discount	None					
Redemption Price	INR 100 per NCRPS					
Redemption Amount	INR 100 per NCRPS plus any Dividend accrued but not paid from any previous Dividend Payment Date as illustrated below					
Put / Call Option	None					
Put Option Date	Not applicable					
Put Option Price	Not applicable					
Put Notification Time	Not applicable					
Call Option Date	Not applicable					
Call Option Price	Not applicable					
Call Notification Time	Not applicable					
Minimum Application and in multiples thereafter	Rs. 1.00 crore (1,00,000 NCRPS) and in multiples of Rs. 10 lakh (10,000 NCRPS) thereafter					
Dividend Payment Dates and Redemption Date						
Scheduled Dividend Payment Date and Redemption Date	Modified Dividend Payment Date and Redemption Date as per Business Day Convention	Dividend for the period		For the Financial Year	No. of Days	Amount payable per NCRPS (Rs.)
		From and Including	Up to and Including			
Monday, June 03, 2019	Monday June 03, 2019	-	-	-	-	-100
Thursday, March 26, 2020	Thursday, March 26, 2020	Monday June 03, 2019	Tuesday, March 31, 2020	2019-20	303	6.5816
Friday, March 26, 2021	Friday, March 26, 2021	Wednesday, April 01, 2020	Wednesday, March 31, 2021	2020-21	365	7.95
Saturday, March 26, 2022	Monday, March 28, 2022	Thursday, April 01, 2021	Thursday, March 31, 2022	2021-22	365	7.95
Friday, December 02, 2022	Friday, December 02, 2022	Friday, April 01, 2022	Friday, December 02, 2022	2022-23	245#	105.3363*
Notes and Assumptions: # The Redemption Date has not been included while calculating number of days in the period Friday, April 1, 2022 and to Friday, December 02, 2022. * Inclusive of the Redemption Amount of Rs. 100 per NCRPS.						

<p>a. The Dividend amount has been calculated at the rate of 7.95% per annum rounded off to four decimals for each NCRPS.</p> <p>b. Pursuant to the “Business Day Convention”, all days (other than Saturdays and Sundays or a Public Holiday in Mumbai) on which the banks are open for business in Mumbai, have been considered as “Business Days”.</p> <p>c. In accordance with Business Day Convention, (a) if any Dividend Payment Date falls on a day that is not a Business Day, payment shall be made on the immediately succeeding Business Day without any obligation to pay the Dividend for the intervening period and (b) if the Redemption Date falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day.</p> <p>d. For the purpose of the above illustration, it has been assumed that only Saturdays and Sundays are non-Business Days. The notified/ gazette/ other bank holidays cannot be ascertained as at the date of this Information Memorandum and therefore their impact has not been included in the above illustration.</p>	
Change in Tax Laws	No indemnity in the event of change in any tax laws.
Listing	The NCRPS shall be listed on the BSE Limited. In case delay in listing of NCRPS beyond 20 days from the Deemed Date of Allotment, the Company shall pay an additional interest at the rate of 2.00% per annum over the Rate of Dividend on the Face Value from the expiry of 30 days from the Date of Allotment until the day prior to the actual listing of NCRPS on the BSE Limited.
Rights of Instrument Holders	<p>Pursuant to section 47(2) of the Companies Act, every member of a Company and holding any NCRPS shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to their NCRPS and, any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and their voting right on a poll shall be in proportion to their share in the paid-up preference share capital of the Company. The proportion of the voting rights of equity shareholders to the voting rights of the holders of NCRPS shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the NCRPS.</p> <p>However, in case where the Dividend in respect of NCRPS has not been paid for a period of two years or more, such NCRPS Holders shall have a right to vote on all the resolutions placed before the Company.</p>
Mode of Redemption	In accordance with Section 55 of the Companies Act

Capital Redemption Reserve	<p>Pursuant to Section 55 of the Companies Act in the event that the Company decides to redeem the NCRPS otherwise than out of proceeds realized from issuance of fresh shares, i.e. out of profits of the Company which would otherwise be available for dividend, the Company shall, out of such profits, transfer a sum equal to the nominal amount of the NCRPS to be redeemed, to the capital redemption reserve account, and the provisions of the Companies Act relating to reduction of share capital of the Company shall apply as if the capital redemption reserve account were paid-up share capital of the Company.</p> <p>The capital redemption reserve account may also be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.</p>
Cumulative/ Non-Cumulative	Cumulative
Discount at which non-convertible redeemable preference share is issued and the effective yield as a result of such discount.	Not applicable
Issuance Mode of the Instrument	Demat only
Trading Mode of the Instrument	Demat only
Mode of Payment	NEFT / RTGS / any other electronic mode / any other permissible mode
Mode of Repayment	NEFT / RTGS / any other electronic mode / any other permissible mode
Settlement Mode of the Instrument	<p>a) Payment of Dividend</p> <p>Payment of the Dividend on the NCRPS(s) shall be made to those NCRPS Holders whose name(s) appear in the Register of NCRPS Holder(s) (or to the first holder in case of joint holders) as on Record Date fixed by the Company for this purpose and/or as per the list provided by NSDL/ CDSL to the Company of the Beneficial Owners who hold NCRPS in demat form on such Record Date, and are eligible to receive Dividend.</p> <p>Payment will be made by the Company after verifying the bank details of the NCRPS Holder(s) by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available, the Company shall make payment of all such amounts by way of cheque(s)/ demand draft(s)/ dividend warrant(s), which will be dispatched to the NCRPS Holder(s) by registered post/ speed post/courier or hand delivery on or before the Dividend Payment Dates at the sole risk of the NCRPS Holders. For holders of NCRPS in demat format, payment of the Dividend shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft.</p> <p>b) Payment on Redemption</p>

	<p>The NCRPS shall be redeemed by the Company, on the Redemption Date. The Company shall pay the principal amount of the NCRPS along with the accrued dividend on the Redemption Date.</p> <p>(a) In case of NCRPS held in physical form, the NCRPS certificate(s), duly discharged by the sole/all the joint holders (signed on the reverse of the NCRPS Certificate(s)) to be surrendered for redemption should be sent by the NCRPS Holder(s) by registered post with acknowledgement due or by hand delivery to the Company or RTA or to such persons at such addresses as may be notified by the Company from time to time at least 15 days prior to the Redemption Date.</p> <p>The Company may, at its discretion, redeem the NCRPS without the requirement of surrendering of the certificates by the NCRPS Holder(s). Redemption Amounts shall be paid to those NCRPS Holders whose names stand in the Register of NCRPS Holders maintained by the Company on the Record Date fixed for the purpose of redemption.</p> <p>Hence, the transferee(s), if any, should ensure deposit of the transfer documents with the Company or RTA before the Record Date. In case the transfer documents are not deposited before the Record Date and the Company dispatches the Redemption Amount to the transferor, claims in respect of the Redemption Amount should be settled amongst the parties inter se and no claim or action shall lie against the Company or the RTA.</p> <p>Further, the Company shall not be required to verify the bank account details of each NCRPS Holder and make payment of Redemption Amount by way of direct credit through ECS, RTGS or NEFT and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft(s) to the first/sole NCRPS Holder. Direct credit or dispatch of cheques/pay order etc., in respect of such payment will be made on the Redemption Date/ or within a period of 30 days from the date of receipt of the duly discharged NCRPS Certificate. The Company's liability to the NCRPS Holder(s) towards all rights including payment or otherwise shall stand extinguished on and from the due date of redemption in all events and on the Company dispatching the Redemption Amount to the NCRPS Holder(s).</p> <p>The Company will not be liable to pay any dividend, interest, income or compensation of any kind beyond the Redemption Date. In case of any delay in surrendering the NCRPS for redemption, the Company will not be liable to pay any dividend, interest, income or compensation of any kind for the late redemption due to such delay.</p>
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	<p>(b) In case of NCRPS held in dematerialized form, no action is required on the part of the NCRPS Holder(s) at the time of redemption of the NCRPS. The Redemption Amount would be paid by cheque to those NCRPS Holder(s) whose name(s) appear on the list of Beneficial Owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of redemption.</p> <p>All such NCRPS will be simultaneously redeemed through appropriate debit corporate action. The Company shall compute the Redemption Amounts to be paid to each of the NCRPS Holders. The Redemption Amount shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft. The cheque/demand draft for the Redemption Amount, will be dispatched by courier or hand delivery or registered post at the address provided in the application or at the address as notified by the NCRPS Holder(s) or at the address with the Depositories' record at the sole risk of the NCRPS Holder. Once the Redemption Amount have been credited to the account of the NCRPS Holder(s) or the cheque/demand draft for the Redemption Amount is dispatched to the NCRPS Holder(s) at the addresses provided or available from the Depositories' record, the Company's liability to redeem the NCRPS on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCRPS(s).</p>
Depositories	National Securities Depository Limited "NSDL" Central Depository Services (India) Limited "CDSL"
Transferability	The NCRPS shall be freely transferrable in accordance with Applicable Laws
Business Day Convention	<ul style="list-style-type: none"> - All days on which the banks are open for business in Mumbai other than a Saturday or a Sunday. - If any Dividend Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day without any obligation for paying interest or Dividend for the intervening period. - If the Redemption Date falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day. - In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Record Date	15 days prior to each Dividend Payment Date and the Redemption Dates
Interest on Application Money	N.A.

Day Count Convention	<p>“Actual/ Actual” basis</p> <p>All dividend, penal amounts, interest on Application Money, delay or default interest shall be computed on an “actual/actual basis” rounded off to the nearest Rupee. Where the period for which such amounts are to be calculated (start date to end date) includes February 29, dividend shall be computed on 366 days-a-year basis.</p>
Default Interest Rate	<p>In case of default in payment of the Dividend and/or the Redemption Amount on the due dates, additional dividend of at 2% per annum over the Dividend Rate will be payable by the Company for the defaulting period.</p>
Who can apply	<p>All qualified institutional buyers, and any non-qualified institutional buyers investors specifically authorized by the Issuer, are ‘Eligible Investors’ for the purpose of bidding, investing or applying for the Issue, including the following:</p> <ul style="list-style-type: none"> (a) Resident individuals (b) Hindu undivided family through its Karta (c) Partnership firms including limited liability partnership firms (d) Scheduled commercial banks (e) Non-banking financial companies (f) Co-operative banks (g) Regional rural banks (h) Mutual funds (i) Companies, bodies corporate, statutory corporations (j) Public financial institutions, as defined in section 2(72) of the Companies Act (k) Private trusts or public charitable trusts (l) Insurance companies (m) Societies registered under the Societies Registration Act, 1860 (n) Provident fund, gratuity fund, superannuation fund and Pension fund <p>The eligibility of the above classes of investors is subject to compliance with their respective investment norms, eligibility norms and applicable rules, regulations or guidelines laid down by Government of India, RBI or any other statutory body/regulator, from time to time.</p>

Who Cannot Apply	<p>Each of the following are ‘Ineligible Investors’ for the purpose of the Issue:</p> <ul style="list-style-type: none"> (a) Foreign nationals (b) Overseas corporate bodies (c) Any other person restricted by law to apply to an issue of NCRPS or any other instrument of like nature (d) Foreign institutional investors (e) Qualified foreign investors (f) Foreign portfolio investors (g) Long term investors registered with SEBI – sovereign wealth funds (h) Multilateral agencies (i) Non-resident Indians (j) Person resident outside India (as defined in the Foreign Exchange Management Act, 1999) (k) Alternate investment funds (l) Venture capital funds (m) Applicants who are minors unless applying through guardian or trustee <p>Any application received from the above classes of investors shall be deemed an invalid application and rejected.</p>
Transaction Documents	PPOAL, credit rating together with the rating rationale and registrar agreement with RTA
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Rating letter from CARE not being more than one month old from the Issue Opening Date; 2. All corporate and other approvals including but not limited to approvals from the Board or committee of Directors and shareholders of the Company; 3. Evidence that the Transaction Documents are valid and subsisting; 4. Each of the representations and warranties made by the Company being true and correct; and 5. Compliance with all Companies Act and rules framed thereunder for issuance of NCRPS.
Conditions Subsequent to Disbursement	<ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of NCRPS allotted within 2 (two) working days from the Date of Allotment; 2. Make payment of the Dividend on the NCRPS on the Dividend Payment Date(s); 3. Make payment of the Redemption Amount of the NCRPS on the Redemption Date; and 4. Meet compliance with Companies Act and rules framed thereunder for issuance of NCRPS. <p>Besides, the Company shall perform all activities, whether mandatory or otherwise, as mentioned in the Transaction Documents.</p>
Events of Default	Not applicable
Provisions related to Cross Default Clause	Not applicable

Governing Law and Jurisdiction	The NCRPS are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Mumbai (Maharashtra) in India.		
Electronic Bidding Mechanism	The Issue shall be made through EBP as specified by SEBI and the Stock Exchange and applicable for issuance of NCRPS on a private placement basis.		
Target Issue Schedule	Issue Opening Date	Friday	May 31, 2019
	Issue Closing Date	Friday	May 31, 2019
	Pay-In Date	Monday	June 03, 2019
	Date of Allotment	Monday	June 03, 2019

INFORMATION RELATING TO TERMS OF OFFER

The NCRPS are subject to the provisions of the Companies Act (to the extent in force on the date of this Information Memorandum), the SEBI NCRPS Regulations, the SEBI LODR Regulations, the Memorandum and Articles of Association of the Issuer and the terms of this Information Memorandum.

The Issuer or any of its promoters or directors is not a wilful defaulter as at the date of filing of this Information Memorandum and neither the Issuer or any of its promoters or its directors have been categorized as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Issue Size

Private placement by the Issuer of listed, cumulative, non-convertible, redeemable preference shares of face value of Rs. 100 each, for an amount of Rs. 25,00,00,000 (Rupees Twenty Five Crore) (“**Base Issue**”) with an option to retain oversubscription up to Rs. 75,00,00,000 (Rupees Seventy Five Crore) (“**Green Shoe Amount**”), together with the “**Base Issue**” aggregating to Rs. 100,00,00,000 (Rupees One Hundred Crores) shall hereinafter be referred to as the “**Issue**”, on the terms and conditions as set out hereunder.

THE NCRPS CAN ONLY BE APPLIED FOR IN DEMATERIALIZED FORMAT.

Applications under Power of Attorney

In case of an application made under a power of attorney or resolution or authority, a certified true copy thereof along with the memorandum of association and articles and/or bye-laws must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer at its registered office.

Who Cannot Apply

Ineligible Investors are not permitted to apply under this Issue.

DISCLAIMER:

PLEASE NOTE THAT ONLY THOSE IDENTIFIED INVESTORS TO WHOM THIS INFORMATION MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY IDENTIFIED INVESTOR FOR ANY ADDITIONAL DOCUMENTS OR INFORMATION. INVESTMENT BY IDENTIFIED INVESTORS FALLING IN THE CATEGORIES MENTIONED IN THIS INFORMATION MEMORANDUM ARE MERELY INDICATIVE AND THE COMPANY DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES OR REGULATIONS OR GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY IDENTIFIED INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME. NON RESIDENT INDIANS AND OVERSEAS CORPORATE BODIES CANNOT APPLY FOR OR HOLD THESE NCRPS.

Governing Law and Provisions

The NCRPS are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Mumbai (Maharashtra) in India.

IMPORTANT:

PLEASE NOTE FOR APPLICANTS APPLYING THROUGH ELECTRONIC MODE SUCH AS RTGS, THE NAME OF THE APPLICANT AND THE APPLICATION FORM NUMBER MUST BE INCLUDED IN THE RTGS INSTRUCTION SLIP/INSTRUCTION SLIP FOR TRANSFER OF FUNDS.

Eligibility to effect the Issue

The Issuer and persons in control of the Issuer 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.

Minimum Subscription

As the current issue of NCRPS is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of the Base Issue or a certain percentage of the Base Issue.

Underwriting

The present Issue of NCRPS is on private placement basis and is not underwritten.

Registrar and Transfer Agent and Depository Arrangements

The Issuer has appointed Link Intime India Pvt. Ltd as Registrar and Transfer Agent for the NCRPS. The Issuer has made necessary depository arrangements with NSDL and CDSL issue and holding of NCRPS in dematerialised form. In this context the Issuer has signed two tripartite agreements as set out below:

- Tripartite agreement between the Issuer, Link Intime India Pvt. Ltd and NSDL for offering depository option to Eligible Investors.
- Tripartite agreement between the Issuer, Link Intime India Pvt. Ltd and CDSL for offering depository option to Eligible Investors.

Eligible Investors can hold the NCRPS only in dematerialised form and deal with the same in accordance with the provisions of the Depositories Act. However, pursuant to section 8(1) of the Depositories Act, the Issuer, at the request of the Eligible Investors who wish to hold the NCRPS in physical form, will rematerialize the NCRPS. However, trading in the NCRPS shall be compulsorily in dematerialized form.

Fictitious Applications

Attention of Eligible Investors is specifically drawn to the provisions of section 38(1) of the Companies Act, set out below:

“Any person who: (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (ii) 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 (iii) 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).”

Interest on Application Money

As the Pay-In Date and the Date of Allotment fall on the same date, interest on Application Money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the BSE EBP Guidelines.

Tax Benefits

The NCRPS Holders are advised to consider in their own case, the tax implications in respect of subscription to the NCRPS after consulting their own tax advisor or counsel.

Currency of Payment

All obligations under the NCRPS, are payable in Indian Rupees only.

How to Bid

This IM is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the NCRPS issued by the Issuer. All Eligible Investors are required to register themselves as a one-time exercise (if not already registered) with the BSE EBP Platform for participating in electronic book building mechanism. Eligible Investors should refer the operating guidelines for issuance of securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory know your customer verification process. Eligible Investors should refer to the BSE EBP Guidelines in this respect.

- i. The details of the Issue shall be entered on the BSE EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the BSE EBP Guidelines.
- ii. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE EBP Platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

All Eligible Investors should note that the bidding mechanism for this Issue is a fixed price mechanism.

Some of the key guidelines in terms of the current BSE EBP Guidelines on issuance of securities on private placement basis through an EBP mechanism, are as follows:

(i) Modification of Bid

Eligible Investors may note that modification of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, revision of bid is only allowed for upward revision of the bid amount placed or to improve the yield by the Eligible Investor.

(ii) Cancellation of Bid

Eligible Investors may note that cancellation of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.

(iii) Multiple Bids

Investors are permitted to place multiple bids on the BSE EBP Platform in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

(iv) Manner of bidding

The Issue will be through closed bidding on the BSE EBP Platform in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

(v) Manner of allotment

The allotment will be done on uniform yield basis in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

(vi) Manner of settlement

Settlement of the Issue will be done through ICCL and the account details are given in the section on Payment Mechanism of this Information Memorandum.

(vii) Settlement cycle

The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.

(viii) Offer or Issue of executed PPOAL to successful Eligible Investors

The PPOAL along with the application form will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form and part B of the PPOAL to the Issuer in order to accept the offer of NCRPS.

No person other than the successful Eligible Investors to whom the PPOAL has been issued by Issuer may apply for the Issue through the PPOAL and any Application Form received from a person other than those specifically addressed will be invalid.

However, Eligible Investors should refer to the BSE EBP Guidelines prevailing on the date of the bid.

Documents to be provided by Eligible Investors at the time of application

In order to be able to bid under the BSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to know your customer) in accordance with the BSE EBP Guidelines or Applicable Law. The Issuer is entitled at any time to require an Eligible Investor to provide any know your customer or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with Applicable Laws.

Bids by the Arranger

The Arranger as authorized on BSE EBP Platform by the Issuer is allowed to bid on a proprietary, client and consolidated basis. At the time of bidding, the Arranger is required to disclose the following details to the BSE EBP Platform:

- (i) Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.
- (ii) For consolidated bids, the Arranger shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.
- (iii) For bids entered on behalf of Eligible Investors, the Arranger shall disclose the following:
 - (a) Names of such Eligible Investors;
 - (b) Category of the Eligible Investors (i.e. QIB or non-QIB); and
 - (c) Quantum of bid of each Eligible Investor.

Provided that the Arranger shall not allowed to bid on behalf of any Eligible Investor if the bid amount exceeds 5% (five per cent.) of the Issue size or ₹15,00,00,000 (Rupees Fifteen Crores Only), whichever is lower (or such revised limits as may be specified in the BSE EBP Guidelines from time to time).

Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- (i) Non receipt of bids up-to the Issue size;
- (ii) The bidder has defaulted on payment towards the allotment, within the stipulated time frame, due with which the Issuer is unable to fulfil the Issue size;
- (iii) The cut-off yield entered by the bidder is higher than the estimated cut-off yield disclosed to the EBP.

Provided that the Issuer shall accept or withdraw the Issue of the EBP within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date.

However, Eligible Investors should also refer to the SEBI EBP Circulars read with the BSE EBP Guidelines, as prevailing on the date of the bid.

Basis of Allocation or Allotment

Allocation shall be made as approved by the Issuer in accordance with applicable SEBI regulations, BSE EBP Guidelines, and Applicable Laws.

Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP Platform. Post receipt of details of the successful Eligible Investors, the Issuer will upload the final allocation file on the BSE EBP Platform.

Acknowledgements

No separate receipts will be provided by the Issuer for the Application Money.

Payment Mechanism

Payment of subscription money for the NCRPS should be made by the successful Eligible Investor as notified by the Issuer (to whom the Issuer has issued given the offer by issue of PPOAL).

Successful Eligible Investors should do the funds pay-in to the following bank account of ICCL (**“Designated Bank Account”**):

Bank: HDFC Bank

Beneficiary Name: INDIAN CLEARING CORPORATION LTD

Account Number: ICCLEB

IFSC Code: HDFC0000060

Mode: NEFT/RTGS

The Designated Bank Account information shall be displayed in the front end of BSE EBP Platform and the same shall also be available in the obligation file downloaded to Eligible Investors.

Successful Eligible Investors must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (**“Pay-in Time”**). Successful Eligible Investors should ensure to make payment of the subscription amount for the NCRPS from their same bank account which is updated by them in the BSE EBP Platform while placing the bids. In case of mismatch in the bank account details between BSE EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any successful bidders to complete the subscription amount payments by the Pay-in Time or the funds are not received in the ICCL’s Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue the NCRPS to such successful bidders.

Subscription monies will be paid out from the ICCL Designated Bank Account to the Issuer’s account. The transfer will be done in accordance with the procedure prescribed by the SEBI EBP Circulars and the BSE EBP Guidelines.

Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar and Transfer Agent on behalf of the Issuer shall instruct the Depositories on the Pay-in Date, and the Depositories shall accordingly credit the allocated NCRPS to the demat account of the successful Eligible Investor.

The Issuer shall give the instruction to the Registrar and Transfer Agent for crediting the NCRPS by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to ICCL the transfer of NCRPS in the demat account(s) of the successful Eligible Investors.

Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the Issue size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the SEBI EBP Circulars and BSE EBP Guidelines. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

Date of Allotment

All benefits relating to the NCRPS will be available to the Eligible Investor(s) from the Date of Allotment. The actual allotment of NCRPS may take place on a date other than the Date of Allotment. The Issuer reserves the right to modify allotment date or Date of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date is changed (pre-poned or postponed), the Date of Allotment may also be changed (pre-poned or postponed) by the Issuer at its sole and absolute discretion.

Allotments or Refunds

Allotment of the NCRPS shall be made in dematerialized form to the demat accounts in accordance with the details provided in the Application Form. Pending allotment, all monies received for subscription of the NCRPS shall be kept by the Issuer and be utilized only for the purposes permitted under this Information Memorandum. In case no demat details are provided in the Application Form or such details are incomplete or insufficient, the Issuer reserves the right to hold the Application Money until such details are provided accurately.

In case the Issuer has received money from applicants for NCRPS in excess of the aggregate of the Application Money relating to the NCRPS in respect of which allotments have been made, the RTA shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

If any application is rejected in full, the whole of the Application Money received, and if the application is rejected in part, the excess Application Money, after adjustment of allotment money if any, will be refunded to the applicants in its bank account mentioned with depositories. In the event the RTA is unable to retrieve the applicant's bank account details from the depositories or is unable to credit the amount to the applicant's bank account as above, the Issuer shall make the refund to the applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft/pay order/bankers cheques or such other similar mode shall be dispatched by registered post/speed post.

However, the Issuer shall not be liable to pay any interest on any Application Monies or refunds, except as required by Applicable Law.

In terms of Section 42(6) of the Companies Act, if the NCRPS is not allotted within 60 days from the date of receipt of the payments from the applicants, the Issuer shall repay such monies to the applicants within 15 days from the date of completion of the aforesaid 60 days. If the Issuer fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% per annum from the expiry of the sixtieth day. The NCRPS will be allotted within 2 working days from the Date of Allotment to the relevant demat account of each allottee in accordance with the SEBI LODR Regulations and the SEBI NCRPS Regulations.

Force Majeure

The Issuer reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the Issue schedule.

Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected applicant will be intimated along with the refund warrant, if applicable. No interest on Application Money will be paid on rejected applications.

The Application Form that is not complete in all respects is liable to be rejected and would not be paid any interest on the Application Money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of NCRPS applied for is less than the minimum application size;
- b. Applications are not duly signed by the sole/joint applicants;
- c. The amount paid does not tally with the NCRPS applied by the Eligible Investor;
- d. An application is made by a person other than an Eligible Investor;
- e. PAN or GIR and IT Circle or Ward or District not given;
- f. Application exceeding the size of the Issue;
- g. Applications by persons/entities who have been debarred from accessing the capital markets by the SEBI;
- h. Applications by persons who are not eligible to apply to this Issue;
- i. Applicant's details are not provided in the Application Form;
- j. Bank account details not given, or are incomplete, or inadequate;
- k. Relevant documents not submitted in cases where the application is under a power of attorney or by limited companies, corporate, trust etc.;
- l. Application Forms are not accompanied by UTR confirmation for receipt or payment of Application Money.
- m. The subscription amount is paid in any other manner than as mentioned in this IM;
- n. Complete demat details not provided or is incorrect or inadequate; and
- o. Application forms are incomplete in any respect.

For further instructions regarding the application for the NCRPS, Eligible Investors are requested to read the instructions provided in the Application Form.

In the event, if any NCRPS applied for is or are not allotted in full, the excess application monies of such NCRPS will be refunded, as may be permitted.

Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a bank or by a magistrate or notary public under his or her official seal.

Nomination Facility

Nomination facility is available as per provisions under Companies Act 2013.

Terms of Redemption

The NCRPS shall be redeemed in accordance with Section 55 of the Companies Act, 2013.

Dematerialisation

The Company is issuing the NCRPS only in the dematerialized form and hence there is no physical holding of the NCRPS being issued in terms of the Information Memorandum. The Company undertakes that it shall use a common form/ procedure for transfer of the NCRPS issued under the terms of the Information Memorandum, if at a later stage there is some holding in the physical form due to the Depository giving the re-materialisation option to any investor.

Payment of Dividend

Payment of dividend on the NCRPS(s) will be made to those of the NCRPS Holders whose name(s) appear in the Register of NCRPS Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or as per the list provided by NSDL / CDSL to the Company of the Beneficial Owners who hold NCRPS in demat form on such Record Date, and are eligible to receive dividend. Payment will be made by the Company after verifying the bank details of the Investors by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/dividend warrant(s), which will be dispatched to the NCRPS Holder(s) by registered post/ speed post/courier or hand delivery on or before the Dividend Payment Dates at the sole risk of the NCRPS Holder. For holders of NCRPS in demat format, payment of dividend shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft.

Computation of dividend

Dividend for each of the dividend periods, shall be computed on the face value of the NCRPS at the rate specified in this IM.

Record Date

The Record Date for payment of dividend or redemption of principal will be 15 calendar days prior to each Dividend Payment Date or the Redemption Date.

Payment of Redemption

The NCRPS shall be redeemed by the Company, on the Redemption Date. The Company shall pay the principal amount of the NCRPS along with the accrued dividend on the Redemption Date.

Buy-Back of NCRPS

Subject to the provisions of the Companies Act and other applicable regulatory provisions, if any, the Company may from time to time buyback the NCRPS(s) at a discount, at par, or at a premium.

Rights of NCRPS Holders

The NCRPS Holders shall have such rights as specified in the Articles and the Companies Act. In pursuance of sub-section (2) of section 47 of the Companies Act every member of a Company and holding any NCRPS shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his NCRPS and, any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the holders of NCRPS shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the NCRPS. However, in case where the dividend in respect of the NCRPS have not been paid for a period of two years or more, such holder(s) of NCRPS shall have a right to vote on all the resolutions placed before the Company.

Modification of Rights

The rights, privileges, terms and conditions attached to the NCRPS may be varied, modified or abrogated in accordance with the provisions of the Companies Act.

Mode of Transfer / Transmission of NCRPS

The NCRPS issued under the IM shall be transferable freely to all classes of Eligible Participants. The NCRPS(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act. The provisions relating to transfer and transmission and other related matters in respect of shares of the Company contained in the Articles of the Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable to NCRPS) to the NCRPS as well. In respect of the NCRPS held in certificate form, a suitable instrument of transfer as may be prescribed by the Company may be used for the same. The NCRPS held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/DP of the transferor/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, dividend will be paid/redemption will be made to the person, whose name appears in the Register of NCRPS Holders/records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company. The Company confirms that the forms of transfer as set out hereinabove are common forms of transfer as applicable to all NCRPS issued by the Company. Transfer cannot be made to the following persons, as the same is prohibited by Applicable Law:

- (a) Overseas Corporate Bodies (OCBs);
- (b) Any other person restricted by law to hold the NCRPS or any other instrument of like nature; and
- (c) "Person Resident Outside India" As such term is defined in the Foreign Exchange Management Act, 1999

Succession

Where NCRPS are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the holder(s) of the said NCRPS. It would be sufficient for the Company to delete the name of the deceased NCRPS Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on the Company to register his name as successor of the deceased holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCRPS.

In the event of demise of the sole/first holder of the NCRPS(s), the Company will recognize the Executors or Administrator of the deceased NCRPS Holder, or the holder of the Succession Certificate or other legal representative as having title to the NCRPS 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 the 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.

Register of NCRPS Holders

Register of NCRPS Holders means the register maintained by the Registrar and Transfer Agent and/or the Company.

Sharing of Information

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the NCRPS Holders available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCRPS Holder(s) required to be given by the Company shall have and shall be deemed to have been given if sent by ordinary post or by e-mail to the original sole/first allottees of the NCRPS(s) or if notification and mandate has been received by the Company, pursuant to the provisions contained herein above, to the sole/first transferees. All notices to be given by the NCRPS Holder(s), including notices referred to under "Payment of Dividend" and "Redemption" shall be sent by Registered Post/Courier or by e-mail(s) or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time.

Obligations of Investors

Notwithstanding anything contained hereinabove, every potential investor of the NCRPS must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this IM prior to investing in the NCRPS.

As a NCRPS Holder, every initial investor undertakes by virtue of this IM, that if the initial investor as the NCRPS Holder sells the NCRPS to subsequent investors, the initial investor as the NCRPS Holder shall ensure that such subsequent investors receive from the NCRPS Holder, a copy of this IM, and shall sell the NCRPS to a subsequent investor only if such subsequent investor has read, understood and accepted all the terms and conditions referred to above and is an investor who falls within the specified categories. Any such subsequent investor shall be deemed to have read, understood and accepted the terms and conditions in the documents referred to above prior to investing in the NCRPS.

Any person selling these NCRPS would be responsible for ensuring full and prior disclosure of the terms and conditions of the NCRPS to the person(s) to whom they are selling these NCRPS and shall sell the NCRPS only if the subsequent investor has read, understood and accepted all the terms and conditions. The Company would presume full knowledge of the contents of this IM and a full understanding of the NCRPS, their nature and the applicable terms and conditions on the part of any person holding/buying these NCRPS, and no claim to the contrary shall be entertained.

Undertaking by the Company

The Company undertakes that:

- (a) it shall attend to the complaints received in respect of the Issue expeditiously and satisfactorily;
- (b) the funds required for making refunds, if any, shall be made available on time; and
- (c) that necessary co-operation shall be extended to credit rating agency in providing true and adequate information till the debt obligations in respect of the instruments are outstanding.

REGULATIONS AND POLICIES

The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice in relation to the NCRPS. Laws applicable to the Company in general have not been included below. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations relating to the NCRPS

Issuance and Redemption

The provisions of Section 55 of the Companies Act govern the issuance of NCRPS and the redemption of the NCRPS is subject to the conditions set out in the proviso to Section 55 of the Companies Act.

Payment of Dividends

Dividends payable by the Company in respect of the NCRPS for any particular year shall be paid or declared only out of the profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) and shall be subject to the provisions of section 123 of the Companies Act and the Articles of Association of the Company. Further any dividend payout is subject to a dividend distribution tax (to the account of the Company) at the then prevailing rate on the dividend declared, distributed or paid as per the Applicable Law.

Voting Rights

The NCRPS carry no voting rights other than in respect of matters directly affecting the rights attached to the NCRPS and resolutions in relation to winding up of the Company or for the repayment or reduction of the Company's preference share capital. In the event any due and payable dividends remain unpaid for a period 2 years prior to the start of any general meeting of the equity shareholders then the NCRPS Holders shall have voting rights in respect of all matters placed before the Company at a general meeting of its shareholders in accordance with the provisions of section 47 of the Companies Act and the Articles of Association of the Company.

Liquidation Preference

The NCRPS shall, on a winding up or repayment of capital, carry a preferential right vis-à-vis equity shareholders to be repaid the amount of capital paid up and shall include any unpaid dividends and any fixed premium (if applicable) in accordance with the provisions of the Companies Act and the Articles of Association.

INSPECTION OF DOCUMENTS

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated May 1, 2008.
3. Certificate of Registration no. N-13.01925 dated March 31, 2009 issued by RBI, under Section 45-IA of the Reserve Bank of India Act, 1934.
4. Certificate of Registration (CIC) No. N-13.02052 dated September 11, 2013 issued by RBI, under Section 45-IA of the Reserve Bank of India, 1934.
5. Certified true copy of resolution passed by the Board of Directors on March 21, 2018 approving the private placement of NCRPS on a private placement basis, as provided in Annexure F.
6. Certified true copy of the resolutions passed by the committee of Directors at its meeting held on 29 May 2019, according approval for issue of NCRPS on a private placement basis, and authorizing finalization and adoption of this IM as provided in Annexure G.
7. Certified true copy of the shareholder's resolution passed in the tenth annual general meeting held on August 28, 2018 approving the private placement of NCRPS, as provided in Annexure H.
8. Annual Reports of the Company for last three Financial Years.
9. Copy of letter dated May 28, 2019 received from CARE granting credit rating to the NCRPS issued in pursuance of this IM.
10. Copies of the agreements executed with NSDL and CDSL.

The above material documents and contracts were available for inspection between 9.30 a.m. and 5.00 p.m. on all working days, except Saturdays, Sundays and holidays in Mumbai, till the Issue Closing Date, at the Administrative Office of the Company mentioned below:

L&T Finance Holdings Limited
Brindavan, Plot No. 177,
CST Road, Kalina,
Santacruz (East)
Mumbai 98
Tel: +91 22 6212 5000; Fax: +91 22 6212 7509

Confidentiality

The information and data contained herein is submitted to each recipient of this IM on a strictly private and confidential basis. By accepting a copy of this IM, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This IM must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this IM breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

DECLARATION

I am authorized by the committee of Directors vide resolution dated May 29, 2019 read with the resolution of the Board of the Company dated March 21, 2018, to sign this Information Memorandum and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Information Memorandum.

Signed:

Yashash

Dinanath Dubhashi
Managing Director & Chief Executive Officer

Date: May 29, 2019

Place: Mumbai

ANNEXURE A

Rating Letter from CARE



CARE/HO/RL/2019-20/1411

Mr. Kumar Ayashkanta

Head-Treasury Strategy & Ratings Group

L&T Finance Holdings Ltd.

L&T Financial Services Group,

2nd Floor, Brindavan Bldg,

Plot no.177, Kalina,

Santacruz (East). Mumbai - 400098

May 28, 2019

Confidential

Dear Sir,

Credit Rating for Compulsorily Redeemable Non-Convertible Cumulative Preference Shares

Please refer to our letter dated December 3, 2018, and your request for revalidation of the rating assigned to Compulsorily Redeemable Non-Convertible Cumulative Preference Shares of your company, our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Amount O/s as on April 30, 2019 (Rs. Crore)	Rating ¹	Rating Action
Compulsorily Redeemable Non-Convertible Cumulative Preference Shares	2,271.00	1,034.40	CARE AAA (RPS); Stable [Triple A (Redeemable Preference Shares); Outlook: Stable]	Reaffirmed
Total	2,271.00 (Rupees Two thousand two hundred seventy one crore only)	1,034.40 (Rupees One thousand and thirty four crore and forty lakhs only)		

- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture trustee/IPA	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. 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.
5. 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.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. 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.

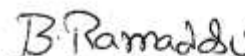
Thanking you,



[Shailee Sanghvi]
Analyst

shailee.sanghvi@careratings.com

Yours faithfully,



[Ramadasu Bandaru]
Associate Director

Ramadasu.bandaru@careratings.com

Encl.: As above

Disclaimer

CARE's 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 the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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ANNEXURE B

Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for the last the last three years and summary of auditor qualifications for the last three years, if any

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

B. K. KHARE & CO.
Chartered Accountants
706/708,
Sharda Chambers
New Marine Lines
Mumbai 400004.

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
L&T FINANCE HOLDINGS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **L&T FINANCE HOLDINGS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

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4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiaries referred to in paragraph 5 below, the Statement:

a. includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Limited	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	L&T Housing Finance Limited	Subsidiary
4	L&T Infra Debt Fund Limited	Subsidiary
5	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
6	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
7	L&T Investment Management Limited	Subsidiary
8	L&T Mutual Fund Trustee Limited	Subsidiary
9	L&T Capital Markets Limited	Subsidiary
10	L&T Financial Consultants Limited	Subsidiary
11	Mudit Cement Private Limited	Subsidiary
12	L&T Infra Investment Partners	Subsidiary
13	L&T Capital Market (Middle East) Limited (with effect from July 1, 2018)	Subsidiary

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended March 31, 2019.
5. We did not audit the financial statements / financial information of 7 subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of ₹1,238.80 crore as at March 31, 2019, total revenues of ₹797.41 crore, total net profit after tax of ₹122.31 crore and total comprehensive income of ₹122.22 crore for the year ended on that date, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

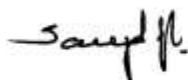
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6. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
7. The comparative financial information for the quarter and year ended March 31, 2018 in respect of 7 subsidiaries, prepared in accordance with the Ind AS and included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors. Our report is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



vw Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 39826)
Mumbai, April 28, 2019

For B. K. KHARE & CO.

Chartered Accountants

(Firm's Registration No. 105102W)



Padmini Khare Kaicker
(Partner)
(Membership No. 044784)
Mumbai, April 28, 2019

L&T FINANCE HOLDINGS LIMITED
CIN: L67120MH2008PLC181833
Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kurla, Santacruz (East), Mumbai - 401 098, Maharashtra, India
Website: www.lfh.com Email: lgre@lfh.com Phone: +91 22 6212 5888 Fax: +91 22 6621 7569

(₹ in Crore)

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019						
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)	March 31, 2018 (Unaudited)	March 31, 2019 (Audited)	March 31, 2018 (Audited)
	Revenue from operations					
(i)	Interest income	3,058.32	3,184.08	2,437.30	11,837.90	8,569.22
(ii)	Dividend income	0.02	0.17	-	0.21	0.78
(iii)	Rental income	3.98	4.30	8.25	18.84	33.23
(iv)	Fees and commission income	234.31	246.42	327.66	1,277.11	1,219.92
(v)	Net gain on fair value changes	7.54	21.93	(32.61)	55.66	85.58
(II)	Total revenue from operations	3,304.23	3,362.90	2,740.60	12,999.72	10,212.73
(III)	Other income	79.69	89.34	22.11	311.80	53.53
(III)	Total income (I+II)	3,383.92	3,452.24	2,762.71	13,311.52	10,266.26
	Expenses					
(i)	Finance costs	1,832.50	1,865.93	1,463.05	6,890.03	5,449.24
(ii)	Fees and commission expenses	-	88.39	127.75	325.71	595.12
(iii)	Net loss on fair value changes	172.27	28.13	18.91	383.18	36.80
(iv)	Net loss on derecognition of financial instruments under amortised cost category	55.78	54.52	34.64	384.01	528.76
(v)	Impairment on financial instruments	131.58	267.47	413.28	706.88	1,418.16
(vi)	Employee benefits expense	215.76	229.89	122.07	824.73	408.50
(vii)	Depreciation, amortisation and impairment	13.86	12.34	13.19	49.62	51.93
(viii)	Other expenses	202.81	179.76	163.57	721.40	550.99
(IV)	Total expenses	2,634.56	2,676.43	2,996.53	10,249.54	8,829.58
(V)	Profit before exceptional items and tax (III-IV)	749.36	775.81	766.18	3,061.98	1,445.76
(VII)	Exceptional items	-	-	-	-	-
(VII)	Profit before tax (V-VI)	749.36	775.81	766.18	3,061.98	1,445.76
(VIII)	Tax expense:					
(1)	Current tax	263.56	241.04	241.35	749.49	518.48
(2)	Deferred tax	(66.32)	(46.19)	(163.24)	70.46	(362.22)
(3)	Short/Terminal provision relating to earlier years	-	-	16.07	-	11.98
(IX)	Net profit after tax (VII-VIII)	582.12	586.96	276.49	2,232.93	1,277.52
(X)	Add: Share in profit of associate company	-	-	(1.51)	-	0.53
(XI)	Net profit after tax and share in profit of associate company (IX+X)	582.12	586.96	268.49	2,232.93	1,278.35
	Profit/(loss) for the period attributable to:					
	Owners of the company	547.48	579.93	282.07	2,226.30	1,254.68
	Non-controlling interest	4.64	1.03	(13.58)	6.63	23.67
(XII)	Other comprehensive income	(34.47)	61.49	(4.86)	(2.41)	(4.99)
	A (i) Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the defined benefit plans (net of tax)	(0.89)	(1.22)	(0.75)	(1.50)	(0.94)
	(b) Exchange differences in translating the financial statements of foreign operations, net	(0.23)	-	-	(0.23)	-
	B (i) Items that may be reclassified to profit or loss					
	(a) Debt instruments through other comprehensive income (net of tax)	(33.35)	65.20	(4.51)	(0.69)	(4.02)
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-	-	-	(0.03)
	Other comprehensive income for the period attributable to:					
	Owners of the company	(34.47)	61.98	(4.86)	(2.41)	(4.99)
	Non-controlling interest	-	-	-	-	-
(XIII)	Total comprehensive income (XI+XII)	517.65	648.94	263.63	2,229.62	1,273.36
	Total comprehensive income for the period attributable to:					
	Owners of the company	513.11	641.91	277.21	2,223.80	1,249.69
	Non-controlling interest	4.54	1.03	(13.58)	5.82	23.67
(XIV)	Paid-up equity share capital (face value of ₹ 10 each) (Refer note 5)	1,998.81	1,997.33	1,995.67	1,998.81	1,995.63
(XV)	Other equity				11,449.79	9,411.07
(XVI)	Earnings per share (*not annualised): (Refer note 5)					
(a)	Basic (₹)	*2.74	*2.90	*1.53	11.15	6.88
(b)	Diluted (₹)	*2.73	*2.89	*1.50	11.10	6.81

Notes:

1 Consolidated Statement of Assets and Liabilities as at March 31, 2019

Particulars	₹ in Crores	
	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
ASSETS:		
(I) Financial assets		
(a) Cash and cash equivalents	1,826.65	1,048.79
(b) Bank balance other than (a) above	47.50	29.14
(c) Derivative financial instruments	7.50	-
(d) Receivables		
(i) Trade Receivables	806.57	126.44
(ii) Other Receivables	10.63	3.33
(e) Loans	91,224.63	77,085.34
(f) Investments	8,640.81	5,301.49
(g) Other financial assets	126.29	73.98
(2) Non-financial assets		
(a) Current tax assets (net)	642.97	595.37
(b) Deferred tax Assets (net)	1,777.15	1,546.40
(c) Investment property	367.66	385.11
(d) Property, plant and equipment	67.69	97.09
(e) Capital work-in-progress	-	0.14
(f) Intangible assets under development	38.65	19.20
(g) Goodwill	678.91	678.91
(h) Other intangible assets	83.04	19.85
(i) Other non-financial assets	378.95	465.36
TOTAL - ASSETS	1,06,895.10	87,776.98
LIABILITIES AND EQUITY:		
LIABILITIES		
(I) Financial liabilities		
(a) Derivative financial instruments	-	0.50
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	320.09	108.41
(c) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16.12	16.82
(d) Debt securities	51,298.31	40,996.13
(e) Borrowings (Other than debt securities)	35,785.19	29,853.30
(f) Subordinated liabilities	4,453.52	4,348.67
(g) Other financial liabilities	544.22	520.17
(2) Non financial liabilities		
(a) Current tax liabilities (net)	33.51	30.83
(b) Provisions	42.04	27.97
(c) Deferred tax liabilities (net)	5.19	4.56
(d) Other non-financial liabilities	91.13	131.80
(3) EQUITY		
(a) Equity share capital	1,998.84	1,995.63
(b) Other equity	11,449.79	9,411.07
(c) Non-controlling interest	222.26	223.48
TOTAL - LIABILITIES AND EQUITY	1,06,895.10	87,776.98

2 The Group 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) and National Housing Bank (NHB) (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 15th October, 2015, issued by the Ministry of Corporate Affairs, Government of India.

3 The results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 26, 2019. The Joint Statutory Auditors of the Company have carried out audit of the aforesaid results.

4 The Company reports quarterly financial results of the group on a consolidated basis, pursuant to the option made available as per Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 3, 2016. The standalone financial results are available on the website of the Company at www.3i6.com, the website of BSE Limited ("BSE") at www.bseindia.com and on the website of National Stock Exchange of India Limited ("NSE") at www.nseindia.com. The specified items of the standalone financial results of the Company for the quarter and year ended March 31, 2019 are given below.

Particulars	Quarter ended			Year months ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Total income from operations	310.55	62.55	402.22	526.48	477.82
Profit/(loss) before tax	260.27	(5.23)	353.86	304.03	292.70
Profit/(loss) after tax	221.26	(4.24)	321.61	267.06	269.05
Total comprehensive income	226.65	(4.26)	327.38	266.74	266.67

5 The Company, during the quarter and year ended March 31, 2019 has allotted 1,880,500 and 5,135,400 equity shares of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

6 (a) During the year ended March 31, 2019, the Company has paid dividend of ₹ 78.61 crore (including Dividend Distribution Tax of ₹ 2.19 crore) on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid.

(b) During the year ended March 31, 2019, 9.00% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 250 crore have been redeemed and 8.91% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 250 crore have been issued. The Company has paid final dividend of ₹ 12.21 crore on Redeemed Preference Shares during the year.

7 On April 25, 2019, L&T Infra Debt Fund Limited, a subsidiary of L&T Finance Holdings Limited, has entered into a commitment for upto 25.1% minority equity investment from Apis Growth Fund II, for an all-cash consideration of upto US\$ 110 million which is subject to customary post-closing adjustments.

8 As on March 31, 2019, the Company's exposure as senior secured financial creditor to certain infrastructure special purpose entities of IL&FS Group are in the Stage 1 category and within the "Standard" classification of RBI's Prudential Norms. However, pending resolution of the plan submitted by the IL&FS Board to the NCLAT, recognition of interest of ₹ 84 crore on these loan between 1st October, 2018 and the year end has been deferred.

9 The figures for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of full financial year and the year to date figure up to nine months of current financial year.

10 The Board of Directors have recommended a final dividend of ₹ 1 per Equity Share of ₹ 10 each (previous year ₹ 1 per share) subject to approval of shareholders in forthcoming Annual General Meeting.

11 Consolidated segment wise revenue, result, total assets and total liabilities in terms of Regulation 35 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Gross segment revenue from continuing operations					
(a)	Rural business	1,126.44	1,127.08	694.22	4,064.18	2,384.87
(b)	Housing business	872.91	767.99	749.91	3,015.71	2,129.75
(c)	Wholesale business	1,174.79	1,304.87	1,093.00	5,063.95	4,803.38
(d)	Defocused business	18.06	26.15	37.81	116.02	222.22
(e)	Others	444.54	210.39	610.73	1,303.01	1,329.43
	Segment revenue from continuing operations	3,636.74	3,436.78	3,185.67	13,565.85	10,794.65
	Less: Inter segment revenue	(332.51)	(77.83)	(445.07)	(576.13)	(381.92)
	Revenue as per the statement of profit and loss	3,304.23	3,362.90	2,740.60	12,989.72	10,212.73
	Segment result (Profit/Loss) before tax					
(a)	Rural business	325.15	300.27	292.20	1,151.50	744.76
(b)	Housing business	327.23	248.20	224.62	1,084.10	720.97
(c)	Wholesale business	166.45	200.46	46.99	912.20	291.52
(d)	Defocused business	(104.34)	(43.99)	(111.37)	(247.45)	(394.42)
(e)	Others	36.87	50.77	(26.06)	147.63	82.93
	Profit before tax	749.36	775.81	366.18	3,051.98	1,445.78
	Segment assets					
(a)	Rural business	25,517.39	24,759.02	16,527.68	25,517.39	16,527.68
(b)	Housing business	23,555.72	24,517.02	19,785.70	23,555.72	19,785.70
(c)	Wholesale business	48,171.25	47,658.35	46,180.28	48,171.25	46,180.28
(d)	Defocused business	628.20	877.90	1,187.39	628.20	1,187.39
(e)	Others	11,650.33	11,168.79	10,784.26	11,650.33	10,784.26
	Sub total	1,03,634.88	1,08,971.08	94,665.21	1,03,634.88	94,665.21
	Less: Inter segment assets	(9,909.91)	(9,423.98)	(8,128.00)	(9,909.91)	(9,128.00)
	Segment assets	1,03,634.98	99,547.10	85,337.21	1,03,634.98	85,337.21
(f)	Unallocated	2,420.12	2,376.05	2,439.77	2,420.12	2,439.77
	Total assets	1,06,055.10	1,01,883.15	87,776.98	1,06,055.10	87,776.98
	Segment liabilities					
(a)	Rural business	22,181.29	21,336.38	14,342.06	22,181.29	14,342.06
(b)	Housing business	24,521.31	21,675.33	17,583.87	24,521.31	17,583.87
(c)	Wholesale business	43,447.79	43,128.20	42,444.11	43,447.79	42,444.11
(d)	Defocused business	548.24	726.01	1,030.32	548.24	1,030.32
(e)	Others	2,800.57	2,533.85	2,131.52	2,800.57	2,131.52
	Sub total	93,299.20	89,419.86	77,532.19	93,299.20	77,532.19
	Less: Inter segment liabilities	(731.40)	(592.69)	(1,196.54)	(731.40)	(1,196.54)
	Segment liabilities	92,567.80	88,827.17	76,335.65	92,567.80	76,335.65
(f)	Unallocated	38.70	74.84	34.59	38.70	34.59
	Total liabilities	92,606.50	88,901.81	76,370.24	92,606.50	76,370.24

(i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.

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

12 (i) Reconciliation of net profit after tax between Previous GAAP and Ind AS for the quarter and year ended March 31, 2019

Sr. No.	Particulars	Quarter ended		Year ended	
		March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Net profit after tax as per previous GAAP		406.00		1,459.48
(a)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognized as revenue in the period of accrual		(26.49)		7.37
(b)	Incremental cost on fair valuation of employee stock options plan previously recognized on the basis of intrinsic value		(8.18)		(50.63)
(c)	Changes in fair valuation of investments financial instruments previously recorded at cost less other than temporary diminution		(93.99)		(94.02)
(d)	Incremental provision on application on expected credit loss model		(81.91)		(388.56)
(e)	Income in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account		(27.50)		(115.13)
(f)	Reversal of accreted loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings		-		362.55
(g)	Impact of consolidation of a fund on evaluation of control as per Ind AS 510		(52.13)		21.82
(h)	Interest income recognition on stage 2 loans		36.55		145.69
(i)	Derecognition of deferred tax liability on special reserve		13.60		11.60
(j)	Others		0.32		1.27
(k)	Deferred taxes		(41.41)		96.93
	Net profit after tax as per Ind AS		268.49		1,278.35
	Other comprehensive income (net of tax) attributable to owners of the Company		(4.56)		(4.99)
	Total comprehensive income as per Ind AS		263.93		1,273.36

(6) Reconciliation of equity as reported under previous GAAP and IndAS as at March 31, 2018 and as at April 1, 2017

Sr. No.	Particulars	(₹ in Crores)	
		As at March 31, 2018 (Audited)	As at April 1, 2017 (Audited)
	Equity as per previous GAAP	13,584.28	9,107.34
(a)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(100.46)	(107.85)
(b)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	205.46	291.79
(c)	Incremental provision on application on expected credit loss model	(2,521.09)	(2,132.25)
(d)	Increase in borrowing cost pursuant to the application of effective interest rate method as applicable; expenses were previously adjusted against Securities Premium Account	35.78	42.71
(e)	Impact of consolidation of a fund on evaluation of control as per Ind AS 110	(2.04)	0.17
(f)	Interest income recognition on stage 3 loans	449.61	505.92
(g)	Redeemable preference capital classified as liability	11,054.40	(1,212.40)
(h)	Recognition of deferred tax liability on special reserve	32.62	21.02
(i)	Others	0.24	(0.68)
(j)	Deferred taxes	756.70	660.71
	Equity as per Ind AS	11,406.74	6,973.52

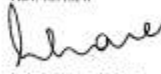
13. The previous year/periods Previous GAAP figures have been regrouped/re-classified wherever necessary to make them comparable with IndAS presentation.

In terms of our report attached,
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants


Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

In terms of our report attached,
For **B. K. KHARE & CO.**
Chartered Accountants
FRN: 105102W


Padmini Khare Kalekar
Partner
Membership no. 044784

Place : Mumbai
Date : April 28, 2019

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


Dinanath Dubhashi
Managing Director & Chief Executive Officer
(DIN: 01449900)

Place : Mumbai
Date : April 28, 2019

Independent Auditors' Report

To The Members of L&T FINANCE HOLDINGS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **L&T FINANCE HOLDINGS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and

the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the director of the Company and taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses which have not been provided for in the Statement of Profit and Loss.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of L&T FINANCE HOLDINGS LIMITED (the "Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.</p> <p>(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.</p> <p>(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> | <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax as on March 31, 2018 on account of disputes.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.</p> <p>(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> |
|---|--|

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants

(Firm's Registration No. 105102W)

Ravi Kapoor

Partner

(Membership No. 040404)

MUMBAI, May 3, 2018

Balance Sheet as at March 31, 2018

			(₹ in Lakh)
	Note No	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES:			
1 Shareholders' funds			
(a) Share capital	2	303,007.70	296,912.19
(b) Reserves and surplus	3	562,149.65	223,653.58
(c) Money received against share warrants	4	-	11,806.88
		865,157.35	532,372.65
2 Current liabilities			
(a) Short term borrowings	5	40,496.06	97,390.14
(b) Other current liabilities	6	7,629.72	7,579.64
(c) Short term provisions	7	580.90	433.70
		48,706.68	105,403.48
TOTAL		913,864.03	637,776.13
ASSETS:			
1 Non current assets			
(a) Property, plant and equipment	8	0.67	1.00
(b) Intangible assets	8	-	2.13
(c) Non current investments	9	784,038.71	537,403.38
(d) Deferred tax assets (net)	10	196.43	935.43
(e) Long term loans and advances	11	3,434.39	4,684.03
		787,670.20	543,025.97
2 Current assets			
(a) Current investments	12	-	27,013.92
(b) Cash and bank balances	13	1,226.65	221.57
(c) Short term loans and advances	14	100,613.37	58,367.40
(d) Other current assets	15	24,353.81	9,147.27
		126,193.83	94,750.16
TOTAL		913,864.03	637,776.13
See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakh)			
	Note No	Year ended March 31, 2018	Year ended March 31, 2017
REVENUE			
1 Revenue from operations	16	44,993.34	27,757.57
2 Other income	17	2,843.77	3,731.42
3 Total Revenue (1+2)		47,837.11	31,488.99
EXPENSES			
4 Employee benefits expense	18	472.00	1,156.99
5 Finance costs	19	6,587.18	4,591.56
6 Depreciation and amortisation	8	2.47	5.13
7 Administration and other expenses	20	1,109.59	1,090.33
8 Provisions and contingencies	21	197.52	134.25
9 Total expenses (4+5+6+7+8)		8,368.76	6,978.26
10 Profit before tax (3-9)		39,468.35	24,510.73
11 Tax expense:			
- Current tax		700.58	512.25
- MAT credit entitlement		-	(835.87)
- Deferred tax		739.00	(31.82)
- Short provision relating to earlier years		1,244.94	-
Total provision for tax		2,684.52	(355.44)
12 Profit after tax (10-11)		36,783.83	24,866.17
Earnings per equity share:	22.5		
Basic earnings per equity share (₹)		1.51	0.71
Diluted earnings per equity share (₹)		1.49	0.70
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss	39,468.35	24,510.73
Adjustment for:		
Provision on standard assets	197.52	115.64
Provision and MTM (gain)/loss on current investments	-	18.61
Provision for gratuity	(41.61)	39.07
Provision for compensated absences	(54.39)	130.62
Provision for superannuation fund	19.50	65.56
Depreciation and amortisation	2.47	5.13
Profit on sale of property, plant and equipment	-	(2.00)
Profit on sale of investments	(521.87)	(1,712.38)
Expense on employee stock option scheme	41.93	63.63
Operating profit before working capital changes	39,111.90	23,234.61
Changes in working capital		
Increase in current and non current assets	(56,457.63)	(37,549.74)
Increase in current and non current liabilities and provisions	2,249.16	2,423.74
Net cash used in operations	(15,096.57)	(11,891.39)
Direct taxes paid (net)	(695.88)	(890.71)
Net cash used in operating activities (A)	(15,792.45)	(12,782.10)
B. Cash flows from investing activities		
Current investments not considered as cash and cash equivalents		
- Purchased	(306,047.45)	(373,375.00)
- Proceeds from sale	333,583.23	398,487.57
Purchase of long-term investments in subsidiaries	(246,635.33)	(31,235.00)
Proceed from sale of long term investments	-	500.00
Capital expenditure on property, plant and equipment, including capital advances	-	(0.43)
Proceeds from sale of property, plant and equipment	-	21.36
Net cash used in investing activities (B)	(219,099.55)	(5,601.50)

Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	338,597.44	1,149.76
Proceeds from short term borrowings (net)	(56,894.08)	37,630.97
Share issue expenses	(1,853.13)	-
Dividend paid on equity shares	(14,573.70)	(14,032.97)
Dividend paid on preference shares (including dividing distribution tax)	(9,306.55)	(10,338.95)
Dividend tax paid on cumulative redeemable preference shares	(2,104.46)	-
Redemption of preference shares	(17,900.00)	-
Net cash generated from financing activities (C)	235,965.52	14,408.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,073.52	(3,974.79)
Cash and cash equivalents as at beginning of the year	52.89	4,027.68
Cash and cash equivalents as at end of the year	1,126.41	52.89
Components of cash and cash equivalents as at end of the year		
Cash and bank balances	1,226.65	221.57
Less: Earmarked accounts	100.24	168.68
With banks - in current accounts	1,126.41	52.89
See accompanying notes forming part of the financial statements		
Notes:		
1. Net cash used in operating activities includes:		
Interest received	6,350.48	4,962.68
Dividend received	23,920.35	22,633.20
Interest paid	3,041.44	1,533.78
2. Previous year figures have been regrouped/reclassified wherever applicable		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

TO THE MEMBERS OF L&T FINANCE HOLDINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group

and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 7 subsidiaries whose financial statements reflect total assets of ₹121,311.08 lakh as at March 31, 2018, total revenues of ₹79,748.83 lakh and net cash inflows amounting to ₹883.79 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net profit of ₹83.39 lakh for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, and associate, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our

examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and its associate company.

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

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of

the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts which have not been provided for in the Consolidated Statement of Profit and Loss.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain from audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have Obtained from the other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 7 subsidiary companies and an associate company, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in lakh)

	Note No	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	303,007.70	296,912.20
(b) Reserves and surplus	3	1,055,419.86	602,014.70
(c) Money received against share warrants	4	-	11,806.88
		1,358,427.56	910,733.78
		12,314.01	11,856.64
Minority interest			
Non-current liabilities			
(a) Long-term borrowings	5	5,104,324.48	4,323,034.62
(b) Deferred tax liabilities (net)	6	261.75	238.87
(c) Other long-term liabilities	7	42,389.44	73,205.64
(d) Long-term provisions	8	28,045.18	26,382.84
		5,175,020.85	4,422,861.97
Current liabilities			
(a) Short-term borrowings	9	1,080,295.51	1,176,409.93
(b) Current maturities of long term borrowings	5	973,085.39	481,660.93
(c) Trade payables		-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10	16,964.33	7,263.62
(d) Other current liabilities	11	295,302.50	232,382.50
(e) Short-term provisions	12	11,646.43	8,189.83
		2,377,294.16	1,905,906.81
TOTAL		8,923,056.58	7,251,359.20
ASSETS:			
Non-current assets			
(a) Property, plant and equipment	13	46,657.46	58,046.39
(b) Intangible assets	13	1,964.95	1,049.31
(c) Capital work-in-progress		3,900.18	2,596.75
(d) Intangible assets under development		591.43	192.42
(e) Goodwill on consolidation		63,891.06	63,891.06
(f) Non-current investments	14	256,281.14	217,601.95
(g) Deferred tax assets (net)	15	98,632.07	74,262.65
(h) Long-term loans and advances	16	82,965.53	58,887.42
(i) Long-term loans and advances towards financing activities	17	6,269,418.07	4,933,479.05
(j) Other non-current assets	18	29,204.01	36,514.74
		6,853,505.90	5,446,521.74
Current assets			
(a) Current investments	19	228,051.92	383,551.16
(b) Trade receivables	20	12,650.56	7,884.92
(c) Cash and bank balances	21	106,330.61	59,438.28
(d) Short-term loans and advances	22	20,116.20	11,840.71
(e) Short-term loans and advances towards financing activities	23	186,647.36	217,124.52
(f) Current maturities of long term loans and advances towards financing activities	17	1,373,856.57	1,014,246.42
(g) Other current assets	24	141,897.46	110,751.45
		2,069,550.68	1,804,837.46
TOTAL		8,923,056.58	7,251,359.20

See accompanying notes forming part of the financial statements: 1 to 31

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Note No	Year ended March 31, 2018	Year ended March 31, 2017
INCOME:			
Revenue from operations	25	1,002,103.36	834,058.85
Other income	26	47,890.72	23,172.16
Total Income		1,049,994.08	857,231.01
EXPENSES:			
Finance costs	27	532,610.70	462,703.21
Employee benefits expense	28	50,344.14	49,352.16
Administration and other expenses	29	98,189.31	71,565.74
Allowances and write offs	30	189,674.89	158,989.73
Depreciation and amortisation		5,192.65	6,729.98
Total expenses		876,011.69	749,340.82
Profit before exceptional and extraordinary items and taxes		173,982.39	107,890.19
Exceptional items		-	-
Profit before extraordinary items and taxes		173,982.39	107,890.19
Extraordinary items		-	-
Profit before tax		173,982.39	107,890.19
Tax expense:			
Current tax		51,846.99	39,923.15
MAT credit entitlement		(1,214.67)	(2,183.30)
Deferred tax		(24,346.54)	(34,096.18)
Short provision relating to earlier years		1,197.52	-
Tax expense		27,483.30	3,643.67
Profit after tax		146,499.09	104,246.52
Add: share in profit of associate company		83.39	574.73
Less: share of minority interest		633.68	602.58
Profit for the year attributable to the shareholders of the company		145,948.80	104,218.67
Earnings per equity share:			
Basic earnings per equity share before and after extraordinary items (₹)		7.49	5.21
Diluted earnings per equity share before and after extraordinary items (₹)		7.42	5.14
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part of the financial statements	1 to 31		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	173,982.39	107,890.19
Adjustments for:		
Depreciation and amortisation	5,192.65	6,729.98
(Profit)/ Loss on sale of investments (net)	(20,813.52)	(8,732.88)
(Profit)/ Loss on sale of property, plant and equipments (net)	207.96	1,311.89
Provision for diminution in value of investments	6,107.22	3,936.41
Loss on foreclosure of loans and bad debts write offs	108,273.21	40,003.32
Provision for non-performing assets	67,905.08	76,282.32
Provision for advances and receivables	(37.65)	85.37
Provision for standard assets	9,666.02	39,670.86
Provision for restructured assets	(2,238.99)	(988.55)
Expense on employee stock option scheme	1,036.81	72.55
Operating profit before working capital changes	349,281.18	266,261.46
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(44,585.01)	(41,600.33)
Increase/ (Decrease) in trade and other payables	40,028.59	(7,336.27)
Cash generated from operations	344,724.76	217,324.86
Direct taxes paid	(64,914.17)	(53,167.17)
Loans disbursed (net of repayments)	(1,838,896.40)	(742,098.89)
Net cash used in operating activities (A)	(1,559,085.81)	(577,941.20)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of property, plants and equipment	10,898.95	3,194.83
Sale of current investments	176,447.46	-
	187,346.41	3,194.83
Less : Outflow from investing activities		
Purchase of property, plants and equipment (including capital work in progress)	8,325.45	3,328.50
Purchase of non current investments	24,139.99	126,652.69
Purchase of current investments	-	84,968.00
	32,465.44	214,949.19
Net cash from/(used in) investing activities (B)	154,880.97	(211,754.36)

Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	338,597.44	1,149.74
Proceeds from issue of preference share capital (Minority Interest)	-	500.00
Net proceeds from long term borrowings	1,272,754.36	317,030.37
Net proceeds from short term borrowings	-	506,857.03
	1,611,351.80	825,537.14
Less : Outflow from financing activities		
Shares / Debenture issue expenses	3,234.20	743.94
Dividend paid (including dividend distribution tax) including Minority Interest	30,428.77	29,583.09
Redemption of Preference shares	17,900.00	-
Net repayments towards short term borrowings	96,114.42	-
	147,677.39	30,327.03
Net cash from financing activities (C)	1,463,674.41	795,210.11
Net cash increase in cash and cash equivalents (A+B+C)	59,469.57	5,514.55
Cash and cash equivalents as at beginning of the year	45,331.29	39,816.74
Cash and cash equivalents as at end of the year	104,800.86	45,331.29
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	106,330.61	59,438.28
Less : Deposits with original maturity for more than 3 months	5.29	12,779.70
Less : Earmarked balances	1,524.46	1,327.29
Cash and cash equivalents as at end of the year	104,800.86	45,331.29
Notes:		
1. Net cash used in operating activities includes:		
Interest received	856,140.18	742,366.37
Dividend received	66.33	-
Interest paid	475,113.63	428,915.33

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **L&T FINANCE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366WW-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 Order is not applicable.</p> <p>(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 Order is not applicable.</p> <p>(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) the CARO 2016 Order is not applicable.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> | <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Value Added Tax and corresponding cess.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.</p> <p>(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> |
|--|--|

- | | |
|---|---|
| <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.</p> <p>(xiv) During the year the Company has not made any preferential allotment or private placement of</p> | <p>shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.</p> <p>(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.</p> |
|---|---|

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Balance Sheet as at March 31, 2017

			(₹ in lakh)
	Note No	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES:			
1 Shareholders' funds			
(a) Share capital	2	296,912.19	296,679.86
(b) Reserves and surplus	3	223,653.58	210,247.25
(c) Money received against share warrants	4	11,806.88	11,806.88
		532,372.65	518,733.99
2 Non current liabilities			
(a) Other long-term liabilities	5	-	13.58
(b) Long term provisions	6	-	0.96
			14.54
3 Current liabilities			
(a) Short term borrowings	7	97,390.14	59,759.17
(b) Other current liabilities	8	5,418.80	1,890.48
(c) Short term-provisions	9	2,594.54	15,087.75
		105,403.48	76,737.40
TOTAL		637,776.13	595,485.93
ASSETS:			
1 Non - Current assets			
(a) Fixed assets	10		
(i) Tangible assets		1.00	21.39
(ii) Intangible assets		2.13	5.79
		3.13	27.18
(b) Non-current investments	11	537,403.38	506,668.39
(c) Deferred tax assets (net)	12	935.43	903.61
(d) Long term loans and advances	13	4,684.03	3,789.70
		543,025.97	511,388.88
2 Current assets			
(a) Current Investments	14	27,013.92	50,432.72
(b) Cash and bank balances	15	221.57	4,027.68
(c) Short term loans and advances	16	58,367.40	29,188.36
(d) Other current assets	17	9,147.27	448.29
		94,750.16	84,097.05
TOTAL		637,776.13	595,485.93
See accompanying Notes forming part of the financial statements	1 to 24		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

**For and on behalf of board of directors of
L&T Finance Holdings Limited**

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

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

			(₹ in lakh)
	Note No	Year ended March 31, 2017	Year ended March 31, 2016
REVENUE			
1. Revenue from operations	18	27,757.57	34,850.26
2. Other income	19	3,731.42	7,894.84
3. Total Revenue (1+2)		31,488.99	42,745.10
EXPENSES			
4. Employee benefits expense	20	1,156.99	2,032.63
5. Finance costs	21	4,591.56	2,707.87
6. Depreciation and amortisation		5.13	13.26
7. Administration and other expenses	22	1,090.33	1,202.37
8. Provisions and contingencies	23	134.25	(20.32)
9. Total Expenses (4+5+6+7+8)		6,978.26	5,935.81
10. Profit before tax (3-9)		24,510.73	36,809.29
11. Tax expense:			
- Current tax		512.25	2,249.12
- MAT credit entitlement		(835.87)	(2,492.67)
- Deferred tax		(31.82)	(750.82)
Total provision for tax		(355.44)	(994.37)
12. Profit after tax (10-11)		24,866.17	37,803.66
Earnings Per Equity Share:	24.5		
Basic earnings per equity share (₹)		0.71	1.25
Diluted earnings per equity share (₹)		0.70	1.25
Face value per equity share (₹)		10.00	10.00
See accompanying Notes forming part of the financial statements	1 to 24		

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

For and on behalf of board of directors of
L&T Finance Holdings Limited

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

	(₹ in lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	24,510.73	36,809.29
Adjustment for:		
Provision on standard assets	115.64	(20.32)
Provision and MTM loss on Current Investments	18.61	-
Provision for Leave Encashment	130.62	299.30
Provision for Gratuity	39.07	415.04
Provision for Superannuation	65.56	65.56
Depreciation and amortisation	5.13	13.26
Profit on sale of Fixed Assets	(2.00)	-
Profit on sale of Mutual Fund	(1,712.38)	(6,498.55)
Expense on employee stock option scheme	63.63	36.72
Operating profit before working capital changes	23,234.61	31,120.30
Changes in working capital		
(Increase)/ Decrease in current and non current assets	(37,549.74)	15,542.98
Increase/ (Decrease) in current and non current liabilities and provisions	2,592.42	449.29
Cash generated from operations	(11,722.71)	47,112.57
Direct taxes paid	(890.71)	(1,484.99)
Net cash generated/ (used) in operating activities (A)	(12,613.42)	45,627.58
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of current investments (net)	398,487.57	11,425,150.66
Sale of Fixed Assets	21.36	0.07
Sale of long term investment	500.00	18,175.09
	399,008.93	11,443,325.82
Less : Outflow for investing activities		
Investment in subsidiary companies	31,235.00	41,255.46
Purchase of current investments (net)	373,375.00	11,442,086.00
Purchases of fixed assets	0.43	0.07
	404,610.43	11,483,341.53
Net cash from/(used in) investing activities (B)	(5,601.50)	(40,015.71)

Cash Flow Statement for the year ended March 31, 2017

	(₹ in lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	1,149.76	59,246.61
Proceeds from issue of share warrants	-	11,806.88
Proceeds from short term borrowings (net)	37,630.97	5,052.34
	38,780.73	76,105.83
Less : Outflows for financing activities		
Share/Debenture issue expenses	-	826.21
Dividend paid (including dividend distribution tax)	24,371.92	29,975.80
Redemption of Preference Shares	-	50,000.00
	24,371.92	80,802.01
Net cash generated from/(used in) financing activities (C)	14,408.81	(4,696.18)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,806.11)	915.69
Cash and cash equivalents as at beginning of the year	4,027.68	3,111.99
Cash and cash equivalents as at end of the year*	221.57	4,027.68
See accompanying Notes forming part of the financial statements		

Notes:	(₹ in lakh)	
1. Net cash used in operating activities is determined after adjusting the following:		
Interest received	4,962.68	4,323.31
Dividend received	22,633.20	30,197.85
Interest paid	1,533.78	2,861.92

2. Previous year figures have been regrouped/reclassified wherever applicable.

* Includes balances in earmarked accounts ₹ 168.68 lakhs (Previous balance ₹ 699.33 lakhs)

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

**For and on behalf of board of directors of
L&T Finance Holdings Limited**

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 8 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 111,513.12 lakh as at March 31, 2017, total revenues of ₹ 45,176.86 lakh and net cash inflows amounting to ₹ 3,113.61 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 574.64 lakh for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associate referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies and its associate company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and associate company's internal financial controls over financial reporting.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.
- iv. To the best of our information and according to the information and explanations given to us, we report that, except where, for reasons explained in note no. 31.17 to the consolidated financial statements, the disclosures by certain subsidiaries of the Group with regard to the Specified Bank Notes ("SBNs") were restricted to readily available information and also considering that certain amounts directly deposited into the bank accounts of those entities by their customers for which information

relating to SBNs was not available with those entities were classified as "Permitted receipts/ Other Denomination Notes", the Parent Company has provided requisite disclosures in the consolidated financial statements as regards the Group entities' holding and dealings in SBNs, as defined in the Notification S.O. 3407(E) dated 8th November, 2016, of the Ministry of Finance, during the period from November 9, 2016 to December 30, 2016. Based on audit procedures performed by us and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements, which, as the case may be, were produced before us and the other auditors by the managements of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its associate company.

Meaning of Internal Financial Controls Over Financial Reporting

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 8 subsidiary companies and an associate company is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Consolidated Balance Sheet as at March 31, 2017

	Note No	As at March 31, 2017	As at March 31, 2016
(₹ in Lakh)			
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	2	296,912.20	296,679.86
Reserves and surplus	3	602,014.70	532,368.43
Money received against share warrants	4	11,806.88	11,806.88
		910,733.78	840,855.17
		11,856.64	10,030.00
Minority interest			
Non-current liabilities			
Long-term borrowings	5	4,323,034.62	3,703,112.74
Deferred tax liabilities	6	238.87	171.06
Other long term liabilities	7	73,205.64	58,297.93
Long-term provisions	8	26,382.84	34,620.05
		4,422,861.97	3,796,201.78
Current liabilities			
Short-term borrowings	9	1,176,409.93	669,552.90
Current maturities of long term borrowings	5	481,660.93	788,900.16
Trade payables:	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,263.62	6,870.97
Other current liabilities	11	230,278.04	237,838.30
Short-term provisions	12	10,294.29	29,856.65
		1,905,906.81	1,733,018.98
TOTAL		7,251,359.20	6,380,105.93
ASSETS:			
Non-current assets			
Fixed assets	13		
Tangible assets		58,046.39	66,549.66
Intangible assets		1,049.31	826.30
Capital work-in-progress		2,596.75	2,218.74
Intangible assets under development		192.42	23.14
Goodwill on consolidation		63,891.06	63,891.06
Non-current investments	14	267,601.95	134,000.64
Deferred tax assets	15	74,262.65	40,098.74
Long-term loans and advances	16	58,966.95	57,121.89
Long-term loans and advances towards financing activities	17	4,933,479.05	4,388,120.40
Other non-current assets	18	36,435.21	31,970.09
		5,496,521.74	4,784,820.66
Current assets			
Current investments	19	333,551.16	222,326.72
Trade receivables	20	7,884.92	2,669.12
Cash and bank balances	21	59,438.28	40,153.43
Short-term loans and advances	22	7,631.21	7,506.58
Short-term loans and advances towards financing activities	23	217,124.52	311,468.07
Current maturities of long term loans and advances towards financing activities	17	1,014,246.42	906,949.55
Other current assets	24	114,960.95	104,211.80
		1,754,837.46	1,595,285.27
TOTAL		7,251,359.20	6,380,105.93
See accompanying Notes forming part of the financial statements	31		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

For and on behalf of board of directors of
L&T Finance Holdings Limited

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary
Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

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

		(₹ in Lakh)	
	Note No	Year ended March 31, 2017	Year ended March 31, 2016
INCOME:			
Revenue from operations	25	834,058.85	728,878.92
Other income	26	23,172.16	18,190.04
Total Income		857,231.01	747,068.96
EXPENSES:			
Finance costs	27	462,703.21	412,413.64
Employee benefits expense	28	49,352.16	48,768.77
Administration and other expenses	29	71,565.74	74,236.51
Allowances and write offs	30	158,989.73	78,102.13
Depreciation and amortisation		6,729.98	8,281.38
Total expenses		749,340.82	621,802.43
Profit before exceptional and extraordinary items and taxes		107,890.19	125,266.53
Exceptional items		-	-
Profit before extraordinary items and taxes		107,890.19	125,266.53
Extraordinary items		-	-
Profit before tax		107,890.19	125,266.53
Tax expense:			
Current tax		39,923.15	53,339.24
MAT Credit		(2,183.30)	(2,492.67)
Deferred tax		(34,096.18)	(10,948.85)
Tax expense		3,643.67	39,897.72
Profit after tax		104,246.52	85,368.81
Add : Share in profit of associate company		574.73	300.45
Less : Share of minority interest		(602.58)	-
Profit for the year attributable to the shareholder of the Company		104,218.67	85,669.26
Earnings per equity share:	31.2		
Basic earnings per equity share before and after extraordinary items (₹)		5.21	3.79
Diluted earnings per equity share before and after extraordinary items (₹)		5.14	3.79
Face value per equity share (₹)		10.00	10.00
See accompanying Notes forming part of the financial statements	31		
In terms of our report attached For DELOITTE HASKINS & SELLS LLP Chartered Accountants		In terms of our report attached For B. K. KHARE & CO. Chartered Accountants Firm's registration no. 105102W by the hand of	
Sanjiv V. Pilgaonkar Partner		Ravi Kapoor Partner Membership no. 040404	
Place : Mumbai Date : May 4, 2017		Y.M. Deosthalee Chairperson (DIN :00001698) Apurva Rathod Company Secretary Place : Mumbai Date : May 4, 2017	
		Dinanath Dubhashi Managing Director & Chief Executive Officer (DIN :03545900) Sachinn Joshi Chief Financial Officer	

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

	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit before tax	107,890.19	125,266.53
Adjustments for:		
Depreciation and amortisation	6,729.98	8,281.38
(Profit)/ Loss on sale of investments (net)	(8,732.88)	(9,360.40)
(Profit)/ Loss on sale of fixed assets (net)	1,311.89	2,295.99
Provision for compensated absences/leave encashment	605.79	981.03
Provision for Gratuity	213.86	310.97
Cumulative interest on long term NCDs, payable at maturity	10,308.75	10,308.75
Provision for diminution in value of investments	3,936.41	5,485.43
Loss on foreclosure of loans and bad debts write offs	40,003.32	51,231.44
Provision for non-performing assets	76,282.32	11,614.45
Provision for advances and receivables	85.37	(45.93)
Provision for standard assets	39,670.86	9,490.49
Provision for restructured assets	(988.55)	326.25
Operating profit before working capital changes	277,317.31	216,186.38
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(41,527.78)	(14,657.67)
Increase/ (Decrease) in trade and other payables	(17,137.38)	68,860.29
Cash generated from operations	218,652.15	270,389.00
Direct taxes paid	(53,167.17)	(61,078.18)
Loans disbursed (net of repayments)	(742,098.89)	(1,130,576.05)
Net cash flow from/(used in) operating activities (A)	(576,613.91)	(921,265.23)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	3,194.83	1,299.84
Sale of current investments	6,329,472.18	15,942,887.12
Sale of non current investments	7,060.15	22,665.58
	6,339,727.16	15,966,852.54
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	3,328.50	9,220.01
Purchase of non current investments	133,712.84	57,536.59
Purchase of current investments	6,414,440.18	15,967,557.67
	6,551,481.52	16,034,314.27
Net cash from/(used in) investing activities (B)	(211,754.36)	(67,461.73)

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

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	1,149.74	9,246.59
Proceeds from issue of preference share capital (Minority Interest)	500.00	-
Proceeds from issue of share warrants	-	11,806.88
Net proceeds from long term borrowings	317,030.37	884,116.56
Net proceeds from short term borrowings	506,857.03	77,133.33
	825,537.14	982,303.36
Less : Outflow from financing activities		
Shares / Debenture issue expenses	743.94	2,947.44
Dividend paid (including dividend distribution tax)	29,583.09	36,715.55
	30,327.03	39,662.99
	795,210.11	942,640.37
Net cash generated from/(used in) financing activities (C)	795,210.11	942,640.37
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	6,841.84	(46,086.59)
Cash and cash equivalents as at beginning of the year	39,816.74	85,903.33
Cash and cash equivalents as at end of the year	46,658.58	39,816.74
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	59,438.28	40,153.43
Less : Deposits with original maturity for more than 3 months	12,779.70	336.69
Cash and cash equivalents as at end of the year*	46,658.58	39,816.74

Notes:

1. Purchase of fixed assets includes movements of capital work in progress during the year.
2. Net cash used in investing activities excludes investment aggregating ₹ 28,818.97 lakh (previous period ₹ 27,688.76 lakh) acquired against claims.
3. Previous year figures have been regrouped/reclassified wherever applicable.
4. Net cash used in operating activities is determined after adjusting the following:

Interest received	742,366.37	646,921.68
Dividend received	-	766.26
Interest paid	428,915.33	403,018.70

* Includes balances in earmarked accounts ₹ 1,327.29 lakh (Previous period balance ₹ 2,439.73 lakh)

In terms of our report attached For DELOITTE HASKINS & SELLS LLP Chartered Accountants	In terms of our report attached For B. K. KHARE & CO. Chartered Accountants Firm's registration no. 105102W by the hand of	For and on behalf of board of directors of L&T Finance Holdings Limited
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Sanjiv V. Pilgaonkar
Partner

Ravi Kapoor
Partner
Membership no. 040404

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Apurva Rathod
Company Secretary

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : May 4, 2017

Place : Mumbai
Date : May 4, 2017

Place : Mumbai
Date : May 4, 2017

Notes forming part of Consolidated Financial Statements - March 31, 2017

1. Significant accounting policies.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP'), to comply with the Accounting Standards prescribed under Accounting Standards under section 133 of the Companies Act, 2013 and along with the applicable guidelines issued by Reserve Bank of India ("RBI") for Core Investment Companies (CIC) and Non Banking Finance Company (NBFC) as applicable. The financial statements have been prepared on the accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of Estimates

The preparation of financial statements 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) as of the date of the financial statements and the reported income and expenses during the reporting 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 recognized in the period in which the results are known/materialize.

1.3 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.
- (b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- (c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence

of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

- (d) Dividend is accounted when the right to its receipt is established.
- (e) Guarantee fees is recognised on pro-rata basis over the period of the guarantee.
- (f) Investment management fees are recognised on an accrual basis in accordance with the Investment Management Agreement and SEBI Regulations, based on average Assets Under Management ("AUM") of L&T Mutual Fund schemes over the period of the agreement in terms of which services are performed.
- (g) Portfolio management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

1.4 Tangible and Intangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: Projects under which tangible Fixed assets are not yet ready for their intended use are carried at cost, comprising direct

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of L&T Finance Holdings Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

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

Auditor's responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company – Refer note 24.12 to the financial statements.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Annexure 'A' to the Independent Auditors' Report

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

1. (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) No immovable properties are held by the Company as at 31 March 2016. Accordingly, paragraph 1 (c) of the Order is not applicable.
2. The Company is a non-banking finance company and does not hold any inventories. Accordingly, paragraph 2 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3 (a), (b) and (c) of the Order are not applicable.
4. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Act have been complied with.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly, paragraph 5 of the Order is not applicable.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, paragraph 6 of the Order is not applicable.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable as at 31 March 2016, in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
9. In our opinion and according to the information and explanations given to us, on an overall basis the moneys raised by way of further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company nor on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by management.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company. Accordingly, paragraph 12 of the Order is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed as required by the applicable accounting standards.
14. The Company has made preferential allotment or private placement of shares during the year under review. The requirements of section 42 of the Act have been complied with and amounts raised have been used for the purposes for which the funds were raised.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 15 of the Order is not applicable.
16. The Company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No. 38332

Mumbai, 2 May 2016

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of L&T Finance Holdings Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial

controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Balance Sheet as at March 31, 2016

			(₹ in Lakhs)
	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	296,679.86	308,368.59
(b) Reserves and surplus	3	210,247.25	182,560.86
(c) Money received against share warrants	4	11,806.88	-
		518,733.99	490,929.45
Non current liabilities			
(a) Other long-term liabilities	5	13.58	13.58
(b) Long term provisions	6	0.96	-
		14.54	13.58
Current liabilities			
(a) Short term borrowings	7	59,759.17	54,900.41
(b) Other current liabilities	8	1,890.48	1,237.33
(c) Short term-provisions	9	15,087.75	14,279.50
		76,737.40	70,417.24
TOTAL		<u>595,485.93</u>	<u>561,360.27</u>
ASSETS:			
Non - Current assets			
(a) Fixed assets			
(i) Tangible assets	10	21.39	30.99
(ii) Intangible assets		5.79	9.46
		27.18	40.45
(b) Non-current investments	11	506,668.39	482,912.93
(c) Deferred tax assets (net)	12	903.61	152.79
(d) Long term loans and advances	13	3,789.70	1,741.16
		511,388.88	484,847.33
Current assets			
(a) Current Investments	14	50,432.72	27,673.92
(b) Current maturity of long term loans and advances	13	-	5,000.00
(c) Cash and bank balances	15	4,027.68	3,111.99
(d) Short term loans and advances	16	29,082.56	38,450.79
(e) Other current assets	17	554.09	2,276.24
		84,097.05	76,512.94
TOTAL		<u>595,485.93</u>	<u>561,360.27</u>
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2016

		(₹ in Lakhs)	
	Note No	2015-16	2014-15
INCOME			
Revenue from operations	18	34,850.26	29,061.91
Other income	19	7,894.84	3,631.28
Total Income		42,745.10	32,693.19
EXPENSES			
Employee benefits expense	20	2,032.63	1,704.20
Finance costs	21	2,707.87	3,923.98
Depreciation and amortisation		13.26	12.94
Administration and other expenses	22	1,202.37	1,847.67
Provisions and contingencies	23	(20.32)	1.63
Total Expenses		5,935.81	7,490.42
Profit before tax		36,809.29	25,202.77
Tax expense:			
- Current tax		2,249.12	-
- MAT credit entitlement		(2,492.67)	(941.00)
- Deferred tax		(750.82)	(19.03)
		(994.37)	(960.03)
Profit for the year		37,803.66	26,162.80
Earnings Per Equity Share:			
Basic earnings per equity share (₹)		1.25	0.88
Diluted earnings per equity share (₹)		1.25	0.88
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	36,809.29	25,202.77
Adjustment for:		
Provision on standard assets	(20.32)	1.63
Provision for employee benefits	714.34	(13.39)
Depreciation and amortisation	13.26	12.94
Profit on sale of investment in associate	-	(40.50)
Operating profit before working capital changes	37,516.57	25,163.45
Changes in working capital		
(Increase)/ Decrease in current and non current assets	15,579.70	(10,682.60)
Increase/ (Decrease) in current and non current liabilities and provisions	514.85	47.27
Cash generated from operations	53,611.12	14,528.12
Direct taxes paid	(1,484.99)	(3.03)
Net cash generated from operating activities (A)	52,126.13	14,525.09
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of Fixed Assets	0.07	-
Sale of long term investment	17,500.00	1,430.50
	17,500.07	1,430.50
Less : Outflow for investing activities		
Investment in subsidiary companies	41,255.46	11,601.81
Purchase of current investments (net)	22,758.80	7,830.02
Purchases of fixed assets	0.07	11.64
	64,014.33	19,443.47
Net cash from/(used in) investing activities (B)	(46,514.26)	(18,012.97)

Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	9,246.61	37,315.75
Proceeds from issue of share warrants	11,806.88	-
Proceeds from short term borrowings (net)	5,052.34	18,971.98
	26,105.83	56,287.73
Less : Outflows for financing activities		
Share/Debenture issue expenses	826.21	414.71
Dividend paid (including dividend distribution tax)	29,975.80	23,908.06
Repayments of long term borrowings	-	30,000.00
	30,802.01	54,322.77
Net cash generated from/(used in) financing activities (C)	(4,696.18)	1,964.96
Net increase/(decrease) in cash and cash equivalents (A+B+C)	915.69	(1,522.92)
Cash and cash equivalents as at beginning of the year	3,111.99	4,634.91
Cash and cash equivalents as at end of the year	4,027.68	3,111.99

Notes:

1. Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the audit of the consolidated financial statements

We have audited the accompanying consolidated financial statements of L&T Finance Holdings Limited ('the Holding Company') and its subsidiaries and associate (the Holding Company and its subsidiaries and associate together referred to as 'the Group') which comprise the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the consolidated financial statements

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

In preparing the consolidated financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet of the state of affairs of the Group as at 31 March 2016;
- b) in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flow of the Group for the year ended on that date.

Other matters

We did not audit the financial statements of four subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets

of Rs. 2,735,927.38 lakhs as at 31 March 2016, total revenues of Rs. 279,642.61 lakhs and net cash outflows amounting to Rs. 54,493.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) and (11) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We further report that in respect of an associate, we did not carry out the audit. The consolidated financial statements include the net carrying cost of investments of Rs. 4,750.87 lakhs and current year share of net profit of Rs. 300.45 lakhs in respect of the associate. These financial statements have been audited by another auditor, whose report has been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditor.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting

Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2016, taken on record by the board of directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – refer Note 29.10 to the consolidated financial statements;
 - (2) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - (3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate company, incorporated in India.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner

Mumbai, 2 May 2016

Membership No. 38332

Annexure 'A' To the Independent Auditors' Report

Annexure 'A' To the Independent Auditor's Report of even date on the Consolidated financial statements of L&T Finance Holdings Limited

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements')

Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of L&T Finance Holdings Limited (hereinafter referred to as 'the Holding Company') and its subsidiary companies and its associate company, which are incorporated in India as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The respective board of directors of the of the Holding company, its subsidiary companies and its associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to

the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

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

disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over

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

Other Matters

Our aforesaid report under section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to four subsidiary companies and one associate company, which are companies incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Consolidated Balance Sheet as at March 31, 2016

		(₹ in Lakhs)	
	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	2	296,679.86	308,368.59
Reserves and surplus	3	532,368.43	465,618.84
Money received against share warrants	4	11,806.88	-
		840,855.17	773,987.43
		10,030.00	10,030.00
Minority interest			
Non-current liabilities			
Long-term borrowings	5	3,703,112.74	2,940,091.40
Other long term liabilities	6	58,297.93	60,400.59
Long-term provisions	7	34,676.72	26,683.78
		3,796,087.39	3,027,175.77
Current liabilities			
Short-term borrowings	8	669,552.90	598,869.67
Current maturities of long term borrowings	5	788,900.16	670,102.69
Trade payables	9	6,870.97	7,222.49
Other current liabilities	10	237,781.63	166,316.77
Short-term provisions	11	24,555.08	20,511.83
		1,727,660.74	1,463,023.45
TOTAL		6,374,633.30	5,274,216.65
ASSETS:			
Non-current assets			
Fixed assets	12		
Tangible assets		66,549.66	53,149.12
Intangible assets		826.30	1,342.96
Capital work-in-progress		2,218.74	17,334.70
Intangible assets under development		23.14	20.26
Goodwill on consolidation		63,891.06	63,891.06
Non-current investments	13	134,000.64	104,314.61
Deferred tax assets (net)	14	39,927.68	28,978.83
Long-term loans and advances	15	40,252.83	27,935.18
Long-term loans and advances towards financing activities	16	4,388,120.40	3,457,198.70
Other non-current assets	17	43,537.58	38,484.17
		4,779,348.03	3,792,649.59
Current assets			
Current investments	18	222,326.72	160,607.01
Trade receivables	19	2,669.12	2,137.19
Cash and bank balances	20	40,153.43	86,232.95
Short-term loans and advances towards financing activities	21	311,468.07	271,122.76
Current maturities of long term loans and advances towards financing activities	16	906,949.55	847,991.90
Other current assets	22	111,718.38	113,475.25
		1,595,285.27	1,481,567.06
TOTAL		6,374,633.30	5,274,216.65
Significant accounting policies	1		
Notes forming part of the consolidated financial statements	29		
As per our report attached		For and on behalf of Board of Directors of L&T Finance Holdings Limited	
SHARP & TANNAN		Y.M. Deosthalee	
Chartered Accountants		Chairman & Managing Director	
Firm's registration no. 109982W		(DIN :00001698)	
by the hand of		Dinanath Dubhashi	
		Deputy Managing Director	
		(DIN :03545900)	
Firdosh D. Buchia		N. Suryanarayanan	
Partner		Company Secretary	
Membership no. 38332		Sachinn Joshi	
		Chief Financial Officer	
Mumbai, May 2, 2016		Mumbai, May 2, 2016	

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

			(₹ in Lakhs)
	Note No	2015-16	2014-15
INCOME:			
Revenue from operations	23	728,878.92	619,622.86
Other income	24	18,190.04	14,122.07
Total Income		747,068.96	633,744.93
EXPENSES:			
Finance costs	25	412,413.64	356,778.73
Employee benefits expense	26	48,768.77	35,227.05
Administration and other expenses	27	74,236.51	62,928.39
Allowances and write offs	28	78,102.13	66,167.50
Depreciation and amortisation		8,281.38	9,550.41
Total expenses		621,802.43	530,652.08
Profit before exceptional and extraordinary items and taxes		125,266.53	103,092.85
Exceptional items	29.16	-	14,389.42
Profit before extraordinary items and taxes		125,266.53	117,482.27
Extraordinary items		-	-
Profit before tax		125,266.53	117,482.27
Tax expense:			
Current tax		53,339.24	41,781.13
MAT Credit		(2,492.67)	(2,267.69)
Deferred tax		(10,948.85)	(7,102.64)
Tax expense		39,897.72	32,410.80
Profit after tax		85,368.81	85,071.47
Add : Share in profit of associate company		300.45	396.43
Profit for the year		85,669.26	85,467.90
Earnings per equity share:	29.9		
Basic earnings per equity share before and after extraordinary items (₹)		3.79	4.30
Diluted earnings per equity share before and after extraordinary items (₹)		3.79	4.29
Face value per equity share (₹)		10.00	10.00
Notes forming part of the consolidated financial statements	29		

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee
Chairman & Managing Director
(DIN :00001698)

N. Suryanarayanan
Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi
Deputy Managing Director
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
A. Cash flow from operating activities		
Adjustments for:		
Depreciation and amortisation	8,281.38	9,550.41
(Profit)/ Loss on sale of investments (net)	(9,360.40)	(6,331.79)
(Profit)/ Loss on sale of fixed assets (net)	2,295.99	910.31
Provision for compensated absences/leave encashment	981.03	567.32
Provision for Gratuity	310.97	214.17
Cumulative interest on long term NCDs, payable at maturity	10,308.75	3,295.55
Provision for diminution in value of investments	5,485.43	4,265.11
Loss on foreclosure of loans and bad debts write offs	51,231.44	50,926.96
Loss on sale of investments in associate	-	450.00
Provision for non-performing assets	11,614.45	8,620.42
Provision for advances and receivables	(45.93)	(3,752.18)
Provision for standard assets	9,490.49	2,536.04
Provision for restructured assets	326.25	3,121.15
Operating profit before working capital changes	216,186.38	191,855.74
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(55,002.98)	(151,552.48)
Increase/ (Decrease) in trade and other payables	68,860.29	29,632.97
Cash generated from operations	230,043.69	69,936.23
Direct taxes paid	(61,078.18)	(45,524.59)
Loans disbursed (net of repayments)	(1,062,541.98)	(685,839.97)
Net cash flow from operating activities (A)	(893,576.47)	(661,428.33)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	1,299.84	2,293.73
Sale of current investments (net)	-	19,821.08
	1,299.84	22,114.81
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	9,220.01	12,175.84
Purchase of non current investments	34,871.01	9,702.35
Purchase of current investments (net)	52,359.31	-
	96,450.33	21,878.19
Net cash from/(used in) investing activities (B)	(95,150.49)	236.62

Consolidated Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	9,246.59	37,315.75
Proceeds from issue of preference share capital (Minority Interest)	-	10,030.00
Proceeds from issue of share warrants	11,806.88	-
Net proceeds from long term borrowings	884,116.56	479,553.18
Net proceeds from short term borrowings	77,133.33	144,153.88
	982,303.36	671,052.81
Less : Outflow from financing activities		
Shares / Debenture issue expenses	2,947.44	1,019.38
Dividend paid (including dividend distribution tax)	36,715.55	28,863.44
	39,662.99	29,882.82
Net cash generated from/(used in) financing activities (C)	942,640.37	641,169.99
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	(46,086.59)	8,108.62
Cash and cash equivalents as at beginning of the year	85,903.33	77,794.71
Cash and cash equivalents as at end of the year	39,816.74	85,903.33
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	40,153.43	86,232.95
Less : Deposits with original maturity for more than 3 months	336.69	329.62
Cash and cash equivalents as at end of the year	39,816.74	85,903.33

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
2. Purchase of fixed assets includes movements of capital work in progress during the year.
3. Cash and cash equivalents represent cash and bank balances.
4. Previous year figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership no. 38332
Mumbai, May 2, 2016

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

Y.M. Deosthalee
Chairman & Managing Director
(DIN :00001698)

N. Suryanarayanan
Company Secretary
Mumbai, May 2, 2016

Dinanath Dubhashi
Deputy Managing Director
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

To The Members of L&T FINANCE HOLDINGS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **L&T FINANCE HOLDINGS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and

the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the director of the Company and taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses which have not been provided for in the Statement of Profit and Loss.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of L&T FINANCE HOLDINGS LIMITED (the "Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.</p> <p>(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.</p> <p>(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> | <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax as on March 31, 2018 on account of disputes.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.</p> <p>(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> |
|---|--|

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants

(Firm's Registration No. 105102W)

Ravi Kapoor

Partner

(Membership No. 040404)

MUMBAI, May 3, 2018

Balance Sheet as at March 31, 2018

			(₹ in Lakh)
	Note No	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES:			
1 Shareholders' funds			
(a) Share capital	2	303,007.70	296,912.19
(b) Reserves and surplus	3	562,149.65	223,653.58
(c) Money received against share warrants	4	-	11,806.88
		865,157.35	532,372.65
2 Current liabilities			
(a) Short term borrowings	5	40,496.06	97,390.14
(b) Other current liabilities	6	7,629.72	7,579.64
(c) Short term provisions	7	580.90	433.70
		48,706.68	105,403.48
TOTAL		913,864.03	637,776.13
ASSETS:			
1 Non current assets			
(a) Property, plant and equipment	8	0.67	1.00
(b) Intangible assets	8	-	2.13
(c) Non current investments	9	784,038.71	537,403.38
(d) Deferred tax assets (net)	10	196.43	935.43
(e) Long term loans and advances	11	3,434.39	4,684.03
		787,670.20	543,025.97
2 Current assets			
(a) Current investments	12	-	27,013.92
(b) Cash and bank balances	13	1,226.65	221.57
(c) Short term loans and advances	14	100,613.37	58,367.40
(d) Other current assets	15	24,353.81	9,147.27
		126,193.83	94,750.16
TOTAL		913,864.03	637,776.13
See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2018

		(₹ in Lakh)	
	Note No	Year ended March 31, 2018	Year ended March 31, 2017
REVENUE			
1 Revenue from operations	16	44,993.34	27,757.57
2 Other income	17	2,843.77	3,731.42
3 Total Revenue (1+2)		47,837.11	31,488.99
EXPENSES			
4 Employee benefits expense	18	472.00	1,156.99
5 Finance costs	19	6,587.18	4,591.56
6 Depreciation and amortisation	8	2.47	5.13
7 Administration and other expenses	20	1,109.59	1,090.33
8 Provisions and contingencies	21	197.52	134.25
9 Total expenses (4+5+6+7+8)		8,368.76	6,978.26
10 Profit before tax (3-9)		39,468.35	24,510.73
11 Tax expense:			
- Current tax		700.58	512.25
- MAT credit entitlement		-	(835.87)
- Deferred tax		739.00	(31.82)
- Short provision relating to earlier years		1,244.94	-
Total provision for tax		2,684.52	(355.44)
12 Profit after tax (10-11)		36,783.83	24,866.17
Earnings per equity share:	22.5		
Basic earnings per equity share (₹)		1.51	0.71
Diluted earnings per equity share (₹)		1.49	0.70
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part of the financial statements	1 to 22		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss	39,468.35	24,510.73
Adjustment for:		
Provision on standard assets	197.52	115.64
Provision and MTM (gain)/loss on current investments	-	18.61
Provision for gratuity	(41.61)	39.07
Provision for compensated absences	(54.39)	130.62
Provision for superannuation fund	19.50	65.56
Depreciation and amortisation	2.47	5.13
Profit on sale of property, plant and equipment	-	(2.00)
Profit on sale of investments	(521.87)	(1,712.38)
Expense on employee stock option scheme	41.93	63.63
Operating profit before working capital changes	39,111.90	23,234.61
Changes in working capital		
Increase in current and non current assets	(56,457.63)	(37,549.74)
Increase in current and non current liabilities and provisions	2,249.16	2,423.74
Net cash used in operations	(15,096.57)	(11,891.39)
Direct taxes paid (net)	(695.88)	(890.71)
Net cash used in operating activities (A)	(15,792.45)	(12,782.10)
B. Cash flows from investing activities		
Current investments not considered as cash and cash equivalents		
- Purchased	(306,047.45)	(373,375.00)
- Proceeds from sale	333,583.23	398,487.57
Purchase of long-term investments in subsidiaries	(246,635.33)	(31,235.00)
Proceed from sale of long term investments	-	500.00
Capital expenditure on property, plant and equipment, including capital advances	-	(0.43)
Proceeds from sale of property, plant and equipment	-	21.36
Net cash used in investing activities (B)	(219,099.55)	(5,601.50)

Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	338,597.44	1,149.76
Proceeds from short term borrowings (net)	(56,894.08)	37,630.97
Share issue expenses	(1,853.13)	-
Dividend paid on equity shares	(14,573.70)	(14,032.97)
Dividend paid on preference shares (including dividend distribution tax)	(9,306.55)	(10,338.95)
Dividend tax paid on cumulative redeemable preference shares	(2,104.46)	-
Redemption of preference shares	(17,900.00)	-
Net cash generated from financing activities (C)	235,965.52	14,408.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,073.52	(3,974.79)
Cash and cash equivalents as at beginning of the year	52.89	4,027.68
Cash and cash equivalents as at end of the year	1,126.41	52.89
Components of cash and cash equivalents as at end of the year		
Cash and bank balances	1,226.65	221.57
Less: Earmarked accounts	100.24	168.68
With banks - in current accounts	1,126.41	52.89
See accompanying notes forming part of the financial statements		
Notes:		
1. Net cash used in operating activities includes:		
Interest received	6,350.48	4,962.68
Dividend received	23,920.35	22,633.20
Interest paid	3,041.44	1,533.78
2. Previous year figures have been regrouped/reclassified wherever applicable		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN: 03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

TO THE MEMBERS OF L&T FINANCE HOLDINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group

and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 7 subsidiaries whose financial statements reflect total assets of ₹121,311.08 lakh as at March 31, 2018, total revenues of ₹79,748.83 lakh and net cash inflows amounting to ₹883.79 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net profit of ₹83.39 lakh for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, and associate, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our

examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and its associate company.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of

the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts which have not been provided for in the Consolidated Statement of Profit and Loss.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain from audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have Obtained from the other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 7 subsidiary companies and an associate company, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
MUMBAI, May 3, 2018

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
MUMBAI, May 3, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in lakh)

	Note No	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	303,007.70	296,912.20
(b) Reserves and surplus	3	1,055,419.86	602,014.70
(c) Money received against share warrants	4	-	11,806.88
		1,358,427.56	910,733.78
		12,314.01	11,856.64
Minority interest			
Non-current liabilities			
(a) Long-term borrowings	5	5,104,324.48	4,323,034.62
(b) Deferred tax liabilities (net)	6	261.75	238.87
(c) Other long-term liabilities	7	42,389.44	73,205.64
(d) Long-term provisions	8	28,045.18	26,382.84
		5,175,020.85	4,422,861.97
Current liabilities			
(a) Short-term borrowings	9	1,080,295.51	1,176,409.93
(b) Current maturities of long term borrowings	5	973,085.39	481,660.93
(c) Trade payables		-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10	16,964.33	7,263.62
(d) Other current liabilities	11	295,302.50	232,382.50
(e) Short-term provisions	12	11,646.43	8,189.83
		2,377,294.16	1,905,906.81
TOTAL		8,923,056.58	7,251,359.20
ASSETS:			
Non-current assets			
(a) Property, plant and equipment	13	46,657.46	58,046.39
(b) Intangible assets	13	1,964.95	1,049.31
(c) Capital work-in-progress		3,900.18	2,596.75
(d) Intangible assets under development		591.43	192.42
(e) Goodwill on consolidation		63,891.06	63,891.06
(f) Non-current investments	14	256,281.14	217,601.95
(g) Deferred tax assets (net)	15	98,632.07	74,262.65
(h) Long-term loans and advances	16	82,965.53	58,887.42
(i) Long-term loans and advances towards financing activities	17	6,269,418.07	4,933,479.05
(j) Other non-current assets	18	29,204.01	36,514.74
		6,853,505.90	5,446,521.74
Current assets			
(a) Current investments	19	228,051.92	383,551.16
(b) Trade receivables	20	12,650.56	7,884.92
(c) Cash and bank balances	21	106,330.61	59,438.28
(d) Short-term loans and advances	22	20,116.20	11,840.71
(e) Short-term loans and advances towards financing activities	23	186,647.36	217,124.52
(f) Current maturities of long term loans and advances towards financing activities	17	1,373,856.57	1,014,246.42
(g) Other current assets	24	141,897.46	110,751.45
		2,069,550.68	1,804,837.46
TOTAL		8,923,056.58	7,251,359.20

See accompanying notes forming part of the financial statements: 1 to 31

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Note No	Year ended March 31, 2018	Year ended March 31, 2017
INCOME:			
Revenue from operations	25	1,002,103.36	834,058.85
Other income	26	47,890.72	23,172.16
Total Income		1,049,994.08	857,231.01
EXPENSES:			
Finance costs	27	532,610.70	462,703.21
Employee benefits expense	28	50,344.14	49,352.16
Administration and other expenses	29	98,189.31	71,565.74
Allowances and write offs	30	189,674.89	158,989.73
Depreciation and amortisation		5,192.65	6,729.98
Total expenses		876,011.69	749,340.82
Profit before exceptional and extraordinary items and taxes		173,982.39	107,890.19
Exceptional items		-	-
Profit before extraordinary items and taxes		173,982.39	107,890.19
Extraordinary items		-	-
Profit before tax		173,982.39	107,890.19
Tax expense:			
Current tax		51,846.99	39,923.15
MAT credit entitlement		(1,214.67)	(2,183.30)
Deferred tax		(24,346.54)	(34,096.18)
Short provision relating to earlier years		1,197.52	-
Tax expense		27,483.30	3,643.67
Profit after tax		146,499.09	104,246.52
Add: share in profit of associate company		83.39	574.73
Less: share of minority interest		633.68	602.58
Profit for the year attributable to the shareholders of the company		145,948.80	104,218.67
Earnings per equity share:			
Basic earnings per equity share before and after extraordinary items (₹)		7.49	5.21
Diluted earnings per equity share before and after extraordinary items (₹)		7.42	5.14
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part of the 1 to 31 financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	173,982.39	107,890.19
Adjustments for:		
Depreciation and amortisation	5,192.65	6,729.98
(Profit)/ Loss on sale of investments (net)	(20,813.52)	(8,732.88)
(Profit)/ Loss on sale of property, plant and equipments (net)	207.96	1,311.89
Provision for diminution in value of investments	6,107.22	3,936.41
Loss on foreclosure of loans and bad debts write offs	108,273.21	40,003.32
Provision for non-performing assets	67,905.08	76,282.32
Provision for advances and receivables	(37.65)	85.37
Provision for standard assets	9,666.02	39,670.86
Provision for restructured assets	(2,238.99)	(988.55)
Expense on employee stock option scheme	1,036.81	72.55
Operating profit before working capital changes	349,281.18	266,261.46
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(44,585.01)	(41,600.33)
Increase/ (Decrease) in trade and other payables	40,028.59	(7,336.27)
Cash generated from operations	344,724.76	217,324.86
Direct taxes paid	(64,914.17)	(53,167.17)
Loans disbursed (net of repayments)	(1,838,896.40)	(742,098.89)
Net cash used in operating activities (A)	(1,559,085.81)	(577,941.20)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of property, plants and equipment	10,898.95	3,194.83
Sale of current investments	176,447.46	-
	187,346.41	3,194.83
Less : Outflow from investing activities		
Purchase of property, plants and equipment (including capital work in progress)	8,325.45	3,328.50
Purchase of non current investments	24,139.99	126,652.69
Purchase of current investments	-	84,968.00
	32,465.44	214,949.19
Net cash from/(used in) investing activities (B)	154,880.97	(211,754.36)

Consolidated Cash Flow Statement for the year ended March 31, 2018

	(₹ in lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	338,597.44	1,149.74
Proceeds from issue of preference share capital (Minority Interest)	-	500.00
Net proceeds from long term borrowings	1,272,754.36	317,030.37
Net proceeds from short term borrowings	-	506,857.03
	1,611,351.80	825,537.14
Less : Outflow from financing activities		
Shares / Debenture issue expenses	3,234.20	743.94
Dividend paid (including dividend distribution tax) including Minority Interest	30,428.77	29,583.09
Redemption of Preference shares	17,900.00	-
Net repayments towards short term borrowings	96,114.42	-
	147,677.39	30,327.03
Net cash from financing activities (C)	1,463,674.41	795,210.11
Net cash increase in cash and cash equivalents (A+B+C)	59,469.57	5,514.55
Cash and cash equivalents as at beginning of the year	45,331.29	39,816.74
Cash and cash equivalents as at end of the year	104,800.86	45,331.29
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	106,330.61	59,438.28
Less : Deposits with original maturity for more than 3 months	5.29	12,779.70
Less : Earmarked balances	1,524.46	1,327.29
Cash and cash equivalents as at end of the year	104,800.86	45,331.29
Notes:		
1. Net cash used in operating activities includes:		
Interest received	856,140.18	742,366.37
Dividend received	66.33	-
Interest paid	475,113.63	428,915.33

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 3, 2018

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no.040404

Place : Mumbai
Date : May 3, 2018

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

S. V. Haribhakti
Non-Executive Chairman
(DIN: 00007347)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 3, 2018

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **L&T FINANCE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366WW-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) the CARO 2016 Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Value Added Tax and corresponding cess.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- | | |
|---|---|
| <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.</p> <p>(xiv) During the year the Company has not made any preferential allotment or private placement of</p> | <p>shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.</p> <p>(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.</p> <p>(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.</p> |
|---|---|

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Balance Sheet as at March 31, 2017

			(₹ in lakh)
	Note No	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES:			
1 Shareholders' funds			
(a) Share capital	2	296,912.19	296,679.86
(b) Reserves and surplus	3	223,653.58	210,247.25
(c) Money received against share warrants	4	11,806.88	11,806.88
		532,372.65	518,733.99
2 Non current liabilities			
(a) Other long-term liabilities	5	-	13.58
(b) Long term provisions	6	-	0.96
			14.54
3 Current liabilities			
(a) Short term borrowings	7	97,390.14	59,759.17
(b) Other current liabilities	8	5,418.80	1,890.48
(c) Short term-provisions	9	2,594.54	15,087.75
		105,403.48	76,737.40
TOTAL		637,776.13	595,485.93
ASSETS:			
1 Non - Current assets			
(a) Fixed assets	10		
(i) Tangible assets		1.00	21.39
(ii) Intangible assets		2.13	5.79
		3.13	27.18
(b) Non-current investments	11	537,403.38	506,668.39
(c) Deferred tax assets (net)	12	935.43	903.61
(d) Long term loans and advances	13	4,684.03	3,789.70
		543,025.97	511,388.88
2 Current assets			
(a) Current Investments	14	27,013.92	50,432.72
(b) Cash and bank balances	15	221.57	4,027.68
(c) Short term loans and advances	16	58,367.40	29,188.36
(d) Other current assets	17	9,147.27	448.29
		94,750.16	84,097.05
TOTAL		637,776.13	595,485.93
See accompanying Notes forming part of the financial statements	1 to 24		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

**For and on behalf of board of directors of
L&T Finance Holdings Limited**

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

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

			(₹ in lakh)
	Note No	Year ended March 31, 2017	Year ended March 31, 2016
REVENUE			
1. Revenue from operations	18	27,757.57	34,850.26
2. Other income	19	3,731.42	7,894.84
3. Total Revenue (1+2)		31,488.99	42,745.10
EXPENSES			
4. Employee benefits expense	20	1,156.99	2,032.63
5. Finance costs	21	4,591.56	2,707.87
6. Depreciation and amortisation		5.13	13.26
7. Administration and other expenses	22	1,090.33	1,202.37
8. Provisions and contingencies	23	134.25	(20.32)
9. Total Expenses (4+5+6+7+8)		6,978.26	5,935.81
10. Profit before tax (3-9)		24,510.73	36,809.29
11. Tax expense:			
- Current tax		512.25	2,249.12
- MAT credit entitlement		(835.87)	(2,492.67)
- Deferred tax		(31.82)	(750.82)
Total provision for tax		(355.44)	(994.37)
12. Profit after tax (10-11)		24,866.17	37,803.66
Earnings Per Equity Share:	24.5		
Basic earnings per equity share (₹)		0.71	1.25
Diluted earnings per equity share (₹)		0.70	1.25
Face value per equity share (₹)		10.00	10.00
See accompanying Notes forming part of the financial statements	1 to 24		

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For **B. K. KHARE & CO.**
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

For and on behalf of board of directors of
L&T Finance Holdings Limited

Y.M. Deosthalee
Chairperson
(DIN : 00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN : 03545900)

Sachinn Joshi
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

	(₹ in lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	24,510.73	36,809.29
Adjustment for:		
Provision on standard assets	115.64	(20.32)
Provision and MTM loss on Current Investments	18.61	-
Provision for Leave Encashment	130.62	299.30
Provision for Gratuity	39.07	415.04
Provision for Superannuation	65.56	65.56
Depreciation and amortisation	5.13	13.26
Profit on sale of Fixed Assets	(2.00)	-
Profit on sale of Mutual Fund	(1,712.38)	(6,498.55)
Expense on employee stock option scheme	63.63	36.72
Operating profit before working capital changes	23,234.61	31,120.30
Changes in working capital		
(Increase)/ Decrease in current and non current assets	(37,549.74)	15,542.98
Increase/ (Decrease) in current and non current liabilities and provisions	2,592.42	449.29
Cash generated from operations	(11,722.71)	47,112.57
Direct taxes paid	(890.71)	(1,484.99)
Net cash generated/ (used) in operating activities (A)	(12,613.42)	45,627.58
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of current investments (net)	398,487.57	11,425,150.66
Sale of Fixed Assets	21.36	0.07
Sale of long term investment	500.00	18,175.09
	399,008.93	11,443,325.82
Less : Outflow for investing activities		
Investment in subsidiary companies	31,235.00	41,255.46
Purchase of current investments (net)	373,375.00	11,442,086.00
Purchases of fixed assets	0.43	0.07
	404,610.43	11,483,341.53
Net cash from/(used in) investing activities (B)	(5,601.50)	(40,015.71)

Cash Flow Statement for the year ended March 31, 2017

	(₹ in lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	1,149.76	59,246.61
Proceeds from issue of share warrants	-	11,806.88
Proceeds from short term borrowings (net)	37,630.97	5,052.34
	38,780.73	76,105.83
Less : Outflows for financing activities		
Share/Debenture issue expenses	-	826.21
Dividend paid (including dividend distribution tax)	24,371.92	29,975.80
Redemption of Preference Shares	-	50,000.00
	24,371.92	80,802.01
Net cash generated from/(used in) financing activities (C)	14,408.81	(4,696.18)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,806.11)	915.69
Cash and cash equivalents as at beginning of the year	4,027.68	3,111.99
Cash and cash equivalents as at end of the year*	221.57	4,027.68
See accompanying Notes forming part of the financial statements		

Notes:	(₹ in lakh)	
1. Net cash used in operating activities is determined after adjusting the following:		
Interest received	4,962.68	4,323.31
Dividend received	22,633.20	30,197.85
Interest paid	1,533.78	2,861.92
2. Previous year figures have been regrouped/reclassified wherever applicable.		

* Includes balances in earmarked accounts ₹ 168.68 lakhs (Previous balance ₹ 699.33 lakhs)

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

**For and on behalf of board of directors of
L&T Finance Holdings Limited**

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner

so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 8 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 111,513.12 lakh as at March 31, 2017, total revenues of ₹ 45,176.86 lakh and net cash inflows amounting to ₹ 3,113.61 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 574.64 lakh for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associate referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies and its associate company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and associate company's internal financial controls over financial reporting.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.
- iv. To the best of our information and according to the information and explanations given to us, we report that, except where, for reasons explained in note no. 31.17 to the consolidated financial statements, the disclosures by certain subsidiaries of the Group with regard to the Specified Bank Notes ("SBNs") were restricted to readily available information and also considering that certain amounts directly deposited into the bank accounts of those entities by their customers for which information

relating to SBNs was not available with those entities were classified as "Permitted receipts/ Other Denomination Notes", the Parent Company has provided requisite disclosures in the consolidated financial statements as regards the Group entities' holding and dealings in SBNs, as defined in the Notification S.O. 3407(E) dated 8th November, 2016, of the Ministry of Finance, during the period from November 9, 2016 to December 30, 2016. Based on audit procedures performed by us and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements, which, as the case may be, were produced before us and the other auditors by the managements of the respective Group entities.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its associate company.

Meaning of Internal Financial Controls Over Financial Reporting

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)
Mumbai, May 4, 2017

referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 8 subsidiary companies and an associate company is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For B.K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor

Partner
(Membership No. 040404)
Mumbai, May 4, 2017

Consolidated Balance Sheet as at March 31, 2017

	Note No	As at March 31, 2017	As at March 31, 2016
(₹ in Lakh)			
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	2	296,912.20	296,679.86
Reserves and surplus	3	602,014.70	532,368.43
Money received against share warrants	4	11,806.88	11,806.88
		910,733.78	840,855.17
		11,856.64	10,030.00
Minority interest			
Non-current liabilities			
Long-term borrowings	5	4,323,034.62	3,703,112.74
Deferred tax liabilities	6	238.87	171.06
Other long term liabilities	7	73,205.64	58,297.93
Long-term provisions	8	26,382.84	34,620.05
		4,422,861.97	3,796,201.78
Current liabilities			
Short-term borrowings	9	1,176,409.93	669,552.90
Current maturities of long term borrowings	5	481,660.93	788,900.16
Trade payables:	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,263.62	6,870.97
Other current liabilities	11	230,278.04	237,838.30
Short-term provisions	12	10,294.29	29,856.65
		1,905,906.81	1,733,018.98
TOTAL		7,251,359.20	6,380,105.93
ASSETS:			
Non-current assets			
Fixed assets	13		
Tangible assets		58,046.39	66,549.66
Intangible assets		1,049.31	826.30
Capital work-in-progress		2,596.75	2,218.74
Intangible assets under development		192.42	23.14
Goodwill on consolidation		63,891.06	63,891.06
Non-current investments	14	267,601.95	134,000.64
Deferred tax assets	15	74,262.65	40,098.74
Long-term loans and advances	16	58,966.95	57,121.89
Long-term loans and advances towards financing activities	17	4,933,479.05	4,388,120.40
Other non-current assets	18	36,435.21	31,970.09
		5,496,521.74	4,784,820.66
Current assets			
Current investments	19	333,551.16	222,326.72
Trade receivables	20	7,884.92	2,669.12
Cash and bank balances	21	59,438.28	40,153.43
Short-term loans and advances	22	7,631.21	7,506.58
Short-term loans and advances towards financing activities	23	217,124.52	311,468.07
Current maturities of long term loans and advances towards financing activities	17	1,014,246.42	906,949.55
Other current assets	24	114,960.95	104,211.80
		1,754,837.46	1,595,285.27
TOTAL		7,251,359.20	6,380,105.93
See accompanying Notes forming part of the financial statements	31		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached
For B. K. KHARE & CO.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : May 4, 2017

For and on behalf of board of directors of
L&T Finance Holdings Limited

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Apurva Rathod
Company Secretary
Place : Mumbai
Date : May 4, 2017

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

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

		(₹ in Lakh)	
	Note No	Year ended March 31, 2017	Year ended March 31, 2016
INCOME:			
Revenue from operations	25	834,058.85	728,878.92
Other income	26	23,172.16	18,190.04
Total Income		857,231.01	747,068.96
EXPENSES:			
Finance costs	27	462,703.21	412,413.64
Employee benefits expense	28	49,352.16	48,768.77
Administration and other expenses	29	71,565.74	74,236.51
Allowances and write offs	30	158,989.73	78,102.13
Depreciation and amortisation		6,729.98	8,281.38
Total expenses		749,340.82	621,802.43
Profit before exceptional and extraordinary items and taxes		107,890.19	125,266.53
Exceptional items		-	-
Profit before extraordinary items and taxes		107,890.19	125,266.53
Extraordinary items		-	-
Profit before tax		107,890.19	125,266.53
Tax expense:			
Current tax		39,923.15	53,339.24
MAT Credit		(2,183.30)	(2,492.67)
Deferred tax		(34,096.18)	(10,948.85)
Tax expense		3,643.67	39,897.72
Profit after tax		104,246.52	85,368.81
Add : Share in profit of associate company		574.73	300.45
Less : Share of minority interest		(602.58)	-
Profit for the year attributable to the shareholder of the Company		104,218.67	85,669.26
Earnings per equity share:	31.2		
Basic earnings per equity share before and after extraordinary items (₹)		5.21	3.79
Diluted earnings per equity share before and after extraordinary items (₹)		5.14	3.79
Face value per equity share (₹)		10.00	10.00
See accompanying Notes forming part of the financial statements	31		
In terms of our report attached For DELOITTE HASKINS & SELLS LLP Chartered Accountants		In terms of our report attached For B. K. KHARE & CO. Chartered Accountants Firm's registration no. 105102W by the hand of	
Sanjiv V. Pilgaonkar Partner		Ravi Kapoor Partner Membership no. 040404	
Place : Mumbai Date : May 4, 2017		Y.M. Deosthalee Chairperson (DIN :00001698) Apurva Rathod Company Secretary Place : Mumbai Date : May 4, 2017	
		Dinanath Dubhashi Managing Director & Chief Executive Officer (DIN :03545900) Sachinn Joshi Chief Financial Officer	

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

	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit before tax	107,890.19	125,266.53
Adjustments for:		
Depreciation and amortisation	6,729.98	8,281.38
(Profit)/ Loss on sale of investments (net)	(8,732.88)	(9,360.40)
(Profit)/ Loss on sale of fixed assets (net)	1,311.89	2,295.99
Provision for compensated absences/leave encashment	605.79	981.03
Provision for Gratuity	213.86	310.97
Cumulative interest on long term NCDs, payable at maturity	10,308.75	10,308.75
Provision for diminution in value of investments	3,936.41	5,485.43
Loss on foreclosure of loans and bad debts write offs	40,003.32	51,231.44
Provision for non-performing assets	76,282.32	11,614.45
Provision for advances and receivables	85.37	(45.93)
Provision for standard assets	39,670.86	9,490.49
Provision for restructured assets	(988.55)	326.25
Operating profit before working capital changes	277,317.31	216,186.38
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(41,527.78)	(14,657.67)
Increase/ (Decrease) in trade and other payables	(17,137.38)	68,860.29
Cash generated from operations	218,652.15	270,389.00
Direct taxes paid	(53,167.17)	(61,078.18)
Loans disbursed (net of repayments)	(742,098.89)	(1,130,576.05)
Net cash flow from/(used in) operating activities (A)	(576,613.91)	(921,265.23)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	3,194.83	1,299.84
Sale of current investments	6,329,472.18	15,942,887.12
Sale of non current investments	7,060.15	22,665.58
	6,339,727.16	15,966,852.54
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	3,328.50	9,220.01
Purchase of non current investments	133,712.84	57,536.59
Purchase of current investments	6,414,440.18	15,967,557.67
	6,551,481.52	16,034,314.27
Net cash from/(used in) investing activities (B)	(211,754.36)	(67,461.73)

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

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	1,149.74	9,246.59
Proceeds from issue of preference share capital (Minority Interest)	500.00	-
Proceeds from issue of share warrants	-	11,806.88
Net proceeds from long term borrowings	317,030.37	884,116.56
Net proceeds from short term borrowings	506,857.03	77,133.33
	825,537.14	982,303.36
Less : Outflow from financing activities		
Shares / Debenture issue expenses	743.94	2,947.44
Dividend paid (including dividend distribution tax)	29,583.09	36,715.55
	30,327.03	39,662.99
Net cash generated from/(used in) financing activities (C)	795,210.11	942,640.37
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	6,841.84	(46,086.59)
Cash and cash equivalents as at beginning of the year	39,816.74	85,903.33
Cash and cash equivalents as at end of the year	46,658.58	39,816.74
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	59,438.28	40,153.43
Less : Deposits with original maturity for more than 3 months	12,779.70	336.69
Cash and cash equivalents as at end of the year*	46,658.58	39,816.74

Notes:

- Purchase of fixed assets includes movements of capital work in progress during the year.
- Net cash used in investing activities excludes investment aggregating ₹ 28,818.97 lakh (previous period ₹ 27,688.76 lakh) acquired against claims.
- Previous year figures have been regrouped/reclassified wherever applicable.
- Net cash used in operating activities is determined after adjusting the following:

Interest received	742,366.37	646,921.68
Dividend received	-	766.26
Interest paid	428,915.33	403,018.70

* Includes balances in earmarked accounts ₹ 1,327.29 lakh (Previous period balance ₹ 2,439.73 lakh)

In terms of our report attached For DELOITTE HASKINS & SELLS LLP Chartered Accountants	In terms of our report attached For B. K. KHARE & CO. Chartered Accountants Firm's registration no. 105102W by the hand of	For and on behalf of board of directors of L&T Finance Holdings Limited
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Sanjiv V. Pilgaonkar
Partner

Ravi Kapoor
Partner
Membership no. 040404

Y.M. Deosthalee
Chairperson
(DIN :00001698)

Dinanath Dubhashi
Managing Director &
Chief Executive Officer
(DIN :03545900)

Apurva Rathod
Company Secretary

Sachinn Joshi
Chief Financial Officer

Place : Mumbai
Date : May 4, 2017

Place : Mumbai
Date : May 4, 2017

Place : Mumbai
Date : May 4, 2017

Notes forming part of Consolidated Financial Statements - March 31, 2017

1. Significant accounting policies.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP'), to comply with the Accounting Standards prescribed under Accounting Standards under section 133 of the Companies Act, 2013 and along with the applicable guidelines issued by Reserve Bank of India ("RBI") for Core Investment Companies (CIC) and Non Banking Finance Company (NBFC) as applicable. The financial statements have been prepared on the accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of Estimates

The preparation of financial statements 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) as of the date of the financial statements and the reported income and expenses during the reporting 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 recognized in the period in which the results are known/materialize.

1.3 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.
- (b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- (c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence

of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

- (d) Dividend is accounted when the right to its receipt is established.
- (e) Guarantee fees is recognised on pro-rata basis over the period of the guarantee.
- (f) Investment management fees are recognised on an accrual basis in accordance with the Investment Management Agreement and SEBI Regulations, based on average Assets Under Management ("AUM") of L&T Mutual Fund schemes over the period of the agreement in terms of which services are performed.
- (g) Portfolio management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

1.4 Tangible and Intangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: Projects under which tangible Fixed assets are not yet ready for their intended use are carried at cost, comprising direct

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of L&T Finance Holdings Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

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

Auditor's responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company – Refer note 24.12 to the financial statements.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Annexure 'A' to the Independent Auditors' Report

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

1. (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) No immovable properties are held by the Company as at 31 March 2016. Accordingly, paragraph 1 (c) of the Order is not applicable.
2. The Company is a non-banking finance company and does not hold any inventories. Accordingly, paragraph 2 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3 (a), (b) and (c) of the Order are not applicable.
4. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Act have been complied with.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly, paragraph 5 of the Order is not applicable.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, paragraph 6 of the Order is not applicable.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable as at 31 March 2016, in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
9. In our opinion and according to the information and explanations given to us, on an overall basis the moneys raised by way of further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company nor on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by management.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company. Accordingly, paragraph 12 of the Order is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed as required by the applicable accounting standards.
14. The Company has made preferential allotment or private placement of shares during the year under review. The requirements of section 42 of the Act have been complied with and amounts raised have been used for the purposes for which the funds were raised.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 15 of the Order is not applicable.
16. The Company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No. 38332

Mumbai, 2 May 2016

Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of L&T Finance Holdings Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial

controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Balance Sheet as at March 31, 2016

			(₹ in Lakhs)
	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	296,679.86	308,368.59
(b) Reserves and surplus	3	210,247.25	182,560.86
(c) Money received against share warrants	4	11,806.88	-
		518,733.99	490,929.45
Non current liabilities			
(a) Other long-term liabilities	5	13.58	13.58
(b) Long term provisions	6	0.96	-
		14.54	13.58
Current liabilities			
(a) Short term borrowings	7	59,759.17	54,900.41
(b) Other current liabilities	8	1,890.48	1,237.33
(c) Short term-provisions	9	15,087.75	14,279.50
		76,737.40	70,417.24
TOTAL		<u>595,485.93</u>	<u>561,360.27</u>
ASSETS:			
Non - Current assets			
(a) Fixed assets			
(i) Tangible assets	10	21.39	30.99
(ii) Intangible assets		5.79	9.46
		27.18	40.45
(b) Non-current investments	11	506,668.39	482,912.93
(c) Deferred tax assets (net)	12	903.61	152.79
(d) Long term loans and advances	13	3,789.70	1,741.16
		511,388.88	484,847.33
Current assets			
(a) Current Investments	14	50,432.72	27,673.92
(b) Current maturity of long term loans and advances	13	-	5,000.00
(c) Cash and bank balances	15	4,027.68	3,111.99
(d) Short term loans and advances	16	29,082.56	38,450.79
(e) Other current assets	17	554.09	2,276.24
		84,097.05	76,512.94
TOTAL		<u>595,485.93</u>	<u>561,360.27</u>
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2016

		(₹ in Lakhs)	
	Note No	2015-16	2014-15
INCOME			
Revenue from operations	18	34,850.26	29,061.91
Other income	19	7,894.84	3,631.28
Total Income		42,745.10	32,693.19
EXPENSES			
Employee benefits expense	20	2,032.63	1,704.20
Finance costs	21	2,707.87	3,923.98
Depreciation and amortisation		13.26	12.94
Administration and other expenses	22	1,202.37	1,847.67
Provisions and contingencies	23	(20.32)	1.63
Total Expenses		5,935.81	7,490.42
Profit before tax		36,809.29	25,202.77
Tax expense:			
- Current tax		2,249.12	-
- MAT credit entitlement		(2,492.67)	(941.00)
- Deferred tax		(750.82)	(19.03)
		(994.37)	(960.03)
Profit for the year		37,803.66	26,162.80
Earnings Per Equity Share:			
Basic earnings per equity share (₹)		1.25	0.88
Diluted earnings per equity share (₹)		1.25	0.88
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	36,809.29	25,202.77
Adjustment for:		
Provision on standard assets	(20.32)	1.63
Provision for employee benefits	714.34	(13.39)
Depreciation and amortisation	13.26	12.94
Profit on sale of investment in associate	-	(40.50)
Operating profit before working capital changes	37,516.57	25,163.45
Changes in working capital		
(Increase)/ Decrease in current and non current assets	15,579.70	(10,682.60)
Increase/ (Decrease) in current and non current liabilities and provisions	514.85	47.27
Cash generated from operations	53,611.12	14,528.12
Direct taxes paid	(1,484.99)	(3.03)
Net cash generated from operating activities (A)	52,126.13	14,525.09
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of Fixed Assets	0.07	-
Sale of long term investment	17,500.00	1,430.50
	17,500.07	1,430.50
Less : Outflow for investing activities		
Investment in subsidiary companies	41,255.46	11,601.81
Purchase of current investments (net)	22,758.80	7,830.02
Purchases of fixed assets	0.07	11.64
	64,014.33	19,443.47
Net cash from/(used in) investing activities (B)	(46,514.26)	(18,012.97)

Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	9,246.61	37,315.75
Proceeds from issue of share warrants	11,806.88	-
Proceeds from short term borrowings (net)	5,052.34	18,971.98
	26,105.83	56,287.73
Less : Outflows for financing activities		
Share/Debenture issue expenses	826.21	414.71
Dividend paid (including dividend distribution tax)	29,975.80	23,908.06
Repayments of long term borrowings	-	30,000.00
	30,802.01	54,322.77
Net cash generated from/(used in) financing activities (C)	(4,696.18)	1,964.96
Net increase/(decrease) in cash and cash equivalents (A+B+C)	915.69	(1,522.92)
Cash and cash equivalents as at beginning of the year	3,111.99	4,634.91
Cash and cash equivalents as at end of the year	4,027.68	3,111.99

Notes:

1. Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi

Deputy Managing Director

(DIN :03545900)

Sachinn Joshi

Chief Financial Officer

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the audit of the consolidated financial statements

We have audited the accompanying consolidated financial statements of L&T Finance Holdings Limited ('the Holding Company') and its subsidiaries and associate (the Holding Company and its subsidiaries and associate together referred to as 'the Group') which comprise the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the consolidated financial statements

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

In preparing the consolidated financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet of the state of affairs of the Group as at 31 March 2016;
- b) in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flow of the Group for the year ended on that date.

Other matters

We did not audit the financial statements of four subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets

of Rs. 2,735,927.38 lakhs as at 31 March 2016, total revenues of Rs. 279,642.61 lakhs and net cash outflows amounting to Rs. 54,493.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) and (11) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We further report that in respect of an associate, we did not carry out the audit. The consolidated financial statements include the net carrying cost of investments of Rs. 4,750.87 lakhs and current year share of net profit of Rs. 300.45 lakhs in respect of the associate. These financial statements have been audited by another auditor, whose report has been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditor.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting

Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2016, taken on record by the board of directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company, incorporated in India is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – refer Note 29.10 to the consolidated financial statements;
 - (2) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - (3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate company, incorporated in India.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner

Mumbai, 2 May 2016

Membership No. 38332

Annexure 'A' To the Independent Auditors' Report

Annexure 'A' To the Independent Auditor's Report of even date on the Consolidated financial statements of L&T Finance Holdings Limited

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements')

Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of L&T Finance Holdings Limited (hereinafter referred to as 'the Holding Company') and its subsidiary companies and its associate company, which are incorporated in India as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The respective board of directors of the of the Holding company, its subsidiary companies and its associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to

the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

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

disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over

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

Other Matters

Our aforesaid report under section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to four subsidiary companies and one associate company, which are companies incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, 2 May 2016

Consolidated Balance Sheet as at March 31, 2016

		(₹ in Lakhs)	
	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES:			
Shareholders' funds			
Share capital	2	296,679.86	308,368.59
Reserves and surplus	3	532,368.43	465,618.84
Money received against share warrants	4	11,806.88	-
		840,855.17	773,987.43
		10,030.00	10,030.00
Minority interest			
Non-current liabilities			
Long-term borrowings	5	3,703,112.74	2,940,091.40
Other long term liabilities	6	58,297.93	60,400.59
Long-term provisions	7	34,676.72	26,683.78
		3,796,087.39	3,027,175.77
Current liabilities			
Short-term borrowings	8	669,552.90	598,869.67
Current maturities of long term borrowings	5	788,900.16	670,102.69
Trade payables	9	6,870.97	7,222.49
Other current liabilities	10	237,781.63	166,316.77
Short-term provisions	11	24,555.08	20,511.83
		1,727,660.74	1,463,023.45
TOTAL		6,374,633.30	5,274,216.65
ASSETS:			
Non-current assets			
Fixed assets	12		
Tangible assets		66,549.66	53,149.12
Intangible assets		826.30	1,342.96
Capital work-in-progress		2,218.74	17,334.70
Intangible assets under development		23.14	20.26
Goodwill on consolidation		63,891.06	63,891.06
Non-current investments	13	134,000.64	104,314.61
Deferred tax assets (net)	14	39,927.68	28,978.83
Long-term loans and advances	15	40,252.83	27,935.18
Long-term loans and advances towards financing activities	16	4,388,120.40	3,457,198.70
Other non-current assets	17	43,537.58	38,484.17
		4,779,348.03	3,792,649.59
Current assets			
Current investments	18	222,326.72	160,607.01
Trade receivables	19	2,669.12	2,137.19
Cash and bank balances	20	40,153.43	86,232.95
Short-term loans and advances towards financing activities	21	311,468.07	271,122.76
Current maturities of long term loans and advances towards financing activities	16	906,949.55	847,991.90
Other current assets	22	111,718.38	113,475.25
		1,595,285.27	1,481,567.06
TOTAL		6,374,633.30	5,274,216.65
Significant accounting policies	1		
Notes forming part of the consolidated financial statements	29		
As per our report attached		For and on behalf of Board of Directors of L&T Finance Holdings Limited	
SHARP & TANNAN Chartered Accountants Firm's registration no. 109982W by the hand of		Y.M. Deosthalee Chairman & Managing Director (DIN :00001698)	Dinanath Dubhashi Deputy Managing Director (DIN :03545900)
Firdosh D. Buchia Partner Membership no. 38332		N. Suryanarayanan Company Secretary	Sachinn Joshi Chief Financial Officer
Mumbai, May 2, 2016		Mumbai, May 2, 2016	

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

			(₹ in Lakhs)
	Note No	2015-16	2014-15
INCOME:			
Revenue from operations	23	728,878.92	619,622.86
Other income	24	18,190.04	14,122.07
Total Income		747,068.96	633,744.93
EXPENSES:			
Finance costs	25	412,413.64	356,778.73
Employee benefits expense	26	48,768.77	35,227.05
Administration and other expenses	27	74,236.51	62,928.39
Allowances and write offs	28	78,102.13	66,167.50
Depreciation and amortisation		8,281.38	9,550.41
Total expenses		621,802.43	530,652.08
Profit before exceptional and extraordinary items and taxes		125,266.53	103,092.85
Exceptional items	29.16	-	14,389.42
Profit before extraordinary items and taxes		125,266.53	117,482.27
Extraordinary items		-	-
Profit before tax		125,266.53	117,482.27
Tax expense:			
Current tax		53,339.24	41,781.13
MAT Credit		(2,492.67)	(2,267.69)
Deferred tax		(10,948.85)	(7,102.64)
Tax expense		39,897.72	32,410.80
Profit after tax		85,368.81	85,071.47
Add : Share in profit of associate company		300.45	396.43
Profit for the year		85,669.26	85,467.90
Earnings per equity share:	29.9		
Basic earnings per equity share before and after extraordinary items (₹)		3.79	4.30
Diluted earnings per equity share before and after extraordinary items (₹)		3.79	4.29
Face value per equity share (₹)		10.00	10.00
Notes forming part of the consolidated financial statements	29		

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership no. 38332

Mumbai, May 2, 2016

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

Y.M. Deosthalee
Chairman & Managing Director
(DIN :00001698)

N. Suryanarayanan
Company Secretary

Mumbai, May 2, 2016

Dinanath Dubhashi
Deputy Managing Director
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
A. Cash flow from operating activities		
Adjustments for:		
Depreciation and amortisation	8,281.38	9,550.41
(Profit)/ Loss on sale of investments (net)	(9,360.40)	(6,331.79)
(Profit)/ Loss on sale of fixed assets (net)	2,295.99	910.31
Provision for compensated absences/leave encashment	981.03	567.32
Provision for Gratuity	310.97	214.17
Cumulative interest on long term NCDs, payable at maturity	10,308.75	3,295.55
Provision for diminution in value of investments	5,485.43	4,265.11
Loss on foreclosure of loans and bad debts write offs	51,231.44	50,926.96
Loss on sale of investments in associate	-	450.00
Provision for non-performing assets	11,614.45	8,620.42
Provision for advances and receivables	(45.93)	(3,752.18)
Provision for standard assets	9,490.49	2,536.04
Provision for restructured assets	326.25	3,121.15
Operating profit before working capital changes	216,186.38	191,855.74
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(55,002.98)	(151,552.48)
Increase/ (Decrease) in trade and other payables	68,860.29	29,632.97
Cash generated from operations	230,043.69	69,936.23
Direct taxes paid	(61,078.18)	(45,524.59)
Loans disbursed (net of repayments)	(1,062,541.98)	(685,839.97)
Net cash flow from operating activities (A)	(893,576.47)	(661,428.33)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	1,299.84	2,293.73
Sale of current investments (net)	-	19,821.08
	1,299.84	22,114.81
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	9,220.01	12,175.84
Purchase of non current investments	34,871.01	9,702.35
Purchase of current investments (net)	52,359.31	-
	96,450.33	21,878.19
Net cash from/(used in) investing activities (B)	(95,150.49)	236.62

Consolidated Cash Flow Statement for the year ended March 31, 2016

	(₹ in Lakhs)	
	2015-16	2014-15
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	9,246.59	37,315.75
Proceeds from issue of preference share capital (Minority Interest)	-	10,030.00
Proceeds from issue of share warrants	11,806.88	-
Net proceeds from long term borrowings	884,116.56	479,553.18
Net proceeds from short term borrowings	77,133.33	144,153.88
	982,303.36	671,052.81
Less : Outflow from financing activities		
Shares / Debenture issue expenses	2,947.44	1,019.38
Dividend paid (including dividend distribution tax)	36,715.55	28,863.44
	39,662.99	29,882.82
Net cash generated from/(used in) financing activities (C)	942,640.37	641,169.99
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	(46,086.59)	8,108.62
Cash and cash equivalents as at beginning of the year	85,903.33	77,794.71
Cash and cash equivalents as at end of the year	39,816.74	85,903.33
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	40,153.43	86,232.95
Less : Deposits with original maturity for more than 3 months	336.69	329.62
Cash and cash equivalents as at end of the year	39,816.74	85,903.33

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
2. Purchase of fixed assets includes movements of capital work in progress during the year.
3. Cash and cash equivalents represent cash and bank balances.
4. Previous year figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership no. 38332
Mumbai, May 2, 2016

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

Y.M. Deosthalee
Chairman & Managing Director
(DIN :00001698)

N. Suryanarayanan
Company Secretary
Mumbai, May 2, 2016

Dinanath Dubhashi
Deputy Managing Director
(DIN :03545900)

Sachinn Joshi
Chief Financial Officer

ANNEXURE C

PRE-ISSUE AND POST-ISSUE SHAREHOLDING PATTERN AS ON MARCH 31, 2019

Sl. No	Category	Pre-Issue		Post-issue	
		No of shares held	% of shareholding	No of shares held	% of shareholding
A	Promoters' holding				
1	Indian				
	Individual	0	0	0	0
	Bodies corporate	1,27,75,20,203	63.914	1,27,75,20,203	63.914
	Sub-total	1,27,75,20,203	63.914	1,27,75,20,203	63.914
2	Foreign promoters	0	0	0	0
	Sub-total (A)	1,27,75,20,203	63.914	1,27,75,20,203	63.914
B	Non-promoters' holding				
1	Institutional Investors	28,68,65,749	14.3518	28,68,65,749	14.3518
2	Non-institutional investors				
	Private Corporate bodies	8,61,46,568	4.3099	8,61,46,568	4.3099
	Directors and relatives	0	0	0	0
	Indian public	22,19,88,739	11.106	22,19,88,739	11.106
	Others (including non-resident Indians)	12,62,91,101	6.3183	12,62,91,101	6.3183
	Sub-total (B)	72,12,92,157	36.086	72,12,92,157	36.086
	GRAND TOTAL	1,99,88,12,360	100	1,99,88,12,360	100

ANNEXURE D

CONSENT LETTER OF REGISTRAR AND TRANSFER AGENT

LINK Intime

Link Intime India Pvt. Ltd.
CIN : U67190MH1999PTC118368
C-101, 247 Park, L. B. S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel. : +91 22 4918 6000
Fax : +91 22 4918 6060
E-mail : mumbai@linkintime.co.in
Website : www.linkintime.co.in

May 27, 2019

To,
L&T Finance Holding Ltd,
6th Floor Brindavan,
177 – C.S.T. Road,
Kalina Santacruz (East),
Mumbai – 400 098

Dear Sir,

Kind Attention: - Mr. Nagaraajan Iyer.


Sub: Consent to Act as Registrar for privately placed NCRPS issue.

With reference to the above subject, we give our consent to act as Register for the above forthcoming issue.

Issue Size: Rs. 100 Crores
Issue Period: During May - June 2019

Thanking you

For Link Intime India Pvt Ltd


Authorised Signatory

ANNEXURE E

BRIEF PARTICULARS OF OUR MANAGEMENT

1. Mr. S V Haribhakti - Non - Executive Chairman

Mr. Shailesh Haribhakti is a chartered accountant, with over four decades of experience in developing and leading one of India's most respected and diversified chartered accounting firms – Haribhakti & Co. LLP. He stepped away from the management of Haribhakti & Co. LLP on attaining the age of 62 in 2018. He is now pursuing the establishment of high quality auditing globally through a “not for profit” initiative surrounding his recently authored book – “Audit Renaissance”. Further, he is also pursuing advisory work through his proprietary firm - Shailesh Haribhakti & Associates.

He is currently the Non-Executive Chairman, L&T Mutual Fund, Future Lifestyle Fashions Limited and Blue Star Limited. He serves as an Independent Director of several other public and private limited companies.

He actively promotes “shared value” creation and a green environment through his own enterprise Planet People and Profit Consulting Private Limited and his leadership roles as chairman of United Way, and chairman/member of the CSR committees of some of the boards that he serves on. He has successfully established the concept of “Innovate to Zero” which is in alignment with the idea of making the impact of every intervention focused, widespread, co-operative and far-reaching.

He has a passion for teaching, writing and public speaking. He was associated with Indian Institute of Management Ahmedabad (IIMA), BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. He served on the Standards Advisory Council of the IASB in London for two years, and was chairman of NPS (National Pension Scheme) Trust from 2015-2017. He frequently contributes his views on public forums, to the press and to the electronic media.

2. Mr. Dinanath Dubhashi - Managing Director & Chief Executive Officer

Mr. Dinanath Dubhashi is the Managing Director & Chief Executive Officer of L&T Finance Holdings Ltd. (“LTFH”). With a rich experience of over two decades, he has worked in multiple domains of financial services such as corporate banking, cash management, credit rating, retail lending and rural finance. He has been with L&T Financial Services since 2007 and has been instrumental in scaling up the retail business operations manifold, across customer segments and geographies.

Under his leadership, LTFH has been transformed into an organization focused on creating superior shareholder value through a sustained increase in return on equity, through decisive strategic choices in businesses, structures and people. Prior to LTFH, he was associated with organizations such as BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities.

He is a Post Graduate from IIM Bangalore and also holds a B.E. (Mechanical) degree.

3. Mr. R Shankar Raman - Non-Executive Director

Mr. R Shankar Raman is serving as the Whole Time Director and the Chief Financial Officer at L&T. He is also on the board of several companies within the L&T Group. He joined the L&T Group in 1994 to set up L&T Finance Limited. Over the past 35 years, Mr. Shankar Raman has worked for leading listed corporates in varied capacities in the field of finance and general management.

Mr. R. Shankar Raman is a qualified Chartered Accountant and a Cost Accountant with a degree in Commerce from Madras University.

4. Mr. P V Bhide - Independent Director

Mr. P. V. Bhide is a retired IAS Officer of the Andhra Pradesh Cadre (1973 Batch). He has worked in several government positions during a career spanning nearly four decades. In the state government he worked as Deputy Secretary in Medical & Health Department and also as Commissioner Relief (Department of Revenue). He also was Finance Secretary and Secretary Energy for Andhra Pradesh. He also worked as Managing Director of A.P. State Handloom Weavers' Cooperative Society Ltd. (APCO) and Chief Executive & Managing Director of Godavari Fertilisers and Chemicals Limited.

With the Government of India of his roles include Deputy Secretary - Department of Economic Affairs, Ministry of Finance, Executive Advisor to India's Executive Director to the International Bank for Reconstruction and Development (IBRD/World Bank), Joint Secretary and later as Secretary - Department of Disinvestment, Ministry of Finance, Additional Secretary/Spl. Secretary - Ministry of Home Affairs. He retired as Revenue Secretary - Ministry of Finance, Govt. of India. He is an MBA and has LLB and B.Sc. (Hons. Chemistry) degrees.

5. Mr. Thomas Mathew T - Independent Director

Mr. Thomas Mathew T. has four decades of strategic leadership and operational experience in the Life Insurance & Reinsurance industry. He was the Managing Director and Interim Chairman of L.I.C. He was also India MD & CEO of 'Reinsurance Group of America'. He was nominated by SEBI as the Chairman of the Metropolitan Stock Exchange of India. He has served as Director on the Boards of Mahindra & Mahindra Ltd., Tata Power Co. Ltd., Voltas Ltd., IFCI Ltd. and Corporation Bank. He was a member on the Governing Council of the MDI, Gurgaon, Actuarial Institute of India & Chairman of The National Insurance Academy, Pune.

He is a Director on the Boards of Larsen & Toubro Ltd, Canara HSBC OBC Life Insurance Company, LIC (International) B.S.C.(c), Bahrain and subsidiaries of the Company. He is also member of the 'Take Over Panel' of SEBI. He is PGDM – Marketing, Post Graduate in Economics, Law Graduate, Associate of the Insurance Institute of India.

6. Ms. Nishi Vasudeva - Independent Director

Ms. Nishi Vasudeva with over 38 years of experience in the petroleum industry is an internationally acclaimed leader and is the first woman to chair an oil and gas company in India.

As chairman and managing director of Hindustan Petroleum Corporation Limited (“**HPCL**”) she was responsible for developing the vision and long term objectives, improving growth and profitability, driving a high performance culture geared towards operational excellence and consistent value creation for all stakeholders.

She is the first Indian to be awarded the Global CEO of the year at Platt's Global energy awards 2015. She received the SCOPE Award for excellence and outstanding contribution to public sector management from the Hon'ble President of India. She was awarded Best CEO (Super Large Companies) and Best CEO (Oil & Gas) at Business Today Best CEO Awards 2016. She is BA (Economic Honors) from Delhi University and an MBA from IIM Calcutta.

7. Mr. Pavninder Singh - Nominee Director

Mr. Pavninder Singh is a Managing Director at Bain Capital Private Equity, LP, as part of the Asia Pacific Private Equity team. He leads their efforts in India and South East Asia with a focus on Financial & Business Services and Industrial & Energy Verticals. Prior to that he was based in the New York

Office as part of the North American Private Equity industrials team. Mr. Singh has been closely involved with a number of Bain Capital's investments in the region, including Axis Bank, Hero MotoCorp, L&T Financial Services, Quest Engineering, Bridge Data Centers, Emcure Pharmaceuticals and TransMaldivian Airways. He currently serves on the boards of L&T Financial Services, Quest, Bridge Data Centers, TMA and Brillio.

He has been with Bain Capital since 2001 and has worked in the New York and Mumbai offices. Prior to that, he served as a Co-Chief Executive Officer of Medrishi.com. Previously, he served as a Consultant at Mercer Management Consulting, where he consulted in the ecommerce, retail and energy industries.

Mr. Singh received an M.B.A. from Harvard Business School, where he was a Baker Scholar. He received a B.A. from Harvard College.

8. Mr. Prabhakar B. – Non-Executive Director

Mr. Prabhakar B., retired as Chairman and Managing Director of Andhra Bank in August 2013 after serving various banks for about 37 years. Prior to that, he had served as the Executive Director of Bank of India for a period of over 3 years. Before that, he had served with Bank of Baroda having worked in all areas of banking with stints at Zambia and U.K. He was the Chief Executive of Bank of Baroda, UK operations.

He is a commerce graduate from the University of Mysore and a Chartered Accountant.

9. Dr. (Mrs.) Rajani R. Gupte - Independent Director

Dr. Rajani Gupte is the Vice Chancellor of the Symbiosis International (Deemed University), Pune. A distinguished academic, she received her Doctorate degree in Economics from the prestigious Gokhale Institute of Economics and Politics, Pune.

She joined Symbiosis as a founding member of the Symbiosis Institute of International Business in 1992. She was the director of the Institute between 2004 and 2012. Dr. Gupte has also earlier held the positions of Dean-Faculty of Management, Dean-Academics and Pro-Vice Chancellor at the Symbiosis International (Deemed University). She has also worked as director-finance in a private limited company.

She is an independent director on the governing board of NSDL and subsidiaries of the Company. She has been frequently invited on committees of important organizations, such as International Trade Panel - Confederation of Indian Industries (CII), World Trade Organization Committee, Govt. of Maharashtra, and Chemtech World Expo. She has also served on committees appointed by the university grants commission and on working groups on higher education. She has also served as member WTO committee, Government of Maharashtra, Department of Horticulture during the period 2002-06. Dr. Gupte has received several awards for her outstanding contribution to education.

She was invited to be a part of a committee of eminent economists formed by NITI Aayog to interact with the honorable prime minister on "Economic Policy: The Road Ahead" in January 2018. She has done Ph.D in Economics from Gokhale Institute of Politics and Economics, Pune University, on the topic "The impact of trade liberalisation on the level of protection of Indian Industry".

ANNEXURE F

Certified True Copy of Resolution passed by the Board of Directors on March 21, 2018



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE SIXTH MEETING OF BOARD OF DIRECTORS OF THE COMPANY (FY 2017-18) HELD ON MARCH 21, 2018

CONSIDERING AND APPROVING ISSUANCE OF PREFERENCE SHARES DURING THE FINANCIAL YEAR 2018-19:

"RESOLVED THAT subject to the approval of the Members of the Company and pursuant to the provisions of Sections 23, 42, 62 and 179 of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, other relevant provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force), the Memorandum and Articles of Association of the Company and such approvals as may be required from such regulatory authorities from time to time, approval of the Board of Directors be and is hereby accorded to the proposal for issuing 15 Crore (Fifteen Crore) Cumulative Compulsorily Non-Convertible Redeemable Preference Shares ("CRPS") of the face value of Rs. 100/- (Rupees Hundred only) each, amounting to Rs. 1,500 Crore (Rupees One Thousand Five Hundred Crore only), either to various persons through public offer or on private placement basis, in one or more tranches to various entities / persons including Promoters / Promoter Group & Associates, whether or not they are Member(s) of the Company.

RESOLVED FURTHER THAT the Committee of Directors ("COD") be and is hereby authorised to finalise Information Memorandum / Private Placement Offer Letter, terms and conditions, allot Preference Shares to eligible allottees and perform all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto, either directly or through appropriate delegation of powers.

RESOLVED FURTHER THAT in the event of issue of shares to the public, the COD be and is hereby further authorised to decide the terms and conditions of the issue such as tenor and redemption date, coupon rate and frequency, etc., and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be necessary, finalise and appoint various intermediaries including Merchant Banker(s), allot the said CRPS, and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle all questions, differences, difficulties or doubts that may arise in regards to the offer / issue or allotment of said CRPS as it may, in its absolute discretion deem fit."

L&T Finance Holdings Limited
City 2, Plot No. 177
Vidyanagar Marg, CST Road
Kalinva, Santacruz (East)
Mumbai 400 098

Registered Office
Brindavan, Plot No. 177, C.S.T Road
Kalinva, Santacruz (East)
Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

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F +91 22 6212 5398
E igrc@lts.com

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RESOLVED FURTHER THAT any one Director, Company Secretary, Mr. Yashesh Bhatt, Mr. Amit Bhandari and Mr. Ankit Sheth, be and are hereby severally authorised to do all such acts, deeds, matters and things as may deemed necessary or expedient to give effect to this Resolution and for matter connected therewith or incidental thereto."

**Certified True Copy
For L&T Finance Holdings Limited**

A handwritten signature in black ink, appearing to read 'Ankit Sheth', written over a horizontal line.

**Ankit Sheth
Authorised Signatory**

Date: March 28, 2018
Address: 5th Floor, City-2, C.S.T Road, Kalina,
Santacruz (E), Mumbai - 400 098

8

ANNEXURE G

Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on May 29, 2019



**CERTIFIED TRUE COPY OF THE RESOLUTION OF THE COMMITTEE OF DIRECTORS
OF L&T FINANCE HOLDINGS LIMITED DATED MAY 29, 2019**

**APPROVING THE OFFER AND ISSUANCE OF CUMULATIVE COMPULSORILY
REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES ON A PRIVATE
PLACEMENT BASIS:**

"RESOLVED THAT the Committee of Directors be and hereby gives its consent to offer and issue the CRPS at par up to 100,00,000 CRPS of face value of Rs. 100 each at par aggregating to an amount not exceeding Rs. 100,00,00,000 with dividend rate of 7.95% for cash on a private placement basis, in accordance with the requirements of the Companies Act, 2013, as amended (the "Act"), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, as amended ("SEBI Regulations"), if applicable, and other applicable laws (the "Issue").

RESOLVED FURTHER THAT the Managing Director & Chief Executive Officer of the Company be and is hereby authorized to finalise the terms and conditions of the Issue basis the prevalent market conditions, to finalize, execute and/or issue various documents in connection with the Issue including but not limited to the Private Placement Offer cum Application letter ("PPOAL") and/or Information Memorandum ("IM") on behalf of the Company, decide the opening and closing date of issue, appoint and finalize the scope of the intermediaries, provide such confirmations and declarations on behalf of the Company as may be required in relation to the Issue and to take all such actions that may be necessary in this connection and do all such acts, deeds, matters and things, as may be required, to give effect to the resolution.

RESOLVED FURTHER THAT the Managing Director & Chief Executive Officer, Chief Financial Officer, Company Secretary of the Company and Mr. Raju Dodtl, be and are hereby severally authorized to:

1. Open bank account, if required, with a scheduled bank for receipt of the application monies;
2. File and upload any IMs for inviting offers on the electronic book process mechanism ("EBP") and carry out such acts, deeds, matters and things as necessary in connection with the EBP;
3. File the PPOAL and/or IM along with other necessary documents, forms, letters, notices or records as required under applicable law including the filing of records and with the Registrar of Companies or stock exchanges or other applicable statutory authorities in relation to any CRPS, intimating the stock exchanges in relation to the above, if required, taking on record the details of the identified investors and making other statutory and regulatory filings, as required, under all applicable laws;
4. Apply for admission of the CRPS on the depository system and to do various acts, deeds, matters and things as may be deemed necessary including but not limited to submission of Master Creation Form for creation of ISIN, submission of Corporate Action Form for allotment to depositories and taking all actions that may be necessary in this regard for allotment of CRPS in demat form;

L&T Finance Holdings Limited
Registered Office
Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098, Maharashtra, India
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5. Apply for and obtain the listing of any CRPS on any stock exchange in India and provide, execute and file all information, letters, agreements, notices or documents and to do various acts, deeds, matters and things as may be deemed necessary in this regard;
6. Sign and submit all necessary papers/ certificates/ undertakings /agreements/ declarations/letters/signal forms/ other deeds and such other papers as may be necessary, desirable and take all necessary steps in this regard including the payment of applicable stamp duty and other taxes, fees and costs as required in connection with the Issue; and
7. Do all such acts, deeds, matters and things as may be deemed fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to the Issue and allotment of the CRPS.

RESOLVED FURTHER THAT any one Director, Company Secretary of the Company, Mr. Yashesh Bhatt, Mr. Ankit Sheth and Mr. Gufran Ahmed Siddiqui be and are hereby severally authorized to certify the true copy of the aforesaid resolution or any other Board of Directors or Committee of Directors resolutions in connection with the Issue and provide any of them to the stock exchange, depositories or any other authorities concerned for their record and necessary action."

**Certified True Copy
For L&T Finance Holdings Limited**

A handwritten signature in black ink, appearing to read 'Ankit Sheth', enclosed within an oval-shaped stamp.

**Ankit Sheth
Authorised Signatory**

Date: May 29, 2019
Address: 6th Floor, Brindavan, C.S.T Road, Kalina, Santacruz (E), Mumbai – 400 098

**L&T Finance Holdings Limited
Registered Office**
Brindavan, Plot No. 177, C.S.T Road
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ANNEXURE H

Certified True Copy of the Shareholder's Resolution passed in the tenth annual general meeting held on August 28, 2018



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON AUGUST 28, 2018 AT MAIN AUDITORIUM, GROUND FLOOR, Y. B. CHAVAN CENTER, GENERAL JAGANNATHRAO BHONSALE MARG, OPPOSITE MANTRALAYA, NEXT TO SACHIVALAYA GYMKHANA, MUMBAI - 400 021 AT 3:00 P.M.

ISSUANCE OF CUMULATIVE COMPULSORILY REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES BY WAY OF PUBLIC OFFER OR ON A PRIVATE PLACEMENT BASIS

"RESOLVED THAT pursuant to the provisions of Sections 23, 40, 42, 55, 62 and any other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Rules, Regulations, Guidelines and Circulars issued by the Reserve Bank of India, as amended from time to time, the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors ("Board", which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to create, offer, issue and allot, in one or more tranches 15,00,00,000 (Fifteen Crore) Cumulative Compulsorily Redeemable Non-Convertible Preference Shares ("Preference Shares") of the face value of Rs. 100 each for cash at par or at a premium aggregating to a nominal value of Rs. 1,500 Crore (Rupees One Thousand Five Hundred Crore only) to various persons either through public offer or on a private placement basis, in one or more tranches to various institutions / entities viz. companies / bodies corporate / persons including Promoters / Promoter Group & Associates, whether or not they are the Member(s) of the Company on such terms and conditions as may be decided by the Board and subject to the following rights:

- Preference Shares shall carry a fixed cumulative preference dividend to be determined by the Board at the time of issue of the Preference Shares, on the capital for the time being paid-up thereon and shall be redeemable not later than the date determined by the Board at the time of issue or such other date as may be determined by the Board but not later than a period exceeding 7 years.
- Preference Shares shall rank for dividend in priority to the Equity Shares for the time being of the Company.
- In the case of winding up of the Company, the Preference Shares shall be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets.

L&T Finance Holdings Limited
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ANNEXURE I

SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31, 2019

L&T Finance Holdings Limited

Table 1 - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No. of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class eq: X	Class eq: y								Total
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C)	(IX)			(X)	(XI) = [(X)-(IX)] As a % of (A+B+C)	(XII)	(XIII)	(XIV)	(XV)		
(A)	Promoter & Promoter Group	1	1177512033	0	0	1177512033	63.514	1177512033	0	1177512033	63.514	0	63.514	107818099	8.458	0	0	1177512033
(B)	Public	482118	711182157	0	0	721299315	36.086	721299315	0	721299315	36.086	0	36.086	0	0	NA	NA	721299315
(C)	Non Promoter Group - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(D)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(E)	Shares held By Employees Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(F)	Total	482118	188871360	0	0	188871360	100	188871360	0	188871360	100	0	100	107818099	5.393	0	0	188871360



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	PAN	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class eq. 8	Class eq. 7	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (III)+(IV)+(V)	(VIII) As a % of	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)	
1. Indian																		
(a) Individuals / Hindu Undivided Family		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	
(c) Financial Institutions / Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d) Any Other (Specify)		1	1277526209	0	0	1277526209	63.914	1277526209	0	1277526209	63.914	0	63.914	107610899	8.4391	0	0	
Roshni Corporate		1	1277526209	0	0	1277526209	63.914	1277526209	0	1277526209	63.914	0	63.914	107610899	8.4391	0	0	
Larsen And Toubro Limited	AAAC12100P	1	1277526209	0	0	1277526209	63.914	1277526209	0	1277526209	63.914	0	63.914	107610899	8.4391	0	0	
Sub Total (A)(1)		1	1277526209	0	0	1277526209	63.914	1277526209	0	1277526209	63.914	0	63.914	107610899	8.4391	0	0	
2. Foreign																		
(a) Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(b) Government		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	
(d) Foreign Portfolio Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(e) Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		1	1277526209	0	0	1277526209	63.914	1277526209	0	1277526209	63.914	0	63.914	107610899	8.4391	0	0	

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed securities account, voting rights which are frozen etc.

No. of shareholders : 0

No. of shares outstanding : 0

Note:

(1) PAN would not be disclosed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (c)		As a % of total Shares held(d)
								Class eq. X	Class eq. Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C)	(IX)	(X)	(XI)	(XII) = (VII)+(XI) As a % of (A+B+C)	(XIII)	(XIV)	(XV)	(XVI)			
I Institutions																		
(a) Mutual Fund		15	49040837	0	0	49040837	2.4535	49040837	0	49040837	2.4535	0	2.4535	0	0	NA	49040837	
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity Fund	AAATB0102C	1	31846241	0	0	31846241	1.5933	31846241	0	31846241	1.5933	0	1.5933	0	0	NA	31846241	
(b) Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(c) Alternate Investment Funds		3	1341150	0	0	1341150	0.6671	1341150	0	1341150	0.6671	0	0.6671	0	0	NA	1341150	
(d) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(e) Foreign Portfolio Investor		126	227995268	0	0	227995268	11.3915	227995268	0	227995268	11.3915	0	11.3915	0	0	NA	227995268	
Citigroup Global Markets Securities Private Limited	AAFC33274F	1	57869992	0	0	57869992	2.8952	57869992	0	57869992	2.8952	0	2.8952	0	0	NA	57869992	
Smallcap World Fund, Inc	AAAC545431	1	36176853	0	0	36176853	1.8099	36176853	0	36176853	1.8099	0	1.8099	0	0	NA	36176853	
(f) Financial Institutions / Banks		8	8788514	0	0	8788514	0.4387	8788514	0	8788514	0.4387	0	0.4387	0	0	NA	8788514	
(g) Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(i) Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
Sub Total (I)(a) to (i)		155	288885740	0	0	288885740	14.3518	288885740	0	288885740	14.3518	0	14.3518	0	0	NA	288885740	
II Central Government/ State Government(s)/ President of India																		
Sub Total (II)(a) to (i)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
III Non Institutions																		
(a) Individuals			0	0												NA		
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs		480385	380193512	0	0	380193512	9.015	380193512	0	380193512	9.015	0	9.015	0	0	NA	380193512	
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs		673	43795227	0	0	43795227	2.091	43795227	0	43795227	2.091	0	2.091	0	0	NA	43795227	
(b) A/Rs registered with RBI		19	1480320	0	0	1480320	0.007	1480320	0	1480320	0.007	0	0.007	0	0	NA	1480320	
Trust Employee		2	5102	0	0	5102	0.0004	5102	0	5102	0.0004	0	0.0004	0	0	NA	5102	
(c) Overseas Depositories (holding BUs) (Outstanding figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(d) Any Other (Specify)		38866	212292547	0	0	212292547	10.6308	212292547	0	212292547	10.6308	0	10.6308	0	0	NA	212292547	
IV Trusts																		
Foreign Nationals		1	1523	0	0	1523	0.0001	1523	0	1523	0.0001	0	0.0001	0	0	NA	1523	
Hindu Undivided Family		12887	8178058	0	0	8178058	0.4092	8178058	0	8178058	0.4092	0	0.4092	0	0	NA	8178058	
Foreign Companies		2	55657963	0	0	55657963	4.7857	55657963	0	55657963	4.7857	0	4.7857	0	0	NA	55657963	
St. Asia Growth Investments	AAAC36851C	1	63820990	0	0	63820990	3.1529	63820990	0	63820990	3.1529	0	3.1529	0	0	NA	63820990	
St. Investments VI Limited	AAGCB06588	1	51836971	0	0	51836971	2.5428	51836971	0	51836971	2.5428	0	2.5428	0	0	NA	51836971	
Non Resident Indians (Non Repatriate)		2212	2623426	0	0	2623426	0.1312	2623426	0	2623426	0.1312	0	0.1312	0	0	NA	2623426	
Non Resident Indians (Repatriate)		4635	7465009	0	0	7465009	0.3735	7465009	0	7465009	0.3735	0	0.3735	0	0	NA	7465009	
Clearing Member		379	4516879	0	0	4516879	0.226	4516879	0	4516879	0.226	0	0.226	0	0	NA	4516879	
Bodies Corporate		3820	86148568	0	0	86148568	4.3095	86148568	0	86148568	4.3095	0	4.3095	0	0	NA	86148568	
India Prudential Life Insurance Company Limited	AAAE7351P	1	59337307	0	0	59337307	2.9686	59337307	0	59337307	2.9686	0	2.9686	0	0	NA	59337307	
Sub Total (III)(a) to (i)		481968	438826408	0	0	438826408	21.7863	438826408	0	438826408	21.7863	0	21.7863	0	0	NA	438826408	
Total Public Shareholding (I)+(II)+(III)(a) to (i)		482118	721292157	0	0	721292157	36.086	721292157	0	721292157	36.086	0	36.086	0	0	NA	721292157	

Details of the shareholders (being as person in excess including their shareholding) Number and % - NIL.
Details of shares which remain unclaimed may be given here along with details such as Number of shareholders, outstanding shares held in demat/uncclaimed suspense account, voting rights which are frozen etc.
No. of shareholders : 6 No. of shares : 689 Voting rights frozen : 689

Note :
(1) PAN would not be displayed on website of Stock Exchange(s)
(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



ANNEXURE J

DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE ISSUER DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THIS IM AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION

1. 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.
2. 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.
3. 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 for hearing and final disposal.

4. 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.
5. 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.
6. 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.
7. 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.
8. 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. The matter is currently pending.

9. L&T-SCOMI Engg. Bhd Consortium initiated two arbitration proceedings against Mumbai Metropolitan Region Development Authority (“**MMRDA**”), one with respect to claims of interest on delayed payment of the certified bills amounting to ₹ 10,855 lakhs and ₹ 5,200 lakhs, on escalation on uncovered price adjustment during extended period. With respect to first dispute, the arbitral tribunal on January 31, 2019 the tribunal has passed an award in favour of LTSE for an amount of ₹ 37.48 crores (as interest for delayed payment) against the total claim amounting to ₹ 69 Crores. The hearing scheduled for 12th April 2019 cancelled. Arbitral Tribunal scheduled an internal meeting on 30/04/2019 and next arbitration meeting date is yet to be announced.
10. 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.
11. 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.
12. 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.
13. A criminal case No. TR No.153/2015 had been initiated by Labour Enforcement Officer (Central) before the Sub-Divisional Judicial Magistrate, Sherghati against the L&T and Mr. M.P. Sharma for alleged non-compliance under Building & Other Construction Workers (RE &CS) Act, 1996 (“**BOCW**”) read with the rules. A criminal revision

application No. 52 of 2018 arising out of G.O. Case No.07/2005 is pending before District Judge, Gaya. The last date of hearing was 6th May, 2019.

14. 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 last hearing was held on 4th May, 2019.
15. The matter with FIR No.RC0042010 A0003 where L&T is a party has been filed before Special Judge, Anti-corruption, Jammu and is pertaining to alleged irregularities in execution of the contract for executing the rural electrification works in Udhampur district and contract for supply of materials. The allegations are for procuring material from unapproved vendors. The matter is posted for evidence on 1st June 2019.
16. 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 July 2, 2019.
17. 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 appearance on June 03, 2019.
18. 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 posted to 23rd July 2019 for further

proceedings and arguments.

19. 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 was posted for final arguments last on 3rd May 2019.
20. 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. The matter has been adjourned to June 10, 2019.
21. 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. The matter has been adjourned to June 10, 2019.
22. 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 Misc. Applications were heard on 20th April 2019 and the same was disposed off. Applied for certified copy of the order which is awaited.
23. 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. Matter disposed of on 12.04.2019. Applied for certified copy of the order.
24. 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). Case stands

disposed on 08.03.2019. Applied for certified copy of the order.

25. On September 02, 2015, Anil Baxla who was working in Fabrication shop sustained minor injuries. This was reported to the Factory Inspector, Rourkela. The Factory Inspector filed this case bearing Case No. 2 (C) CC 96/15 in the court of JMFC, Rajgangpur against SNS (the then occupier) and Mr. Sandip Choudhuri (the then manager) of the factory on the allegation of the lacuna on the part of the management. The matter was not taken up for hearing on February 11, 2019 and was adjourned to May 15, 2019.
26. 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 next date is yet to be notified.
27. 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.
28. A Criminal Complaint numbered 359/18 has been filed against L&T Ltd. and Mr. S.C. Bhargava, before the Presiding Officer & Judicial Magistrate First Class, Labour Court, Surat, for the alleged breach of provisions under Inter State Migrant Workmen (Regulation of Employment and condition of Service) Act 1979 and the Interstate Migrant Workmen (Regulation of Employment and condition of Service) Central Rule, 1980. The matter is currently pending.
29. 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.
30. 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.
31. SEBI has issued summons to our Promoter (the “**Summons**”) in furtherance of the

ongoing investigation proceedings initiated by SEBI in connection with the order dated November 24, 2015 passed against Sharepro Services (India) Private Limited (“**Sharepro**”), seeking details and documents in relation to, among others: (i) process of transfer of shares of our Promoter; (ii) whether Sharepro informed and took approval for dematerialization of shares of our Promoter and the detailed procedure regarding the same; (iii) whether Sharepro informed and took approval for rematerialization of shares of our Promoter and the detailed procedure regarding to the same; and (iv) authority of Sharepro to sign new share certificates of our Promoter. Our Promoter has filed a response to each of the queries raised in the Summons. SEBI also issued a deficiency letter dated July 13, 2017 to our Promoter, which was replied to by our Promoter dated August 8, 2017. The matter is no longer pending.

32. SEBI has initiated adjudication proceedings against our Promoter in relation to alleged violation of continuous disclosure norms under Regulation 13(3) read with Regulation 13(5) of the SEBI Insider Trading Regulations, 1992, and Regulation 12(2) of the SEBI Insider Trading Regulations, 2015, by our Promoter, for alleged failure of our Promoter in adequate disclosure of sale of its shareholding in our Company. The adjudicating officer *vide* order dated January 31, 2018 concluded that the charges levied against our Promoter do not stand established. The matter is no longer pending.
33. SEBI issued notices to our Promoter, A. M. Naik and Shailendra N Roy (collectively, the “**Applicants**”) in relation to alleged violation of the SEBI Act and the SEBI Insider Trading Regulations, 1992, for certain trade in shares of our Promoter. The Applicants filed a consent application with SEBI under the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for full and final settlement of the matter on amount to be mutually arrived at by the parties. SEBI High Powered Action Committee agreed to not initiate any enforcement action against the Applicants and settle the proposed adjudication proceedings, for the alleged default on payment of ₹ 1.03 million towards the settlement charges by the Applicants. The Applicants have paid the settlement charges. The matter is no longer pending.
34. Our Promoter has filed a writ petition against the demand made by the Sub-Registrar, Kodambakkam, Chennai (the “**Sub-Registrar**”) before the Madras High Court relating to alleged deficiency of ₹ 44.92 million in the payment of stamp duty on a consortium agreement. Our Promoter had entered into a consortium agreement with Alstom to form a consortium namely L&T Alstom and paid a stamp duty of ₹ 1,600 million for execution of the consortium agreement. The Sub-Registrar issued a show cause notice to our Promoter demanding payment of the aforesaid stamp duty. The amount involved in the matter is ₹ 44.92 million. The Madras High Court has granted stay against the demand of the Sub-Registrar and the matter is currently pending.
35. Our Promoter has filed an appeal against the action of the Inspector of Legal Metrology (the “**Inspector**”) before the Controller, Legal Metrology, Mumbai, relating to certain non-compliances under the Legal Metrology Act, 2009 and the relevant rules framed there under, including non-stamping and non-verification of dispenser pumps of liquid petroleum gas by our Promoter. Matter is disposed as per Order dated 12/02/2015. The matter is no longer pending.

36. Our Promoter has filed a writ petition against the demand (the “**Demand**”) made by the Tahasildar, Ernakulam (the “**Tahasildar**”) before the Kerala High Court relating to alleged damage to cables caused while laying down pipe lines by our Promoter. The Kerala High Court has granted a stay order on the Demand. The amount involved in the matter is ₹ 2 million. The matter is currently pending.
37. Our Promoter has filed a writ petition against the recovery of amounts by the Panchayati Raj and Rural Development, Andhra Pradesh (the “**Authority**”) before the Hyderabad High Court with respect to the recovery proceedings initiated by the Authority for recovery of alleged excess payment on price variation clause pertaining to the water supply projects at Anantapur, on the basis of a vigilance report. The Hyderabad High Court has granted an interim stay on the recovery proceedings. The amount involved in the matter is ₹ 837.8 million. The matter is currently pending.
38. Our Promoter has filed a writ petition against the demand by the Tahasildar, Rajgangpur (the “**Tahasildar**”) before the Orissa High Court relating to industrial water tax to be paid by our Promoter. The Tahasildar issued notices to our Promoter demanding payment of industrial water tax (the “**Demand**”) under the Orissa Irrigation (Amendment) Act, 1993 for lifting of water from River Sankh, Orissa. Subsequently, the ADM, Sundargarh, issued an order to discontinue the water supply line availed by our Promoter. Our Promoter has, accordingly, filed the aforesaid writ petition against the Demand. The Orissa High Court has passed an interim order directing the Tahasildar to refrain from discontinuing the water supply system subject to deposit of ₹2.40 million by our Promoter. Our Promoter deposited an amount of ₹1.20 million. Our Promoter filed representation before the Principal Secretary, Water Resources Department for calculation of water tax. Subsequently, the Under Secretary Department, Orissa ordered the Engineer in Chief to finalise the calculations of the industrial water tax payments. The amount involved in the matter is ₹2.40 million. The matter is currently pending.
39. Our Promoter filed two writ petitions on May 13, 2016 before the Calcutta High Court against demand notices issued by the Kolkata Municipal Corporation (“**KMC**”) in relation to payment of municipal taxes with retrospective effect from assessment years 2001-2002 in respect of our Promoter’s premises at No. 16, Camac Street, Kolkata. The Calcutta High Court passed an order directing the KMC to refrain from taking coercive actions against our Promoter without the leave of the court. One such writ petition filed against the assessment order of KMC seeking tax payment of ₹42.20 million has been disposed off and the other writ petition seeking tax payment of ₹ 25.80 million was settled with KMC and the writ petition is no longer pending.
40. Our Promoter has filed a writ petition against the demand (the “**Demand**”) of water cess passed by the Orissa State Pollution Control Board (the “**Board**”) before the Orissa High Court. The Board raised the Demand against our Promoter in respect of construction work at Kansbahal for a certain period. During such period, engineering industries were not included in the Schedule of the Water (Prevention and Control of Pollution) Cess Act, 1977. The amount involved in the matter is ₹ 0.08 million. The matter is currently pending.
41. The Karnataka State Pollution Control Board filed a criminal complaint against an official

of our Promoter and another before the Judicial Magistrate First Class, Devanahalli, Bengaluru for alleged violation of certain provisions of the Air (Prevention and Control of Pollution) Act, 1981 and failure to disconnect power supply to the crusher plant of L&T. The matter is currently pending. Case disposed on 04.08.2018.

42. Our Promoter has filed a civil miscellaneous application against the order passed by the Deputy Director, Employee State Insurance Corporation (the “**Deputy Director**”) before the Court of District Judge, Sundargadh. The Deputy Director had passed an order for contribution to be made by our Promoter towards employee state insurance under the Employees’ State Insurance Act, 1948. The Deputy Director had issued a show cause notice (the “**Notice**”) to our Promoter in relation to alleged differential contribution made by our Promoter in respect of the contract labourers employed at Kansbahal works. Our Promoter filed its reply to the Notice stating that there was no differential contribution and requested the Deputy Director to cause an inspection of the contract labourers. Subsequently, the Deputy Director conducted an inspection of the contract labourers and passed an order demanding an amount of ₹0.13 million towards arrear of employee state insurance contribution to be made by our Promoter. The amount involved in the matter is ₹ 0.13 million. The matter is no longer pending.
43. Our Promoter has filed a writ petition against the action taken by the Labour Department, Chattisgarh before the Chattisgarh High Court in relation to recovery of labour welfare cess pertaining to the project for the Bharat Aluminium Company Limited. The amount involved in the matter is ₹ 20.00 million. The Chattisgarh High Court has quashed and set aside the writ petition filed by our Promoter. The matter is no longer pending.
44. A notice has been issued by National Commission for Scheduled Castes (the “Commission”) to our Promoter seeking details with respect to a complaint received by the Commission from Dinesh Kumar alleging wrongful termination of his services by our Promoter. Our Promoter has responded to the queries by the Commission and refuted the allegations as being false and misleading. No response received from the Commission, pursuant to our reply dated 22.03.2016.
45. Our Promoter has received a notice from the relevant authority under the Minimum Wages Act and the Regional Labour Commissioner (Central), Nagpur in relation to claims submitted by two security guards deployed by 24x7. Vigilance & Facility Service who have alleged that they have been paid wages less than the specified wages under the Minimum Wages Act for the period of June 2015 to May 2016. The claims aggregate to an amount of ₹ 1.8 million. The matter is currently pending.
46. The Labour Officer, State of Gujarat has filed three complaints against our Promoter and its employees before the Judicial Magistrate, Vagra alleging certain non-compliances with the provisions of the Contract Labour (Regulation of Employment and Abolition) Act, 1970 read with the rules framed thereunder and the Minimum Wages Act, 1948 read with the rules framed thereunder on account of irregularities, inter alia in the maintenance of attendance registers, pay sheets, overtime registers in relation to construction work undertaken by our Promoter for Torrent Pharmaceuticals Limited at Ahmedabad. The matter is no longer pending.

47. Labour Enforcement Officer initiated a case against our Promoter represented by A.M. Naik before the Court of Chief Judicial Magistrate, Himmatnagar. Our Promoter requested Chief Judicial Magistrate to have the reference to its Chairman/A.M. Naik be deleted from the Complaint. To have the cause title changed, our Promoter filed an application for substitution and appearance through its duly authorised representative, which the Court permitted. Our Promoter moved an application and the Court allowed the same. The matter is no longer pending.
48. Our Promoter has filed a writ petition against the action taken by the Labour Department, Vizag before the Hyderabad High Court in relation to demand of cess (the “**Demand**”) with respect to the project constructed for the National Thermal Power Corporation, Simhadri (“**NTPC**”) under the Building & Other Construction Workers Cess Act, 1996 (the “**BOCW Act**”). The Hyderabad High Court has granted a stay order (the “**Stay Order**”) in favour of our Promoter against recovery of the Demand. The amount involved in the matter is ₹10.40 million. Subsequently, NTPC issued a letter to our Promoter indicating that they have received an intimation from the Joint Commissioner, Labour Department, Vizag claiming payment of ₹ 33.7 million towards cess and penalty for the Financial Years 2008, 2009, 2010, 2011 and 2013. Our Promoter has replied to NTPC contending that the stay order granted by the Hyderabad High Court against the Demand for the Financial Years 2008 and 2009 shall continue to apply for any demand that may be raised by the Labour Department, Vizag for subsequent years. The amount involved in the matter is ₹ 33.7 million. The matter is currently pending.
49. Our Promoter has filed a writ petition against the demand of cess (the “Demand”) made by the Government of Chattisgarh under the BOCW Act with respect to the steel plant of our Promoter located at Bhilai, before the Chattisgarh High Court. The Chattisgarh High Court has granted a stay order in favour of our Promoter against recovery of the Demand. The amount involved in the matter is ₹16.12 million. The Chattisgarh High Court has quashed and set aside the writ petition filed by our Promoter. The matter is no longer pending.
50. Our Promoter has filed a writ petition against the demand made by the Labour Department, Orissa before the Orissa High Court in relation to demand of 1% of total contract value (the “Demand”) made under the BOCW Act in respect of contract awarded by Sterlite Energy Limited to our Promoter for certain railway siding works. The amount involved in the matter is ₹24.38 million. The matter is currently pending.
51. Our Promoter has filed four writ petitions against the demand of cess (the “Demand”) made by the Public Health Engineering Department, Barmer before the Rajasthan High Court under the BOCW Act for the Barmer project (SPR I and SPR II), Jodhpur undertaken by our Promoter. The Rajasthan High Court has granted conditional stay on the Demand and has required the payment of 1.0% cess to be made equally by our Promoter and the Government of Rajasthan. The matter is currently pending.
52. Our Promoter has filed an appeal against the order passed by the Directorate General of Inspection (the “Directorate”) before the Secretary, Labour Department, Government of India imposing penalty for contravention of certain provisions under the BOCW Act with respect to Jharkhand road project. The amount involved in the matter is ₹ 0.01 million.

The matter is currently pending.

53. Our Promoter has filed a writ petition against the Labour Department, Vizag before the Hyderabad High Court in relation to refund of the cess amount ordered by the Hyderabad High Court (the “Refund Order”). Our Promoter had filed an application before the Labour Department, Vizag for enforcement of the Refund Order. Upon failure of the Labour Department, Vizag in refunding the cess amount, our Promoter has filed the aforesaid fresh writ petition. The amount involved in the matter is ₹14.10 million. The matter is no longer pending.
54. Our Promoter had filed a writ petition against the demand of cess (the “Demand”) made by Labour Department, Vizag before the Hyderabad High Court under the BOCW Act. The Labour Department, Vizag had raised the Demand against our Promoter in relation to a project constructed for Steel Authority of India Limited, Vizag. The Hyderabad High Court allowed the aforesaid writ petition in favour of our Promoter against recovery of the Demand. The State of Andhra Pradesh filed an appeal against the order of the Hyderabad High Court, which WAS allowed by the Hyderabad High Court. Our Promoter filed a review petition before the Hyderabad High Court against the order of Hyderabad High Court allowing the appeal filed by State of Andhra Pradesh. The amount involved in the matter is ₹25.30 million. The Hyderabad High Court passed an interim order (the “Interim Order”) directing our Promoter to deposit the Demand pending the decision on the review petition. Subsequently, our Promoter filed a Special Leave Petition (SLP) in the Supreme Court against the Interim Order. The Hyderabad High Court dismissed the review petition. The SLP was taken up and was dismissed. However, on appeal the Supreme Court stated that in so far as the calculation of the amount of cess payable on the construction cost instead of project cost will be decided by the Labour Department and we are given liberty to agitate the same before the adjudicating authorities. The matter is no longer pending.
55. Our Promoter filed three W.Ps before the High Court of Hyderabad, directing State of Telangana, represented by Principal Secretary, Panchayataraj and Rural Development Department & Ors (Respondents) not to recover 1% labour cess amount from the R.A. bills of the Promoter including the deductions from the future R.A. bills to be submitted, with respect to the project for Drinking water to habitations in Palair and Wyra segments of Khammam Dist. Telangana; Drinking water supply project for construction of Intake well, WTP , Raw water pumping main, HT power supply for Medak and Sangareddy segments and providing drinking water to habitations in Komarambheem-Asifabad segments project. Government memo ordering recovery of cess 1% from Promoter’s R.A. bills is stayed by High Court. The exact amount is yet to be quantified. The matter is currently pending.
56. Engineer-in-Chief, RWS & S Department, Hyderabad issued a memo to effect recovery of 1% Labour Welfare Cess amounts pertaining to the Water Supply improvement Scheme at Karim Nagar, Ramagundam, Khammam and Adilabad towns. Our Promoter filed writ petition in High Court of Hyderabad challenging the notification. Court passed an interim order in our favour restraining the Employer from deducting 1% labour cess, unless the same has been included in contract estimates. The amount involved in the case is ₹ 8.78 million (approx.). The matter is currently pending.

57. Our Promoter has filed a writ petition against the demand made by the Tahsildar (the “**Authority**”) before the Jharkhand High Court for market price and interest on certain minerals with respect to Jharkhand road project. The amount involved in the matter is ₹ 3.88 million. The matter is currently pending.
58. Our Promoter has filed a writ petition against a notification passed by the Sub-divisional Land and Land Reforms Officer (the “**Officer**”) before the Calcutta High Court relating to levy of royalty and cess (the “**Notification**”). The Officer had levied cess and raised a demand of royalty (the “**Demand**”) under the Notification on the basis of treatment of ordinary soil under minor mineral. The amount involved in the matter is ₹ 0.40 million. The matter is currently pending.
59. Our Promoter has filed a writ petition against the fees demanded by the Government of Tamil Nadu (the “**Authority**”) before the Madras High Court relating to the cost of mineral and seigniorage in relation to Krishnagiri road project. The amount involved in the matter is ₹ 70.50 million and has been paid by our Promoter. The matter is currently pending.
60. The Department of Mines and Geology has filed a complaint before the Judicial Magistrate First Class, Bengaluru against our Promoter in relation to the alleged failure of our Promoter to comply with the provisions of the Karnataka Regulation of Stone Crushers Act, 2011 and the rules framed thereunder. The matter is currently pending. Case disposed on 04.08.2018.
61. Our Promoter filed three appeals before the Additional District Magistrate, Sundargarh against the demand notices issued by the Revenue Inspector, Mining Department, Sundargarh, Odisha as well as the Orissa public demand recovery notices issued by the Tehsildar, Sadar and Certificate Officer in relation to delay in royalty payments of ₹2.63 million by our Promoter pertaining to Sambalpur- Rourkela road project. The Additional District Magistrate, Sundargarh has granted a stay in favour of our Promoter against the aforesaid payment of royalty. The matter is currently pending.
62. Our Promoter has filed a special civil application before the Gujarat High Court against the demand made by the Commissioner of Geology & Mining and others, State of Gujarat (the “**Commissioner**”). The Commissioner had made a demand for payment of ₹16.97 million (the “**Demand**”) alleging illegal excavation of ordinary clay, a minor mineral by our Promoter in connection with construction of a portion of the road on National Highway No. 8A. Our Promoter has filed a writ petition before the Gujarat High Court against the Commissioner, Additional Director (Appeal), Appeal & Flying Squad, Geology & Mining Department, (the “**Additional Director**”), Geologist, Geology and Mining Department (the “**Geologist**”) and the State of Gujarat in relation to the Demand. The Gujarat High Court passed an order staying the operation of all demands issued by the Commissioner, the Additional Director and the Geologist against our Promoter. The matter is currently pending.
63. The Additional Director of Mines, Kota (“**ADM**”) has remanded the Second Appeal in relation to the demand of ₹ 5.2 million to the Mining Officer, Department of Mines, for his consideration. Our Promoter has deposited an amount of ₹ 5.2 million to the Department of Mines. The matter is no longer pending.

64. Our Promoter has filed a writ petition against the demand of royalty (the “Demand”) made by the Tahsildar cum certificate officer, Sundergadh (the “Authority”) before the Orissa High Court. The Authority had raised the Demand on alleged royalty to be paid on minor minerals under the Orissa Public Demand Recovery Act, 1963. The amount involved in the matter is ₹1.54 million. The matter is no longer pending.
65. Our Promoter has filed a writ petition against the acquisition of land (the “**Acquisition**”) by the Government of Puducherry (the “**Authority**”) before Madras High Court under the Land Acquisition Act, 1894 with respect to of approximately 17 acres of land owned by our Promoter. The Madras High Court has granted a stay order against dispossession in respect of the Acquisition. The matter is currently pending.
66. Our Promoter has filed a writ petition against the land reforms proceedings (the “**Proceedings**”) by the Government of Puducherry (the “**Government**”) before the Madras High Court under the Pondicherry Land Reforms (Fixing of Ceiling on Land) Act, 1973. The Government had issued summons against our Promoter and treated the land owned by our Promoter as agricultural land instead of treating the lands as falling under the industrial zone. The Madras High Court granted a stay order against the Proceedings. The matter is currently pending.
67. Our Promoter has filed a special civil application against an order passed by the Special Revenue Secretary, Gujarat (the “**Special Revenue Secretary**”) before the Gujarat High Court. Our Promoter had entered into lease deeds with certain land owners for construction of units pertaining to the Kakrapar Atomic Power Project. The Collector, Tapi District (the “**Collector**”) had passed an order (the “**Order**”) (i) declaring the lease deeds to be void under Section 73(AA)(3)(a) of the Gujarat Land Revenue Code, 1879 (the “**GLRC**”), (ii) required restoration of possession of land leased by our Promoter and (iii) imposed a penalty of ₹ 20.7 million on our Promoter. Subsequently, our Promoter filed a revision application under Section 203 read with Section 211 of the GLRC with the Special Revenue Secretary challenging the Order. The Special Revenue Secretary upheld the Order, and subsequently our Promoter filed the aforesaid special civil application before the Gujarat High Court. The amount involved in the matter is ₹ 20.7 million. The matter is currently pending.
68. Our Promoter has filed a writ petition against the resumption order passed by the Collector, Sundargarh before the Orissa High Court challenging the applicability of the Orissa Land Reforms Act, 1973. The Orissa High Court has granted a stay order against any further action of the Government of Orissa in relation to resumption of land. The matter is currently pending.
69. 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.
70. 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.

71. 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.
72. 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.
73. 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.
74. 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.
75. 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.
76. 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.

77. 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.
78. 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.
79. 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.
80. 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.
81. 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.
82. 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.
83. 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.
84. 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.

85. 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.
86. 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.
87. L&T is in the process of filing an appeal before the Commissioner of Income Tax- Appeals (**CIT(A)**) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding short-term capital loss on sale of JM Arbitrage Fund units treated as business loss, disallowance of expenses due to failure of parties to provide transaction confirmations, disallowance of R&D expense (not reported by DSIR), imputed charge for use of L&T brand, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, etc. The amount involved in this matter is ₹ 52,100 lakhs.
88. 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.
89. 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.

ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES.

1. L&T Finance Limited ("LTFL") has filed an intervention application in the National Company Law Appellate Tribunal ("NCLAT") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("UOI") pending before the NCLAT, in its capacity as the financial creditor of Moradabad Bareilly Expressway Limited ("MBEL"), a subsidiary of IL&FS Transportation Networks Limited ("ITNL"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("IL&FS"). The said intervention application also seeks a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of Our Company. The matter has been posted for hearing on May 21, 2019.

LTFL has also preferred a civil appeal bearing reference number 2397-98 of 2019 before the Hon'ble Supreme Court of India under section 423 of the Companies Act, 2013, inter alia assailing the order dated February 11, 2019, passed by the NCLAT. Notice has been issued and is returnable on May 20, 2019. This appeal is pending admission.

L&T Infrastructure Finance Limited ("LTIFL") has filed intervention applications in the National Company Law Appellate Tribunal ("NCLAT") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("UOI") pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited ("WGEL") and Moradabad Bareilly Expressway Limited ("MBEL"), all being subsidiaries of IL&FS Transportation Networks Limited ("ITNL"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("IL&FS"). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIFL. The matter is posted for hearing on May 21, 2019.

LTFL has also preferred a Civil Appeal before the Hon'ble Supreme Court of India under section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. Notice has been issued and is returnable on May 20, 2019. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

L&T Infra Debt Fund Limited (“LTIDFL”) has filed intervention applications in the National Company Law Appellate Tribunal (“NCLAT”) under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India (“UOI”) and Company Appeal (AT) No. 347 of 2018 filed by Infrastructure Leasing and Financial Services Limited (“IL&FS”), pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited (“WGEL”), Hazaribagh Ranchi Expressway Limited (“HREL”), Jharkhand Road Projects Implementation Company Limited (“JRPICL”) and Moradabad Bareilly Expressway Limited (“MBEL”), all being subsidiaries of IL&FS Transportation Networks Limited (“ITNL”), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited (“IL&FS”). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIDFL. The matter is posted for hearing on May 21, 2019.

LTFL has also preferred a Civil Appeal before the Hon’ble Supreme Court of India under section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. Notice has been issued and is returnable on May 20, 2019. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

2. The Director General of GST Investigation (“DGGI”) has issued a show cause notice (“SCN”) dated October 18, 2018 to L&T Finance Limited (“LTFL”), inter-alia, alleging that additional interest, penal interest and default interest charged to customers is liable to service tax and goods and services tax (“GST”) as applicable. The SCN will be adjudicated in due course before the Principal Commissioner of CGST.

The amount of tax involved in the SCN is Rs 197.29 Crores for the period starting from April 2013 to June 2017. Based on the tax opinions, LTFL is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994.