Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Sixth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY 2018-19 as compared to the previous FY 2017-18 is given below:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross Income	754.82	567.53
Total Expenses	623.16	429.02
Profit before Tax/ (Loss)	**131.66**	**138.51**
Provision for Tax	-	(0.47)
Profit after Tax (Loss)	**131.66**	**138.98**
Other Comprehensive Income	(0.05)	(0.04)
Total Comprehensive Income for the Year	**131.61**	**138.94**
Add: Balance brought forward from previous year	239.22	130.20
Balance available for appropriation	370.83	269.14
Appropriations:		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	26.33	29.92
Dividend paid on preference shares including dividend distribution tax	-	-
Surplus in the Statement of Profit and Loss	**344.50**	**239.22**

APPROPRIATIONS

The Company proposes to transfer ₹ 26.33 Crore (previous year: ₹ 29.92 Crore) to Special Reserve created u/s 45 – IC of Reserve Bank of India Act, 1934 and retain ₹ 344.50 Crore (previous year: ₹ 239.22 Crore) in the Statement of Profit and Loss of the Company.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

PERFORMANCE OF BUSINESS

The policy and regulatory framework for Infrastructure Debt Funds ("IDF") announced by the Government of India ("GoI") and the Reserve Bank of India ("RBI") respectively, were targeted at providing an innovative solution to the asset-liability mismatch and group exposure issues faced by the banking system in India. It was also intended that IDFs would help channelize pension/ insurance funds to infrastructure as well as play a role in bringing in foreign investment and deepening the bond market in India.

In FY 2018-19, the fifth full year of operations, the Company has been able to make significant progress towards achieving all the objectives indicated by GoI & RBI, as well as improve the viability of projects by providing long-tenor and low-cost structured refinance solutions. The Company's asset book has shown steady growth over the years and is at ~ INR 8200 cr. The Company is now one of the leaders in refinancing of road & renewable energy projects in India.

The Company has recently entered into definitive agreements with Apis Growth Fund II, a financial services focussed private equity fund managed by Apis Partners LLP for upto 25.1% equity stake for USD 110 mn (~ INR 770 cr) , primarily to support the growth of the Company's loan book and strengthen its capital structure. Apis Growth Fund II investors include leading institutional investors, developmental finance institutions, global banks and insurance companies, sovereign wealth funds, family offices and HNIs across Europe, North America, Asia, Africa and Latin America.

In the last 5 years, the Company has focused on solar power, roads & highways, wind energy and transmission. Going forward, the Company expects to further diversify into new sectors, geographies, promoter groups and business models tap new sources of funding and optimise its leverage & returns.

Your Directors are happy to inform that the Company won the prestigious "The Asset Triple A Asia Infrastructure Awards 2018" in Country deal awards (South Asia) category for "Private Equity M&A Deal of the Year" in respect of a transaction which enabled change of ownership, credit enhancement through elongation of tenors, variable coupon & adjustable redemption premium and long term fixed rate financing for a National Highway PPP project in India.

FINANCIAL PERFORMANCE OF THE COMPANY

The Company has adopted Indian Accounting Standards ("Ind AS") pursuant to notification dated March 30, 2016 issued by the Ministry of Corporate Affairs ("MCA") and under Section 133 of the Companies Act 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as the "Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for NBFC whose financial statements are drawn up in compliance with the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR1022 (E) dated October 11, 2018, issued by MCA.

During the year under review, the Company has earned a profit (including OCI) of ₹ 131.61 Crore on an loans of ₹ 8,167.95 Crore as on March 31, 2019, diversified across multiple sectors including transportation (roads), renewable energy (solar & wind power) and power transmission.

The Company has sourced funds through the issue of long term bonds of tenors ranging from 5 to 20 years from over 290 high quality institutional investors, principally insurers and pension/ provident funds. The net worth of the Company as on March 31, 2019 was ₹ 1,059.66 Crore as compared to ₹ 928.19 Crore on March 31, 2018.

MATERIAL CHANGES AND COMMITMENTS

The Company has entered into a commitment for up to 25.1% minority equity investment (including co-investments) from Apis Growth Fund II ("Fund"), a private equity fund managed by Apis Partners LLP. Out of the total investment amount, 70% is in the form of growth capital for the Company and 30% is for purchase of shares from existing shareholders (subsidiaries of L&T Finance Holdings Limited). The Fund's investment into the Company will support the growth of its loan book focused on infrastructure projects in India, strengthen its capital structure, and further its technology and digitisation strategy.

Except as mentioned above, there were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

DIVIDEND

During the year under review, the Board of Directors declared and paid interim dividend @ 5% p.a. in respect of 50 and 1003 Cumulative Redeemable Non-Convertible Preference Shares ("CRPS") of the face value of ₹ 10,00,000 each of the Company for the FY 2018-19, entailing an outflow of ₹ 0.25 Crore and ₹ 5.02 Crore (excluding dividend distribution tax), respectively.

No final dividend on equity shares of the Company has been recommended for the financial year ended March 31, 2019 as the Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company.

CREDIT RATING

During the period under review, CRISIL Limited ("CRISIL"), CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA") had reviewed the ratings on various issues of Non-Convertible Debentures and reaffirmed these at AAA [Triple A] with Stable Outlook. CRISIL's rating of preference shares was also reaffirmed at "CRISIL AAA/Stable" [Triple A; Outlook: Stable by CRISIL]. All these ratings carry a stable outlook. The rating was also assigned to the Long-term Principal Protected Market Linked Debentures by CRISIL at 'CRISIL PP-MLD AAA/Stable' and by ICRA at "PP-MLD ICRA AAA/Stable". The short-term rating on commercial papers has been reaffirmed at "CRISIL A1+" (A One Plus by CRISIL), "ICRA A1+" (A One Plus by ICRA) and "CARE A1+" (A One Plus by CARE). CARE has also reaffirmed its rating assigned on short term bank facilities at "CARE A1+".

The instruments with rating of AAA carry the highest degree of safety regarding timely servicing of financial obligations and carry the lowest credit risk.

The instruments with rating of A1+ are considered to have very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk.

RESOURCES

During the year under review, the Company met its funding requirements primarily through issue of NCDs.

During the year under review, the Company's net borrowing was ₹ 1,256.97 Crore in FY 2018-19 as against ₹ 2,810.01 Crore in the corresponding period of the previous year.

The aggregate debt outstanding as on March 31, 2019 was 7,532.62 Crore.

SHARE CAPITAL

During the year under review, the authorised share capital of the Company was increased from ₹ 1400,00,00,000 (Rupees Fourteen Hundred Crore Only), divided into 4,000 (Four Thousand) preference shares of ₹ 10,00,000 (Rupees Ten Lakh) each and 100,00,00,000 (Hundred Crore) equity shares of ₹ 10 (Rupees Ten) each to ₹ 2000,00,00,000 (Rupees Two Thousand Crore), divided into 10,000 (Ten Thousand) preference shares of ₹ 10,00,000 (Rupees Ten Lakh) each and 100,00,00,000 (Hundred Crore) equity shares of ₹ 10 (Rupees Ten) each.

As on March 31, 2019, the paid-up share capital of the Company was ₹ 595,48,02,140 (Rupees Five Hundred and Ninety Five Crore Forty Eight Lakh Two Thousand One Hundred and Forty Only) divided into 49,01,80,214 equity shares of face value of ₹ 10 each, aggregating to ₹ 490,18,02,140 (Rupees Four Hundred and Ninety Crore Eighteen Lakh Two Thousand One Hundred and Forty Only) and 1,053 cumulative non convertible redeemable preference shares of ₹ 10,00,000 each, aggregating to ₹ 105,30,00,000 (Rupees One Hundred Five Crore Thirty Lakh Only).

FIXED DEPOSITS

The Company being a non-deposit taking Non-Banking Financial Company ("NBFC"), has not accepted any deposits from the public during the year under review.

DIRECTORS

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") with an appropriate combination of Non-Executive Directors and Independent Directors.

During the year under review, Mr. Arun Ramanathan Independent Director of the Company resigned from the Board with effect from July 20, 2018.

The Board places on record its appreciation of the valuable services rendered by Mr. Ramanathan during his tenure as a Director of the Company.

During the year under review, the Company appointed Ms. Nishi Vasudeva as an Independent Director in accordance with the provisions of Sections 149, 152 and 161 of the Act with effect from July 2, 2018 to hold office for a term of 5 years i.e. from July 2, 2018 to July 1, 2023, pursuant to the approval of Members at the Fifth Annual General Meeting ("AGM") held on August 9, 2018.

The Company has appointed Mr. Sunil Prabhune as an Additional Director, pursuant to the provisions of Sections 152 and 161 of the Act with effect from April 24, 2019. Mr. Prabhune holds office up to the date of ensuing AGM. His candidature for appointment as Director liable to retire by rotation would be placed at the ensuing AGM.

As on the date of this Report, the Board comprises the following Directors:

Name of the Director	Designation
Mr. Dinanath Dubhashi	Chairperson & Non-Executive Director
Mr. Thomas Mathew T.	Independent Director
Ms. Nishi Vasudeva	Independent Director
Dr. Rupa Rege Nitsure	Non-Executive Director
Mr. Sunil Prabhune	Non-Executive Director

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every annual general meeting, not less than two-third of the total number of Directors of a public company (excluding Independent Directors) shall be persons whose period of office is liable to determination by retirement of Directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Dr. Rupa Rege Nitsure, Non-Executive Director of the Company will retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered herself for re-appointment.

The terms and conditions of appointment of Independent Directors are available on the website viz. https://www.ltfs.com.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, as required pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and are not disqualified from continuing as Independent Directors.

FIT AND PROPER CRITERIA & CODE OF CONDUCT

All the Directors meet the fit and proper criteria stipulated by the Reserve Bank of India ("RBI"). All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

KEY MANAGERIAL PERSONNEL ("KMPs")

During the year under review, Mr. Mehul Somaiya resigned as the Company Secretary of the Company and Ms. Apurva Rathod was appointed as the Company Secretary of the Company effective from October 24, 2018.

Mr. Hitesh Bhadada resigned as Head-Accounts (discharging functions of the Chief Financial Officer) and Mr. Amol Joshi was appointed as Head-Accounts (discharging functions of the Chief Financial Officer) effective from October 24, 2018.

Accordingly, as on March 31, 2019, the Company had the following KMPs:

1) Mr. Shiva Rajaraman - Manager
2) Ms. Apurva Rathod - Company Secretary
3) Mr. Amol Joshi - Head-Accounts (discharging functions of the Chief Financial Officer)*

**Mr. Amol Joshi ceased to be the Head-Accounts (discharging functions of the Chief Financial Officer) with effect from April 28, 2019.*

The Board of Directors of the Company at its meeting held on April 28, 2019, appointed Mr. Jaykumar Shah as the Head – Accounts (discharging functions of the Chief Financial Officer) of the Company with immediate effect and designated him as a Key Managerial Personnel of the Company.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

A) Background and Objectives

Section 178 of the Act requires the Nomination and Remuneration Committee ("NRC") of a company to formulate a policy relating to the remuneration of the Directors, Senior Management/KMPs and other employees of the Company and recommend the same for approval of the Board.

Further, Section 134 of the Act stipulates that the Board's Report is required to include a statement on company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and remuneration for KMPs and other employees.

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the policy on Directors' appointment and remuneration for Directors, Senior Management, KMPs and other employees. available on the website of the Company viz. https://www.ltfs.com.

B) Brief framework of the Policy

The objective of this Policy is

- to determine inter-alia, qualifications, positive attributes and independence of a Director;
- to guide on matters relating to appointment and removal of Directors and Senior Management;
- to lay down criteria/evaluate performance of the Directors; and
- to guide on determination of remuneration of the Directors, Senior Management/KMPs and other employees.

C) Appointment of Director(s) – Criteria Identification

The NRC identifies and ascertains the integrity, professional qualification, expertise and experience of the person, who is proposed to be appointed as a director and appropriate recommendation is made to the Board with respect to his/her appointment.

Appointment of Independent Directors is subject to the provisions of Section 149 of the Act read with Schedule IV and rules thereunder. The NRC satisfies itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act, before appointment as an Independent Director.

The Appointment of Managing Director and Whole-time Director is subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules made thereunder. The NRC ensures that a person does not occupy the position as a Managing Director/Whole-time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the Company in a general meeting. No re-appointment is made earlier than one year before the expiry of term.

D) Evaluation Criteria of Directors and Senior Management/KMPs/Employees

- **Independent Directors / Non-Executive Directors**

  The NRC carries out evaluation of performance of Independent Directors/ Non-Executive Directors every year ending March 31 on the basis of the following criteria:

  - Membership & Attendance-Committee and Board Meetings;
  - Contribution during such meetings;
  - Active participation in strategic decision making;
  - Inputs to executive management on matters of strategic importance; and
  - Such other matters, as the NRC/ Board may determine from time to time.

- **Executive Directors**

  The NRC carries out evaluation of performance of Executive Directors ("EDs") every year ending March 31. The evaluation is on the basis of Key Performance Indicators ("KPI"), which are identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of each ED. The identified KPI for EDs are approved by the Board, pursuant to recommendation of the NRC, if required.

- **Senior Management/KMPs/Employees**

  The HR Department carries out the evaluation of the aforementioned persons every year ending March 31 with the Department Head(s) concerned. KPIs are identified well in advance at the commencement of the financial year. Performance benchmarks are set and evaluation of employees is done by the respective reporting Manager(s)/ Management/Department Head(s) to determine whether the performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons is determined after the satisfactory completion of evaluation process.

  The HR Department of the Company is authorized to design the framework for evaluating the Senior Management/KMPs and Employees. The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during any financial year. Training and development orientation programs on a need basis are provided to employees, whose performance during any financial year does not meet the benchmark criteria.

E) Criteria for Remuneration

The NRC while determining the criteria for remuneration for Directors, Senior Management/ KMPs / other employees ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Senior Management and KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

During the year under review, the changes as mandated under regulatory provisions have been duly carried out in the Policy.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the Directors individually, as well as the Committees of the Board.

Manner of Evaluation

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

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

The process of the annual performance evaluation broadly comprises of the following:

a. Board and Committee Evaluation:

- Evaluation of Board as a whole and the Committees is done by the individual directors/members, followed by submission of collation to NRC and feedback to the Board.

b. Independent/Non-Executive Directors' Evaluation:

- Evaluation done by Board members excluding the Director being evaluated is submitted to Chairperson of L&T Finance Holdings Limited, the parent company and individual feedback provided to each Director.

c. Chairperson Evaluation:

- Evaluation as done by individual directors is submitted to the Chairperson of NRC of L&T Finance Holdings Limited, the parent company and feedback provided to the Chairperson.

CORPORATE GOVERNANCE

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. The report on Corporate Governance for FY 2018-19 is appended as **Annexure A** to this Report.

The Company has adopted the internal guidelines on Corporate Governance in accordance with the master circular issued by RBI on Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015.

STATUTORY AUDITORS

The Board of Directors of the Company at its meeting held on April 28, 2019 had appointed M/s. Deloitte Haskins and Sells LLP ("Deloitte"), Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s. B.K. Khare & Co. Chartered Accountants, who shall hold office till the conclusion of the Sixth AGM. Further, the Board has approved the proposal to appoint Deloitte as the Statutory Auditors of the Company from the conclusion of Sixth AGM till the conclusion of the Eleventh AGM, subject to approval of shareholders.

The appointment of Deloitte will be put forth before the Members at the ensuing AGM for their approval.

Deloitte has confirmed that their appointment, if made, will comply with the eligibility criteria in terms of the provisions of Section 141(3) of the Act. Further, Deloitte has confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ("ICAI") and hold valid certificate issued by the Peer Review Board of the ICAI.

AUDITORS' REPORT

The Auditors' Report to the Members for the year under review does not contain any qualification. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Naina R. Desai, Practicing Company Secretary to undertake the secretarial audit of the Company for FY 2018-19.

The Secretarial Audit Report is appended herewith as **Annexure B** to this Report.

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

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company has been appended as **Annexure C** to this Report.

In terms of the provisions of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Annexure is available for inspection by the Members at the registered office of the Company during the business hours on working days of the Company upto the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at the registered office address.

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, KMPs and other employees and none of the employees listed in the said Annexure are related to any Directors of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being an NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 have not been considered significant enough to warrant disclosure.

During the year under review, there were no foreign exchange earnings. The expenditure in foreign currency was ₹ 0.78 Crore (previous year: ₹ 0.01 Crore) for professional fees and other charges.

DISCLOSURE RELATING TO HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company is a subsidiary of L&T Finance Holdings Limited. During the year under review, the Company did not have any subsidiary, joint venture or associates as defined under the Companies Act, 2013.

Accordingly, disclosures under Rule 8(1) and Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 relating to subsidiary, joint venture and associate companies are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the operational management, confirm in pursuance to provisions of Section 134(5) of the Act, that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such system forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the IA Charter.

The IA function of L&T Financial Services Group monitors and evaluates the efficacy and adequacy of the internal control systems in the Company, and its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee from time to time.

BOARD MEETINGS

The details of the Board Meetings held by the Company during FY 2018-19 are disclosed in the Corporate Governance Report appended to this Report.

The Agenda for the Meetings were circulated to the Directors well in advance. The Minutes of the Meetings of the Board of Directors were circulated amongst the Members of the Board for their perusal.

COMPOSITION OF THE AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act and RBI directions. The details of the same are disclosed in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

The Company has also formulated a CSR Policy ("Policy") in accordance with the requirements of the Act and containing details specified therein which is available on the website of the Company at https://www.ltfs.com. During the year under review, the Policy has been updated to include some components within the already approved thrust areas like providing aid to women entrepreneurs, digital financial inclusion and adding of sustainable development goals as per United Nations. An annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure D** to this Report.

VIGIL MECHANISM

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) of the Act, the Company has adopted a Vigil Mechanism Framework ("Framework"), under which the Whistle Blower Investigation Committee ("the Committee") has been set up. The objective of the Framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the Directors and employees can raise actual or suspected violations.

The Chief Internal Auditor of L&T Financial Services Group acts as an Ombudsman. The role of Ombudsman is to review the grievance at the initial stage and in case the grievance is material, the same is forwarded to the Committee, for investigation. After investigation the complaint with the Investigation Report is forwarded to the Audit committee / Managing Director / Whole-time Director as the case may be. At the Audit Committee, a brief update is presented to the Members for their review. The Committee takes necessary actions of maintaining confidentiality within the organization on matters brought to its attention.

During the year under review, the Company has not received any complaints in this regard.

The mechanism framed by the Company is in compliance with requirements of Companies Act, 2013 and available on the website viz. http://www.ltfs.com.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Details of loans, guarantees and investments are given in the Notes to the Financial Statements, as applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties ("RPT Policy") pursuant the recommendation of the Audit Committee ("AC"). In line with the requirements of the Act and RBI Regulations, the Company has formulated the RPT Policy which is also available on the website viz. http://www.ltfs.com. The RPT Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") are referred to the AC of the Company for approval, irrespective of its materiality. The AC, also approves any subsequent modification in the RPTs. The process of approval of RPTs by the Board and Shareholders is as under:

  a) Board

  Generally all RPTs are in the ordinary course of business and at arm's length price.

  RPTs which are not at arm's length and which are not in the ordinary course of business are approved by the Board.

  b) Shareholders

  All Material RPTs require prior approval of the shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting. Where any contract or arrangement is entered into by a Director or any other employee without obtaining the consent of the Board or approval by a ordinary resolution in the general meeting, it is to be ratified by the Board or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

- All RPTs that were entered into during FY 2018-19 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to Notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has formulated a risk management framework and has in place a framework to inform the

Board about risk assessment, minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The Audit Committee is kept apprised of the proceedings of the Risk Management Committee.

The Risk Management framework is also covered more detailed in Management Discussion & Analysis report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register their complaints against sexual harassment. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, the Company has not received any complaints in this regard.

ANNUAL RETURN AS REQUIRED UNDER THE ACT AND RULES MADE THEREUNDER

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

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the Company viz. https://www.ltfs.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

RBI REGULATIONS

The Company has complied with all the requirements prescribed by RBI, from time to time, as applicable to it.

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place : Mumbai
Date : April 28, 2019

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board of Directors ("the Board") along with its Committees, provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.

As on the date of this Report, the Board comprises of 5 (Five) Directors viz. Mr. Dinanath Dubhashi, Mr. Thomas Mathew T., Ms. Nishi Vasudeva, Mr. Sunil Prabhune and Dr. Rupa Rege Nitsure. Mr. Dinanath Dubhashi is the Non-Executive Chairperson, Mr. Thomas Mathew T. and Ms. Nishi Vasudeva are Independent Directors, Mr. Sunil Prabhune and Dr. Rupa Rege Nitsure are the Non-Executive Directors on the Board.

During the year under review, Mr. Arun Ramanathan, stepped down as Director of the Company with effect from July 20, 2018.

Upon cessation of Mr. Ramanathan as Director and Chairperson of the Board, Mr. Dinanath Dubhashi was appointed as the Chairperson of the Board and Company with effect from October 24, 2018.

During the year under review, the Company appointed Ms. Nishi Vasudeva as an Independent Director in accordance with provisions of Sections 149, 152 and 161 of the Act with effect from July 2, 2018, pursuant to the approval of Members at the Fifth Annual General Meeting ("AGM") held on August 9, 2018.

The Company has appointed Mr. Sunil Prabhune as an Additional Director, pursuant to the provisions of Sections 152 and 161 of the Act with effect from April 24, 2019. Mr. Prabhune holds office up to the date of ensuing AGM.

During the period under review, 5 (Five) meetings of the Board of Directors were held on April 30, 2018, July 18, 2018, October 24, 2018, January 21, 2019 and March 19, 2019.

The attendance of the Members of the Board at the Meetings held during the year under review is as follows:

Name of the Director	DIN	Nature of Directorship	No. of Board Meetings held/ conducted during the tenure of Directors / year	No. of Board Meetings attended
Mr. Dinanath Dubhashi(1)	03545900	C - NED	5	5
Mr. Arun Ramanathan(2)	00308848	C – ID	2	2
Mr. Thomas Mathew T.	00130282	ID	5	5
Ms. Nishi Vasudeva(3)	03016991	ID	4	4
Dr. Rupa Rege Nitsure	07503719	NED	5	4

Notes:

(1) *Appointed as the Non-Executive Chairperson with effect from October 24, 2018*

(2) *Ceased to be the Independent Director and Chairperson with effect from July 20, 2018*

(3) *Appointed as the Independent Director with effect from July 2, 2018*

C - Chairperson ID -Independent Director NED - Non-Executive Director

Mr. Shiva Rajaraman is the Manager & Chief Executive of the Company and functions under the supervision and control of the Board.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Committees have oversight of operational issues assigned to them by the Board. The three core Committees constituted by the Board under the Companies Act, 2013 ("the Act") are:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

The Board has additionally constituted a Committee of Directors to handle the operational issues.

The details of various Committees of the Company and their composition, as on the date of the report, are as under:

1) Audit Committee ("AC")

Terms of reference:

The role of the AC includes the following:

i. Recommend to the Board appointment, remuneration and terms of appointment of auditors of the Company;

ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

iii. Examine the financial statement and the auditors' report thereon;

iv. Approval or any subsequent modification of transactions of the Company with related parties;

v. Scrutiny of inter-corporate loans and investments;

vi. Valuation of undertakings or assets of the Company, wherever it is necessary;

vii. Evaluate internal financial controls and risk management systems;

viii. Monitor the end use of funds raised through public offers and other related matters;

ix. Functioning of the Vigil Mechanism Framework of the Company;

x. Ensure Information System Audit of the internal systems and processes to assess operational risks faced by the Company in accordance with the requirements stipulated by RBI;

xi. Investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the Company; and

xii. Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.

The Board had duly accepted the recommendations made by the AC from time to time.

Composition:

The AC has been set up pursuant to the provisions of Section 177 of the Act as well as RBI directions for non – banking financial companies. The AC as on March 31, 2019 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Thomas Mathew T.	Chairperson	ID
Ms. Nishi Vasudeva	Member	ID
Mr. Dinanath Dubhashi	Member	NED

Meetings and Attendance:

The AC met 4 (four) times during the year on April 30, 2018, July 18, 2018, October 23, 2018, and January 21, 2019. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Arun Ramanathan[(1)]	2	2
Mr. Thomas Mathew T.[(2)]	4	4
Ms. Nishi Vasudeva[(3)]	3	3
Mr. Dinanath Dubhashi	4	4

Notes:

[(1)] *Ceased to be the Chairperson of AC with effect from July 20, 2018*

[(2)] *Appointed as the Chairperson of AC with effect from October 23, 2018*

[(3)] *Appointed as Member with effect from July 2, 2018*

2) Nomination and Remuneration Committee (“NRC”)

Terms of reference:

The role of the NRC includes the following:

i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii. Ensure that:

   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Composition:

The Company has constituted the NRC in accordance with the requirements of the Act read with the rules made thereunder. The Committee has formulated a policy on fit & proper criteria for Directors’ appointment and policy on Director’s appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The NRC as on March 31, 2019 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Thomas Mathew T.	Chairperson	ID
Ms. Nishi Vasudeva	Member	ID
Mr. Dinanath Dubhashi	Member	NED

Meetings and Attendance:

The NRC met 3 (three) times during the year on April 30, 2018, October 23, 2018 and March 19, 2019. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Arun Ramanathan(1)	1	1
Mr. Thomas Mathew T.	3	3
Ms. Nishi Vasudeva(2)	2	2
Mr. Dinanath Dubhashi	3	3

(1) *Ceased to be a Member with effect from July 20, 2018*

(2) *Appointed as a Member with effect from July 2, 2018*

3) Corporate Social Responsibility ("CSR") Committee

The role of CSR Committee includes the following:

i. Formulation of CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommendation of the same to the Board;

ii. Recommending to the Board the amount to be spent on CSR from time to time; and

iii. Monitoring the CSR Policy of the Company from time to time.

Composition:

The CSR Committee as on March 31, 2019 comprises the following:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Dinanath Dubhashi	Chairperson	NED
Mr. Thomas Mathew T.	Member	ID
Ms. Nishi Vasudeva	Member	ID

Meetings and Attendance:

The Committee met 2 (two) times during the year on April 30, 2018 and July 18, 2018. The attendance of members at the meeting was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Dinanath Dubhashi	2	2
Mr. Arun Ramanathan(1)	2	2
Dr. Rupa Rege Nitsure(2)	1	0
Mr. Thomas Mathew T.(3)	1	1
Ms. Nishi Vasudeva(4)	1	1

Notes:

(1) *Ceased to be a Member with effect from July 20, 2018*

(2) *Ceased to be a Member with effect from June 27,2018*

(3) *Appointed as a Member with effect from July 2, 2018*

(4) *Appointed as a Member with effect from July 2, 2018*

4) Committee of Directors ("COD"):

Terms of reference:

The COD has been entrusted with the powers of general management of the affairs of the Company.

Composition:

The COD as on March 31, 2019 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dinanath Dubhashi	Chairperson	NED
Dr. Rupa Rege Nitsure	Member	NED

Meetings and Attendance:

The Committee met 3 (three) times during the year on September 21, 2018, January 21, 2019 and March 19, 2019.

The attendance of members at the meeting was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Dinanath Dubhashi	3	3
Dr. Rupa Rege Nitsure	3	3

MEETING OF INDEPENDENT DIRECTORS:

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the

Company met once on April 30, 2018, pursuant to the provisions of the Act.

REMUNERATION OF DIRECTORS

The Non-Executive Directors (except those Directors who were in the services of L& T Financial Services Group) are paid sitting fees for attending the meetings of the Board and/or any Committee thereof and commission on net profits.

REMUNERATION TABLE

The details of remuneration paid to the Directors for the year ended March 31, 2019 are as follows:

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings/ Independent Director Meetings	Sitting Fees for Committee Meetings	Commission	Total
Mr. Arun Ramanathan[(1)]	1,20,000	1,60,000	8,85,000	11,65,000
Mr. Thomas Mathew T.	2,40,000	3,00,000	11,02,000	16,42,000
Ms. Nishi Vasudeva[(2)]	1,60,000	2,40,000	11,67,000	15,67,000

Notes:

(1) *Ceased to be an Independent Director and Chairperson with effect from July 20, 2018.*

(2) *Appointed as an Independent Director with effect from July 2, 2018.*

NUMBER OF COMPANIES IN WHICH AN INDIVIDUAL MAY BECOME A DIRECTOR

The Company has apprised its Board Members about the restriction on number of other directorships and expects them to comply with the same.

RESPONSIBILITIES OF THE BOARD

Presentations to the Board in areas such as financial results, budgets, business prospects etc. give the Directors an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

Your Company ensures necessary training to the Directors relating to its business through formal/informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/ discharge their duties. The Directors are given time to study the data and contribute effectively to the Board discussions.

The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board.

DISCLOSURES

During the Financial Year ended March 31, 2019:

- There was no materially significant related party transaction with the Directors that have a potential conflict with the interests of the Company.
- The related party transactions have been disclosed in the Notes to Accounts forming part of the Annual Financial Statements.
- Since introduction of the Companies Act, 2013, the Company has implemented all Sections as applicable to it and accordingly, it is in compliance with all relevant and applicable provisions of Companies Act, 2013.

DEBENTURE TRUSTEE

The debenture trustees of the Company is:

Catalyst Trusteeship Limited
GDA House, Plot No. 85
Bhusari Colony (Right), Paud Road, Pune - 411 038
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
Website: www.catalysttrustee.com

MEANS OF COMMUNICATION

- Half Yearly Results are published in one daily English newspaper of national prominence.
- The Company submits "half yearly communication" to Stock Exchanges as per the requirement of the Uniform Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Annual Report is displayed on the website viz. http://www.ltfs.com.

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place : Mumbai
Date : April 28, 2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
L&T INFRA DEBT FUND LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T INFRA DEBT FUND LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable:-**

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, (Prohibition of Insider Trading) Regulations, 2015;**

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, **2018;**

  d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently (Share Based Employee Benefits) Regulations, 2014;**

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, **2018;**

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

  - **NBFC-Infrastructure Debt Fund – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Guidelines, Notifications, etc.**

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and** the Listing Agreements entered into by the Company with Stock Exchange(s), if applicable. **- Uniform Listing Agreement with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).**

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

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

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

I further report that, based on review of the compliance mechanism established by the Company and the Compliance Certificates taken on record by the Board of Directors at their meetings, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the **following** events / actions have taken place which having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,- like -

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. –

- **Issue/Allotment of Non-Convertible Debentures, Series A FY18-19 to Series I FY 18-19, aggregating ₹ 1150.90 Crore, on private placement basis.**

(ii) Redemption / buy-back of securities. – **NIL**.

(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

- **Revision in overall Borrowing powers of the Company from ₹ 8,500 Crore to ₹ 12,000 Crore, at the Extraordinary General Meeting held on April 2, 2018, pursuant to Section 180(1)(c) and creation of charge thereon, pursuant to Section 180(1)(a), respectively, of Companies Act, 2013.**

(iv) Merger / amalgamation / reconstruction, etc. – **NIL**.

(v) Foreign technical collaborations – **NIL**.

(vi) **Other Events –**

- **Increase in Authorised Share Capital of the Company from ₹ 1400,00,00,000 (Rupees Fourteen Hundred Crore Only), divided into 4,000 (Four Thousand) preference shares of ₹ 10,00,000 (Rupees Ten Lakh) each and 100,00,00,000 (Hundred Crore) equity shares of ₹ 10 (Rupees Ten) each to ₹ 2000,00,00,000 (Rupees Two Thousand Crore), divided into 10,000 (Ten Thousand) preference shares of ₹ 10,00,000 (Rupees Ten Lakh) each and 100,00,00,000 (Hundred Crore) equity shares of ₹ 10 (Rupees Ten) each.**

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

Place : Mumbai
Date : April 22, 2019

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

To,

The Members

L&T INFRA DEBT FUND LIMITED

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Mumbai
Date : April 22, 2019

PARTICULARS OF EMPLOYEES

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

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="2">Disclosure</th></tr>
<tr><td>1</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.(1)</td><td colspan="2">Not applicable</td></tr>
<tr><td>2</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.(1)</td><td colspan="2">Manager – Not applicable(2)
Chief Financial Officer (Head Accounts) - Not applicable(3)
Company Secretary - Not applicable.(4)</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year.</td><td colspan="2">The median remuneration of employees in the financial year was increased by 2.4%</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company.</td><td colspan="2">19</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td>Employees other than managerial personnel</td><td>Managerial personnel</td></tr>
<tr><td>12.2%</td><td>Not applicable</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per remuneration policy of the Company.</td><td colspan="2">We affirm that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.</td></tr>
</table>

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

(2) Draws remuneration from another Company within L&T Financial Services Group ("LTFS").

(3) Mr. Hitesh Bhadada resigned as Chief Financial Officer (Head Accounts) and Mr. Amol Joshi was appointed as Chief Financial Officer (Head Accounts) effective from October 24, 2018 and both drew remuneration from another Company within LTFS..

(4) Mr. Mehul Somaiya resigned as Company Secretary ("CS") and he drew remuneration from another Company within LTFS. Ms. Apurva Rathod was appointed as CS effective from October 24, 2018.

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place : Mumbai

Date : April 28, 2019

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

1) **A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

L&T Financial Services aspires to bring in inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The policy clearly states the organization’s core CSR thrust areas as Integrated Water Resource Management and Financial Inclusion. The policy defines the Company’s CSR vision with a clear implementation methodology. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and is available on the website of the Company at https://www.ltfs.com/csr.html.

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

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

3) **Average Net Profit of the Company for the last three financial year is INR ₹ 94.19 Crore.**

4) **Prescribed CSR expenditure and details of CSR spend during the financial year:**

Particulars	Amount (₹ in Crores)
Prescribed CSR Expenditure	1.88
Amount spent as CSR	1.88
Amount unspent	Nil

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

(₹ in Crores)

Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or programme Coverage	Amount Outlay (budget) project or programmes wise (in ₹)	Amount Spent on the projects or programmes. Sub Heads- (a) Direct Expenditure & (b) Overheads (in ₹)	Cumulative Expenditure up to the reporting period (in ₹)	Amount spent: Direct or through implementing Agency (in ₹)
1	**Digital Sakhi –Madhya Pradesh**						
	• Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis in Madhya Pradesh • Inclusion of 1000 women (micro-entrepreneurs) in digital payments space • Community reach to 50,000 rural population in Madhya Pradesh	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development project	State: Madhya Pradesh District: Dhar and Barwani	0#	(a) 0# (b) 0#	0#	Indirect**
2	**Road safety – Mumbai Traffic Police**						
	Promotion of Road Safety among municipal school children & larger eco system; training and deployment of community youth as traffic wardens	ii) Promotion of Education	State: Maharashtra District: Mumbai	0.34	(a) 0.31 (b) 0.03	0.34	Indirect**

Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or programme Coverage	Amount Outlay (budget) project or programmes wise (in ₹)	Amount Spent on the projects or programmes. Sub Heads- (a) Direct Expenditure & (b) Overheads (in ₹)	Cumulative Expenditure up to the reporting period (in ₹)	Amount spent: Direct or through implementing Agency (in ₹)
3	**Kerala Relief project**	(viii)Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments	State: Kerala	1.45	(a) 1.34 (b) 0.12	1.45	Indirect**
4	**Rural Development Project - para-veterinary services for livestock and enhancing livelihoods for community youth**	ii) Livelihoods enhancement project x) Rural Development project	State: Odisha District: Cuttack, Jajpur and Bhadrak	0.05	(a) 0.05 (c) 0#	0.05	Indirect**
5	**CSR Administration, NGO capacity building**	Capacity building		0.04	(a) 0.04 (b) 0#	0.04	Direct*
Total CSR Spend in FY 18-19 (in ₹)				**1.88**	**1.88**	**1.88**	

 # Indicates figures less than ₹ 50,000.

Note:

Direct = CSR projects/ initiatives directly implemented by the Company.*

*Indirect** = CSR activities/ projects have been carried out by partnering with several Non-Governmental Organizations/ Charitable Institutions like SEWA Bharat, CHIP Mumbai and Habitat for Humanity*

6) Responsibility Statement:

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

Dinanath Dubhashi
Chairperson
CSR Committee
DIN: 03545900

Thomas Mathew T.
Director
DIN: 00130282

Place : Mumbai
Date : April 28, 2019

ANNUAL REPORT 2018-19 - ANNEXURE E TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	**CIN**	L67100MH2013PLC241104
ii.	**Registration Date**	March 19, 2013
iii.	**Name of the Company**	L&T Infra Debt Fund Limited
iv.	**Category/Sub-category of the Company**	Company limited by shares / Indian Non – Government Company
v.	**Address of the Registered office & contact details**	Plot No 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East), Mumbai - 400 098 Phone: +91 22 6212 5300 Fax: +91 22 6212 5553 E-mail: idf@ltfs.com Website: www.ltfs.com
vi.	**Whether listed company**	Yes (Debt & Preference Shares Listed)
vii.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**M/s. Link Intime India Private Limited,** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India. Phone: +91 22 4918 6262 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name & Description of main product/service	NIC Code of the product /service	% to total turnover of the Company
1	Non-Banking Finance Company – Infra Debt Fund (IDF-NBFC)	64990	100

III. PARTICUALRS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Companies	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1	**L&T Finance Holdings Limited** Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai- 400 098	L67120MH2008PLC181833	Holding Company	100*	2(46)

** Alongwith its wholly-owned subsidiaries.*

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

(i) Category – wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	4,90,180,210	4*	4,90,180,214	100	4,90,180,210	4*	4,90,180,214	100	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total: (A) (1)	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**-**
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other– Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**-**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1) Non - Institutions									
(a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**-**

**For the purpose of complying with the provisions regarding minimum number of Members, 4 shares are held by 4 members jointly with L&T Infrastructure Finance Company Limited.*

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	L&T Finance Holdings Limited	4,90,180,214*	100*	-	4,90,180,214*	100*	-	-
Total		**4,90,180,214***	**100***	**-**	**4,90,180,214***	**100***	**-**	**-**

**Alongwith its wholly-owned subsidiaries.*

(iii) Change In Promoters' Shareholding

Sr. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**L&T Finance Holdings Limited**					
	At the beginning of the year	April 1, 2018	4,90,180,214*	100*	-	-
	At the end of the year	March 31, 2019	-	-	4,90,180,214*	100*

**Alongwith its wholly-owned subsidiaries.*

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

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

Sr. No.	Name of Director/KMP	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. Dinanath Dubhashi**					
	At the beginning of the year	April 1, 2018	1*	-	-	-
	At the end of the year	March 31, 2019	-	-	1*	-
2	**Mr. Sunil Prabhune#**					
	At the beginning of the year	April 1, 2018	1*	-	-	-
	At the end of the year	March 31, 2019	-	-	1*	-

**For the purpose of complying with the provision regarding minimum number of members, shares held jointly with L&T Infrastructure Finance Company Limited.*

 # Appointed with effect from April 24, 2019.

V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5824.00	96.49	-	5920.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	240.72	-	-	240.72
Total (i+ii+iii)	**6064.72**	**96.49**	**-**	**6161.21**
Change in Indebtedness during the financial year				
Additions	1150.30	147.61	-	1297.92
Reduction	-	96.49	-	96.49
Interest accrued but not due	51.23	-	-	51.23
Net Change	**1201.53**	**51.12**	**-**	**1252.65**
Indebtedness at the end of the financial year				
i) Principal Amount	6974.30	147.61	-	7121.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	291.95	-	-	291.95
Total (i+ii+iii)	**7266.25**	**147.61**	**-**	**7413.86**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
		Mr. Shiva Rajaraman[(1)]
1	**Gross salary:**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others (specify)	-
5	Others, please specify	-
Total (A)		**-**
Ceiling as per the Act		**-**

[(1)] *Draws remuneration from another Company within L&T Financial Services Group.*

B. Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Name of the Directors			Total Amount
	Independent Directors			
	Mr. Arun Ramanathan[(1)]	Mr. Thomas Mathew T.	Ms. Nishi Vasudeva	
(a) Fee for attending Board and Committee meetings/ Independent Director's Meeting	2,80,000	5,40,000	4,00,000	12,20,000
(b) Commission	8,85,000	11,02,000	11,67,000	31,54,000
(c) Others, please specify	-	-	-	
Total (B)	**11,65,000**	**16,42,000**	**15,67,000**	**43,74,000**
Total Managerial Remuneration = (A) + (B)	**-**	**-**	**-**	**43,74,000**
Overall Ceiling as per the Act	**₹ 14.48 Crores (being 11% of Net Profits of the Company calculated as per Section 198 of Companies Act, 2013)**			

[(1)] *Mr. Arun Ramanathan stepped down as Director of the Company with effect from July 20, 2018.*

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel				Total Amount
		Hitesh Bhadada (CFO)#	Amol Joshi (CFO)#	Mehul Somaiya (CS)*	Apurva Rathod (CS)@	
1	**Gross Salary:**					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	23,43,516	-
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**

Mr. Hitesh Bhadada resigned as Chief Financial Officer (Head Accounts) and Mr. Amol Joshi was appointed as Chief Financial Officer (Head Accounts) effective from October 24, 2018 and both drew remuneration from another Company within LTFS.

* *Mr. Mehul Somaiya resigned as Company Secretary ("CS") and he drew remuneration from another Company within LTFS.*

@ *Ms. Apurva Rathod was appointed as CS with effect from October 24, 2018.*

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (UNDER COMPANIES ACT, 2013): NONE

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: April 28, 2019

MACRO-ECONOMIC REVIEW

India's GDP is estimated to have grown by 6.8% in FY19 compared to 7.2% in FY18. This was due to lower growth in agriculture and mining sectors, lower government spending on public administration and weaknesses in domestic and external demand conditions. However, on the structural reforms front, the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) continued evolving during the year. Also, in the World Bank's Ease of Doing Business rankings, India continued its ascent for the second consecutive year and reached the 77th rank.

Uneven distribution of rainfall coupled with deflation in food prices caused broad based disruption of farm sector activity during FY19. Responding to the situation, several farm-supportive measures have been announced by the Central as well as State Governments in recent months to protect farmers' income, at least partially. While both manufacturing and services sectors remained supportive of overall growth, it was not evenly spread across various sub-segments. On the positive side, the Gross Fixed Capital Formation rate improved from 31.4% in FY18 to 32.3% in FY19, reflecting a good pick-up in investment spending.

The Indian economy faced a slew of challenges around mid - FY19 from the external front. This was triggered by a sharp increase in the global Brent price, leading to a sharp depreciation in the Rupee along with other emerging market currencies. Around the same time, the debt defaults by IL&FS group triggered a crisis of confidence in the NBFC sector – a critical source of finance for the real sector. The liquidity tightness faced by NBFCs post the IL&FS debt defaults impacted leveraged consumer demand for auto varieties, consumer durables, housing etc, and credit flows to small and micro borrowers during Q3FY19. While pragmatic and timely regulatory interventions helped easing the situation in Q4FY19, the gap between top-rung NBFCs and others widened significantly in the aftermath of this crisis. The AAA rated NBFCs, with a strong promoter and shareholder backing and proactive economic intelligence and risk management practices, withstood volatile market conditions without hurting core operations.

Outlook for FY20

Several global forecasters, including the International Monetary Fund, have lowered their projections for the global economic growth in 2019 from a year earlier because of ongoing trade frictions, tightening of financial conditions and Brexit-related uncertainties.

Global slowdown and tight financial conditions are likely to impact India's GDP growth during FY20 which may remain flattish over its last year's level. Going by past trends, India's growth mix remains skewed towards consumption and away from investment during the general election year. Due to impact of general elections, financial markets and capital inflows too may witness volatility in Q1FY20. Also, the new political regime will most probably follow fiscal prudence in H2FY20 and this may impact public investments and growth in the latter part of the year.

On the positive side, a strong political mandate ensures political stability and policy continuity. Retail (CPI) inflation is projected by the Reserve Bank of India (RBI) to remain below 4% up to December 2019. This should enable the Monetary Policy Committee of RBI to implement easy monetary policy during a major part of FY20. Additionally, the RBI's continued purchase of government bonds (open-market operations), recent recapitalisation of Public Sector Banks (PSBs), release of five PSBs from the Prompt Corrective Action Framework (PCA) and the ongoing resolution of chronic stressed-asset cases through IBC should remain supportive of lending environment and cap a significant downside to growth.

POSSIBLE THREATS

At this juncture, there are several uncertainties that cloud India's growth outlook and macro economic stability during FY20.

First of all, if global growth falters significantly, it may impact India's export growth and trade balance during FY20. Also, domestic political uncertainties would lead to some delays in decision-making and hurt investment spending during H1FY20, especially in sectors such as infrastructure, construction and real estate. If Brent crude price resurges towards its peak level of October 2018, due to geopolitical tensions, it will impact India's macro stability indicators. Significant fiscal slippages typically associated with elections may increase the quantum of government market borrowings and escalate the cost of borrowing for private companies and financial entities.

BUSINESS PERFORMANCE

The policy and regulatory framework for Infrastructure Debt Funds (IDF) announced by the Government of India (GoI) and the RBI respectively, were targeted at providing an innovative solution to the asset-liability mismatch and group exposure issues faced by the banking system in India. It was also intended that IDFs would help channelize pension/ insurance funds to infrastructure as well as play a role in bringing in foreign investment and deepening the bond market in India.

In FY 2018-19, the fifth full year of operations, the Company has been able to make significant progress towards achieving all the objectives indicated by GoI & RBI, as well as improve the viability of projects by providing long-tenor and low-cost structured refinance solutions.The Company's asset book has shown steady growth over the years and is at ~ INR 8200 cr. The Company is now one of the leaders in refinancing of road & renewable energy projects in India.

The Company has recently entered into definitive agreements with Apis Growth Fund II, a financial services focussed private equity fund managed by Apis Partners LLP for upto 25.1% equity stake for USD 110 mn (~ INR 770 cr) , primarily to support the growth of the Company's loan book and strengthen its capital structure. Apis Growth Fund II investors include leading institutional investors, developmental finance institutions, global banks and insurance companies, sovereign wealth funds, family offices and HNIs across Europe, North America, Asia, Africa and Latin America.

In the last 5 years, the Company has focussed on wind energy, solar power, transmission and roads and highways. Going forward, the Company expects to further diversify into new sectors, geographies, promoter groups and business models, tap new sources of funding and optimise its leverage & returns.

Your Directors are happy to inform that the Company won the prestigious "The Asset Triple A Asia Infrastructure Awards 2018" in Country deal awards (South Asia) category for "Private Equity M&A Deal of the Year" in respect of a transaction which enabled change of ownership, credit enhancement through elongation of tenors, variable coupon & adjustable redemption premium and long term fixed rate financing for a National Highway PPP project in India.

During the year under review, the Company has earned a profit (including OCI) of Rs. 131.61 Crore on an loans of Rs. 8,167.95 Crore as on March 31, 2019, diversified across multiple sectors including transportation (roads), renewable energy (solar & wind power) and power transmission.

The Company has sourced funds through the issue of long term bonds of tenors ranging from 5 to 20 years from over 150 high quality institutional investors, principally insurers and pension/ provident funds. The net worth of the Company as on March 31, 2019 was Rs. 1,059.66 Crore as compared to Rs. 928.19 Crore on March 31, 2018.

Going forward, the Company expects to further diversify into new sectors, geographies & promoter groups, tap new sources of funding and optimise its leverage & returns.

RISK MANAGEMENT

A comprehensive risk management architecture to ensure proactive management of risk within the defined risk tolerance limits.

The market witnessed substantial turbulence in the previous year stemming from multiple sources impacting the industry. As your Company fundamentally has been built on the principle of sound risk management practices, it has successfully weathered the market turbulence and achieved stability within a very short span of time.

The focused strategy and the management to build an effective risk culture and framework has helped your Company stay ahead as one of the leading NBFCs with highest credit rating of AAA.

Your Company has put an effective, comprehensive and reliable risk management system, integrated in all business activities through appropriate risk limits and hot spots.

With the objective of growing responsibly, your Company has put in place an effective risk management framework comprising mainly of credit risk, market risk, liquidity risk, operational risk, IT security risk and compliance risk.

The framework comprises of:

- Risk Management strategies and policies: A well-defined risk appetite statement covering company-wide overall risk limits dovetailed with detailed individual/sector/group limits covering multiple risk dimensions.
- Effective risk management processes and procedures covering all types of risks your Company is exposed to or can potentially be exposed to.
- Robust internal control systems supported by

continual information gathering to ensure overall control systems operate optimally at all times.

- Appropriate, independent risk-management structures with clearly defined risk metrics for continuous monitoring with close oversight of Risk Management Committee.

Further, your Company reviews the risk management framework periodically or when significant events occur to enable them to stay relevant and forward-looking.

Credit Risk

This is the risk of adverse impact on the financial result and capital of your Company due to failure of a counterparty to meet the maturing obligation. Your Company has implemented a comprehensive underwriting framework to guide individual businesses to optimum credit decisions, which is supported by an algorithm to price the risk assumed effectively. Further, effective review mechanism with state-of-the-art early warning signals are in place to promptly identify potentially weak credit, and enable your Company to mitigate the risk appropriately.

During the year, there has been a major change in the provision policy of your Company due to the adoption of IND-AS. The concept and provision for impaired loans changed from rule-based incurred-loss approach to expected-loss approach. Your Company successfully rolled out expected-loss models for computing credit impairments.

Operational Risk

Your Company has an effective and proactive operational risk framework to identify and mitigate operational risk. Process reviews are conducted periodically to ensure the effectiveness of control mechanism. A dedicated team has been put in place to monitor operational risks and incidents and to ensure that each process and system continues to be robust. Periodic process walk-throughs are conducted to ensure that redundancies in processes are identified and weeded out to enable your Company to stay competitive in a fast-moving digital environment.

Market/ Liquidity Risk

The conservative policy of maintaining a liquidity buffer to address stressed liquidity conditions was tested during the year. This policy enabled your Company to tide over the liquidity pressure during the third quarter of the year with minimal impact on growth.

Further, your Company continues to maintain a positive ALM and interest-risk gap over one-year horizon to counter any unforeseen market turbulences.

IT Security Risk

Your Company has a dedicated team which has put in place processes to identify, monitor and mitigate IT security risks. Pursuant to the security gap and vulnerability assessments carried out on a continuous basis, your Company has established a secure IT platform to run the business safely. Cyber security is integrated in the IT security policies and procedures to mitigate the risk.

In addition to the IT Infrastructure having multiple layers of security with in depth defense by design, your Company has defined early warning signals to detect and respond to cyber threats. There is a process for regular review of access to protect from insider threats and frauds. Employee education programs are also conducted on dealing with security risks and cyber threats. The Reserve Bank of India has come up with a framework on IT which got rolled out during the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details on internal control systems and their adequacy, refer Board's Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

For details on discussion on financial performance with respect to operational performance, refer Board's Report.

HUMAN RESOURCES

Your Company is committed to delivering sustainable growth. The Human Resources department plays a crucial role in the journey towards this objective, with a clear plan for capitalising and building upon current capabilities, while simultaneously acquiring and leveraging new capabilities. This requires your Company to constantly communicate with employees and build their capabilities continuously.

The glue that bind us together are our values and performance-oriented culture with a firm belief in 'Results not Reasons'.

As on March 31, 2019, your Company had a total workforce of 19 employees.

Performance Management

Your Company's performance management process aligns the goals of each employee with the goals of the organisation. In addition to the goal-setting process your organization believes that managers and senior leaders play an immensely important role in ensuring sustained high performance of their teams. This conscious way of managing performance is built into the Leading Performance workshop for managers and senior leaders.The program has been tailored to focus on drivers of performance, managing performance of teams across levels and cultural anchors.

Another critical aspect of performance management that your Company focuses upon is linkage between performance and rewards. Human Resources department constantly communicates the philosophy of differential rewards. All employees have clarity that a certain level of performance would result in a certain reward both monetary and non-monetary.

Culture based on values

Our values serve as a guiding light. They direct your Company's thoughts, words and actions. This year your Company has elaborated and reinforced four core values of Pride, Integrity, Discipline and Ambition. These values have guided your Company in overcoming challenges and are prevalent in all our endeavours.

There has been constant communication of these values by senior leaders so that these are internalised and become an integral part of culture of your Company. In order to inculcate these values, the rewards and recognition programs have been aligned to them.

Capability Building

Your Company believes that capability-building initiatives must lead to tangible increase in on the job performance of employees across all levels and groom high potential employees for the next level roles. There are focused learning interventions to cater to both the requirements.

For supporting on the job performance, the Parichay programme orients new joinees to your Company and gives them the necessary know-how to move up the learning curve quickly.

For grooming future leaders, your Company has focused on developing employees who have demonstrated the right capability, the right attitude and the desire to take up next level roles. Performance in the current role is a threshold criterion to identify such employees. While domain knowledge and expertise are important, your Company believes in evaluating the individual's potential and actively encouraging cross-functional movements. The high potential individuals are nurtured and supported in their new roles.

Talent Development at your Company is based on following pillars:

- **Experience:** Opportunities to lead strategically important cross-functional projects or a challenging role in a new function
- **Exposure:** Platforms to develop skills outside of their functional domains
- **Education:** 'Transformational Leadership Development' programme specifically tailored for senior leaders with an intent to move your Company to a culture of high performance with accountability, while sustaining the growth path it is in

Your Company believes in differentially rewarding these employees when they succeed.

Benefits

Your Company is committed to ensuring the well-being of all employees. All full-time employees are eligible for wide range of benefits which include gratuity, insurance (medical, accident and life), maternity leave, leave encashment and provident funds.

The National Pension System (NPS) scheme launched by the Government of India has been extended as a benefit to employees this year. Under the scheme, individuals can regularly contribute money and get a lump sum at retirement and a fixed monthly income for a lifetime. In order to enable long-term wealth creation for employees, your Company has revised The Matching Grant Scheme (MGS). Under this scheme, the organisation matches (subject to limits) the contribution made by employees to schemes of L&T Mutual Fund. The MGS scheme has become more attractive and easier to subscribe for employees.

Independent Auditor's Report

To the Members of L&T Infra Debt Fund Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below to be the key audit matters to be communicated in our report.

Key audit matter	**Response to Key audit matter**
Revenue recognition on loans and advances	Principle audit procedures:
Refer notes 20 & 21 to the Ind AS Financial Statements relating to revenue from operations and note 1 of significant accounting policy to the Ind AS financial statements Revenue recognition is considered to be a significant audit risk as it is a key driver of return to investors and there is a risk that there could be misstatement or omission of amounts recorded in the system. There is an inherent risk around the accuracy of the revenue recorded given the complexity of the IT system and impact of the terms of loan/debenture agreements to the revenue recognition. Revenue mainly comprises of interest income on term loans & debentures & financial advisory fee income forming part of other operating income	Our audit procedures included considering the appropriateness of Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. As regards to the Interest income: Performed test of controls, assisted by our IT specialists wherever required, over revenue recognition with specific focus on whether an interest income is recorded as per EIR model over the contract term on a straight-line basis or other applicable basis as per the terms of the contract. We have performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether interest income recorded is as per the contract terms.

Key audit matter	Response to Key audit matter
• Interest income: Interest income is recognised as per Effective Interest Rate (EIR) model for the purpose of determining revenue recognition in accordance with the requirements of Ind AS 109. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate. While recognising an Interest income as per Effective Interest Rate (EIR) model in accordance with the requirements of Ind AS 109, the significant judgements have been applied for inclusion/exclusion of certain components from EIR methodology and also recognising Interest on performing & under performing assets (till the period of 90 days past due; Stage 1 & 2) on gross carrying value of a loan asset and on non-performing assets (more than 90 days past due; Stage 3) on net carrying value of the asset • Financial advisory fee based income: Such revenues are recognised when the certain criteria are met which includes persuasive evidence of an arrangement exists, evidences of rendering of services available, the fee or commission is fixed or determinable, and collectability is reasonably assured.	Reviewed the completeness of interest income recorded during the year by comparing the income as appearing in entity's loan management system with that of accounts. We also performed detailed substantive analytical procedures for select periods and gained more understanding on any variations / corroboration with the results drawn as per the process. As regards to the Fee based income: We have performed tests of details, on a sample basis, to review the underlying agreement / executed memo along with evidences of contractual services performed as stated per the agreed terms. Reviewed the management assessment of compliance with the conditions put under Ind AS 109 for income recognition based on the principles of Ind AS 115 in respect of certain items which did not form a part of EIR
Transition to Ind AS	Principle audit procedures:
Pursuant MCA circular dated January 18, 2016, Company being an NBFC has been transitioned to Ind AS w.e.f. April 1, 2018. Application of Ind AS requires an entity to make key changes in its significant accounting policy/practices and thereby affecting recognition, measurement & disclosure requirements. Hence, this has been identified as a key audit matter. Refer note 1 of significant accounting policy to the Ind AS financial statements and note 19 in respect disclosures on transition to Ind AS.	Our audit procedures primarily involved ensuring the application of Ind AS framework per the requirements of Companies (Indian Accounting Standards) (Amendment) Rules, 2016 inter-alia including: • Review of preparation & presentation of Opening balance sheet - on the date of transition i.e. April 1, 2017 as per provisions of Ind AS 101 - First time adoption with a retrospective application of Ind AS principles after applying certain mandatory exceptions & optional exemptions • Ensuring application and alignment of significant accounting policies per the requirements of Ind AS. • Ensuring the application of relevant Ind AS requirements in terms of recognition, measurement and disclosure.

Other Information

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784

Mumbai,
April 26, 2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 of our report of even date on the Ind AS financial statements of L&T Infra Debt Fund Limited for the year ended March 31, 2019

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (ii) The Company does not have any tangible fixed assets and hence no physical verification of fixed assets has been carried out during the year by the Company.

   (iii) The Company does not have any immovable properties of freehold or leasehold land or building and hence reporting under clause 3(i)(c) of the Order is not applicable.

2. The Company does not hold any inventories and hence Clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.

4. The provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Consequently, provisions of para 3(iv) of the Order is not applicable to the Company.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The clause 3(v), therefore is not applicable to the company.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of such statutory dues are in arrears, as on March 31, 2019 for a period of more than six months from the date they became payable.

   (b) There were no undisputed amounts payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or other material statutory dues in arrears as at March 31, 2019.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks & debenture holders.

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence the reporting under para 3(ix) of the Order are not applicable.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. According to the information and explanations given to us, the Company is not a Nidhi Company and hence, the provisions of para 3(xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, the related party transactions entered into by the Company are in accordance with the provisions of Section 177 and 188 of the Act and

the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company.

16. According to the information and explanations given to us the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784

Mumbai,
April 26, 2019

Annexure B to the Independent Auditor's Report

Referred to in paragraph of our report of even date on the Ind AS financial statements of L&T Infra Debt Fund Limited for the year ended March 31, 2019.

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

We have audited the internal financial controls over financial reporting of L&T Infra Debt Fund Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number – 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784

Mumbai,
April 26, 2019

Balance Sheet as at March 31, 2019

(₹ In crore)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	2	176.94	190.60	40.44
(b) Bank balance other than (a) above	3	-	-	127.63
(c) Receivables	4			
(i) Trade receivables		2.09	-	-
(ii) Other receivables		0.68	-	-
(d) Loans	5	8,167.95	6,976.75	3,993.97
(e) Investments	6	167.04	-	-
(f) Other financial assets	7	0.40	0.02	0.08
2 Non-financial Assets				
(a) Current tax assets (Net)	8	89.64	47.80	32.35
(b) Intangible assets under development	9	0.05	-	-
(c) Other intangible assets	10	0.01	0.02	0.03
(d) Other non-financial assets	11	1.59	1.91	1.22
Total Assets		**8,606.39**	**7,217.10**	**4,195.72**
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
(a) Payables	12			
(i) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7.57	8.78	5.40
(ii) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.38	-	-
(b) Debt securities	13	7,404.43	6,151.13	3,346.22
(c) Subordinated liabilities	14	128.19	124.53	119.43
(d) Other financial liabilities	15	2.61	2.59	2.79
2 Non-Financial Liabilities				
(a) Provisions	16	0.79	0.32	0.18
(b) Other non-financial liabilities	17	1.18	0.13	1.03
3 EQUITY				
(a) Equity share capital	18	490.18	490.18	470.67
(b) Other equity	19	571.06	439.44	250.00
Total Liabilities and Equity		**8,606.39**	**7,217.10**	**4,195.72**
Significant accounting policies.				
See accompanying notes to the financial statements				

Balance Sheet as at March 31, 2019

In terms of our report attached.

For B.K.Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 044784
Firm Registration No.: 105102W

Place : Mumbai
Date : April 28, 2019

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN - 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in crore)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
	Revenue from operations			
	(i) Interest income	20	703.41	524.71
	(ii) Fees and commission income	21	25.14	18.53
	(iii) Net gain on fair value changes	22	26.26	23.78
I	**Total revenue from operations**		**754.81**	**567.02**
II	**Other income**	23	**0.01**	**0.51**
III	**Total income (I + II)**		**754.82**	**567.53**
	Expenses			
	(i) Finance costs	24	582.10	402.03
	(ii) Impairment on financial instruments	25	20.27	9.49
	(iii) Employee benefits expenses	26	5.95	3.30
	(iv) Depreciation, amortization and impairment	27	0.01	0.01
	(v) Other expenses	28	14.83	14.19
IV	**Total expenses**		**623.16**	**429.02**
V	**Profit before tax (III - IV)**		**131.66**	**138.51**
VI	**Exceptional items**		**-**	**-**
V	**Profit before tax (III - IV)**		**131.66**	**138.51**
VI	**Tax expense**			
	Current tax	29	-	(0.47)
VII	**Profit for the year (V-VI)**		**131.66**	**138.98**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		-	
	Remeasurement of defined benefit plans		(0.05)	(0.04)
	Total other comprehensive income		**(0.05)**	**(0.04)**
IX	**Total comprehensive income for the year (VII + VIII)**		**131.61**	**138.94**
X	**Earnings per equity share**			
	(1) Basic (₹)	35	2.69	2.90
	(2) Diluted (₹)	35	2.69	2.90
	Significant accounting policies.			
	See accompanying notes to the financial statements			

In terms of our report attached.

For B.K.Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 044784
Firm Registration No.: 105102W

Place : Mumbai
Date : April 28, 2019

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN - 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

(₹ in crore)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities:**		
	Profit before tax	**131.66**	**138.51**
	Adjustments for :		
	Add -		
	Gain on sale of fixed assets	-	-
	Depreciation and Amortisation expense	0.01	0.01
	Investor Protection Fund	-	-
	Impairment on financial instruments	20.27	9.49
	Bad debts w/off	-	-
	Fair value gain on investment in MF	-	-
	Dividend income	-	-
	Interest income	-	-
	Expenses on employee stock option scheme	0.38	0.13
	Provision for gratuity	0.11	0.08
	Provision for compensated absences	0.08	0.09
	Issue expense amortisation	0.01	0.95
	Finance costs		
	Net gain on sale of financial instruments or fair valuation of financial instruments	(26.26)	(23.78)
	Operating profit before working capital changes	**126.26**	**125.48**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets-		
	Loans	(1,211.48)	(2,992.27)
	Other financial assets	(0.38)	0.05
	Other non financial assets	0.32	(0.69)
	Trade receivables	(2.77)	-
	Adjustments for increase / (decrease) in operating liabilities-		
	Trade Payable	(0.83)	3.38
	Interest accured on debt securities	54.94	140.21
	Other financial liabilities	0.02	(0.20)
	Provision	0.23	(0.01)
	Other non financial liabilities	1.05	(0.93)
	Cash (used in) / generated from operations	**(1,032.64)**	**(2,724.98)**
	Net income tax paid	**(41.84)**	**(14.98)**
	Net cash (used in) / generated from operating activities (A)	**(1,074.48)**	**(2,739.96)**

Cash Flow Statement for the year ended March 31, 2019

(₹ in crore)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
B. Cash flow from investing activities			
Proceeds from investments (net)			
- Purchased		(4,862.19)	(64,773.49)
- Proceeds from sale		4,721.41	64,797.26
Expenditure on Intangible assets under development		(0.05)	-
Net cash (used in) / generated from investing activities	**(B)**	**(140.83)**	**23.77**
C. Cash flow from financing activities			
Proceeds from issue of equity shares / employee stock option scheme		(0.38)	69.88
Proceeds from borrowings		1,202.03	2,670.49
Shares/Debentures issue expenses		-	(1.65)
Net cash generated from financing activities	**(C)**	**1,201.65**	**2,738.72**
Net decrease / (increase) in cash and cash equivalents	**(A+B+C)**	**(13.66)**	**22.53**
Cash and cash equivalents at beginning of the year		**190.60**	**168.07**
Cash and cash equivalents at end of the year		**176.94**	**190.60**
Net cash used in operating activity is determined after adjusting the following :			
Interest received		722.37	513.25
Interest paid		517.72	252.83

Note:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Cash and cash equivalents included in the Statement of cash flows comprise the following:

Cash and cash equivalents as at end of the year	176.94	190.60
Less: Term deposits with original maturity greater than 3 months	-	-
Cash and cash equivalents as at end of the year	**176.94**	**190.60**

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

In terms of our report attached.

For B.K.Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 044784
Firm Registration No.: 105102W

Place : Mumbai
Date : April 28, 2019

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN - 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital (₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	49,01,80,214	490.18	47,06,66,666	470.67
Add: Shares issued during the year			1,95,13,548	19.51
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**49,01,80,214**	**490.18**	**49,01,80,214**	**490.18**

B. Other Equity (₹ in crore)

	Reserves and Surplus			Total
	Reserve u/s 45 IC of RBI Act	Securities premium accounts	Retained earnings	
Balance at April 1, 2017	**36.47**	**83.33**	**130.20**	**250.00**
Profit for the year	-	-	138.98	138.98
Other comprehensive income for the year, net of income tax	-	-	(0.04)	(0.04)
Total comprehensive income for the year	-	**-**	**138.94**	**138.94**
Transfer from retained earnings	29.92	50.50	(29.92)	50.50
Balance at March 31, 2018	**66.39**	**133.83**	**239.22**	**439.44**
Profit for the year			131.66	131.66
Other comprehensive income for the year, net of income tax			(0.05)	(0.05)
Total comprehensive income for the year	**-**	**-**	**131.61**	**131.61**
Transfer from retained earnings	26.33		(26.33)	
Balance at March 31, 2019	**92.72**	**133.83**	**344.50**	**571.06**

In terms of our report attached.

For B.K.Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 044784
Firm Registration No.: 105102W

Place : Mumbai
Date : April 28, 2019

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN - 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Brief Profile:

L&T Infra Debt Fund Limited (the "Company") has been incorporated under the Companies Act, 1956 on March 19, 2013 to carry out the business of a specialised financial institution classified as an Infrastructure Debt Fund – Non Banking Financial Company (IDF-NBFC) under the Infrastructure Debt Fund – Non Banking Financial Companies (Reserve Bank) Directions, 2011 of the Reserve Bank of India ("RBI"). The Company received the certificate of registration ("CoR") from RBI as an IDF-NBFC on October 21, 2013. The Company falls under the overall categorisation as a systemically important non deposit taking NBFC (NBFC-ND-SI) and operates under RBI's Master Directions for NBFC-ND-SIs, as applicable to IDF NBFCs, updated from time to time.

1. Significant accounting policies:

1.1. Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financials for the year ended March 31, 2019 of the Company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 1.28 for the details of first-time adoption exemptions availed by the Company.

1.2. Basis of preparation:

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.3. Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.4. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of being received.

(i) Interest income

Interest income for all financial instruments is recognised in 'interest income' in the profit or loss account using the effective interest rate method (EIR).

The calculation of the EIR includes fee income paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

(ii) Fee and commission income

Fee income is recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based the requirement of Ind AS 115 unless included in the EIR. The fees included in this part of the statement of profit and loss include other fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and advisory fee.

(iii) Net gain or fair value change

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In case there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

(iv) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.5. Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

Depreciation for additions to/deductions from assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.6. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.7. Impairment of tangible and intangible assets:

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.8. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) Defined contribution plans: The Company's state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans: The Company offers its employees defined benefits plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees and the gratuity scheme is not funded. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

(iii) Long term employee benefits:

The obligation recognised in respect of long-term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

1.9. Leases:

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

1.10. Financial instruments:

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Debt instruments at amortised cost or at fair value through other comprehensive income (FVTOCI)

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Financial liabilities

All financial liabilities including borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.11. Impairment:

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets:

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back stop if amounts are overdue for 90 days or more.

Significant increase in credit risk:

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Definition of default:

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by NCLT. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial assets unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

1.12. Modification and derecognition of financial assets:

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

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

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- change in currency or change of counterparty,
- the extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

   - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
   - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1.13. Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower or guarantor if applicable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.14. Presentation of allowance for ECL in the statement of financial position:

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

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value.

1.15. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.16. Securities premium account:

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of further equity shares infused. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.17. Accounting and reporting of information for operating segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

1.18. Finance costs:

Finance costs include interest expense calculated using the effective interest method and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

1.19. Share-based payment arrangements:

The Employee Stock Option Scheme has been established by the holding company (i.e. L&T Finance Holdings Limited). The stock options granted to employees pursuant to the holding company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest.

1.20. Taxation:

Current tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

As no income tax is payable on Company's income from the financial year 2014-15, no deferred tax assets / liabilities has been recognised.

1.21. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Company has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.22. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.23. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.24. Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.25. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.26. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.27. Foreign currencies:

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the

Statement of Profit and Loss in the period in which they arise.

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.28. First time adoption of Ind AS:

The Company has prepared opening balance sheet as per Ind AS as at April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) Ind AS 102 "Share-based Payment" has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

(ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017.

(iii) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

(iv) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

1.29. Changes in Accounting Standard and recent accounting pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments

b. Ind AS 19— Employee benefits

c. Ind AS 23 – Borrowing costs

d. Ind AS 28— investment in associates and joint ventures

e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements

f. Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

2 Cash and cash equivalents (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand (*)	-	-	0.00
Balances with schedule banks	2.14	70.54	39.19
Others			
Fixed deposits with banks (maturity less than 3 months)	174.80	120.06	1.25
Total	**176.94**	**190.60**	**40.44**

* Amount is less than ₹ 50,000/-

3 Bank balance other than above (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with banks maturity more than 3 months but less than 12 months		-	127.63
Total	**-**	**-**	**127.63**

4 Receivables (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade receivables			
(i) Receivables considered good - unsecured	2.09	-	-
Other receivables			
(ii) Receivables from related parties	0.68	-	-
Total	**2.77**	**-**	**-**

5 Loans (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A) Term loans			
(i) At amortised cost			
- Term loans	4,369.49	3,398.44	1,840.85
- Debenture	3,831.30	3,590.88	2,156.19
Less: Impairment loss allowance	(32.84)	(12.57)	(3.07)
Total (net)	**8,167.95**	**6,976.75**	**3,993.97**
(B) Loans in India			
(i) At amortised cost			
Public Sector	-	-	-
Others	8,200.80	6,989.32	3,997.04
Less: Impairment loss allowance	(32.84)	(12.57)	(3.07)
Total (B)	**8,167.95**	**6,976.75**	**3,993.97**

6 Investments (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A) Investments in India			
(i) At fair value through profit and loss account			
Mutual funds	167.04	-	-
Subtotal (i)	**167.04**	**-**	**-**
(I) Investments in India			
(i) At amortised cost			
(ii) At fair value through profit or loss	167.04	-	-
Subtotal (ii)	**167.04**	**-**	**-**

6 (i) Details of Mutual Fund Investment:

Particulars	As at 31-03-2019		As at 31-03-2018		As at 31-03-2017	
	Quantity	₹ in crore	No. of Units	₹ in crore	No. of Units	₹ in crore
Scheme Name						
L&T Liquid Fund - DP-Growth	1,95,325.01	50.05	-	-	-	-
ICICI Prudential Liquid Fund - DP- Growth	18,10,757.712	50.05	-	-	-	-
SBI premier Liquid Fund -Direct Plan Growth	2,28,555.276	66.94	-	-	-	-
Total		**167.04**		**-**	**-**	**-**

7 Other financials assets (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposit given	0.40	0.02	0.02
Advances to others	-	-	0.06
Total	**0.40**	**0.02**	**0.08**

8 Current tax assets (Net) (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision)	89.64	47.80	32.35
Total	**89.64**	**47.80**	**32.35**

9 Intangible assets under development (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Intangible assets under development	0.05	-	-
Total	**0.05**	**-**	**-**

10 Other intangible assets (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Specialised softwares	0.03	0.03	0.03
Accumulated amortisation specialised software	(0.02)	(0.01)	(0.00)
Total	**0.01**	**0.02**	**0.03**

11 Other non-financials Assets (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	1.58	1.43	1.22
Advance / excess TDS payment	-	0.47	-
Others	0.01	0.01	-
Total	**1.59**	**1.91**	**1.22**

12 Payables (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade payables			
Micro enterprises and small enterprises	-	-	-
Due to others	0.01	0.01	0.03
Due to related parties	7.56	8.77	5.37
Total trade payables	**7.57**	**8.78**	**5.40**
Other payables			
Micro enterprises and small enterprises	-	-	-
Due to related parties	0.38	-	-
Total trade payables	**0.38**	**-**	**-**

13 Debt securities (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Redeemable non-convertible debentures (Secured) (refer Note 13(i))	7,256.82	6,054.64	3,346.22
Commercial paper (unsecured) (Refer note 1 below)	147.61	96.49	-
Total	**7,404.43**	**6,151.13**	**3,346.22**
Debt securities in India	7,404.43	6,151.13	3,346.22
Debt securities in outside India	-	-	-
Total	**7,404.43**	**6,151.13**	**3,346.22**

Notes:

1. Commercial papers are net of unexpired discount ₹ 2.39 crore (March 31, 2018 ₹ 3.51 crore) (April 01, 2017 - Nil)

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

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series E FY 15-16 Opt 5	₹ 25 Lakh each	24-02-16	4.99	8.73%	22-02-36	Redeemable at par at the end of 7303 days from the date of allotment
Series D FY 15-16 Opt 5	₹ 25 Lakh each	07-01-16	10.16	8.63%	07-01-36	Redeemable at par at the end of 7305 days from the date of allotment
Series I FY 2018-19	₹ 10 Lakh each	20-02-19	20.20	9.22%	20-02-34	Redeemable at par at the end of 5479 days from the date of allotment
Series G FY 17-18 Option II	₹ 25 Lakh each	31-05-17	112.04	8.20%	31-05-32	Redeemable at par at the end of 5479 days from the date of allotment
Series K FY 16-17 OPT 2	₹ 25 Lakh each	03-10-16	26.01	8.43%	03-10-31	Redeemable at par at the end of 5478 days from the date of allotment
Series E FY 15-16 Opt 4	₹ 25 Lakh each	24-02-16	5.00	8.73%	24-02-31	Redeemable at par at the end of 5479 days from the date of allotment
Series D FY 15-16 Opt 4	₹ 25 Lakh each	07-01-16	15.21	8.63%	07-01-31	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 14-15 Opt II	₹ 25 Lakh each	28-01-15	101.47	8.51%	28-01-30	Redeemable at par at the end of 5479 days from the date of allotment
Series P FY 16-17	₹ 25 Lakh each	15-11-16	25.75	8.15%	13-11-26	Redeemable at par at the end of 3650 days from the date of allotment
Series N FY 16-17	₹ 25 Lakh each	20-10-16	134.64	8.30%	20-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 16-17 OPT 2	₹ 25 Lakh each	13-10-16	77.80	8.30%	13-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 16-17 OPT 1	₹ 25 Lakh each	03-10-16	106.41	8.43%	01-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series J FY 16-17	₹ 25 Lakh each	28-09-16	75.79	8.43%	28-09-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 16-17	₹ 25 Lakh each	13-07-16	15.94	8.77%	13-07-26	Redeemable at par at the end of 3652 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series F FY 16-17 OPT 2	₹ 25 Lakh each	23-06-16	111.96	8.80%	23-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 16-17 OPT 2	₹ 25 Lakh each	17-06-16	53.44	8.80%	17-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 16-17 OPT 3	₹ 25 Lakh each	10-06-16	10.67	8.75%	10-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 16-17 OPT 3	₹ 25 Lakh each	06-05-16	21.54	8.67%	06-05-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 15-16	₹ 25 Lakh each	29-03-16	296.98	8.72%	27-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series G FY 15-16 OPT 3	₹ 25 Lakh each	22-03-16	89.81	8.75%	20-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series E FY 15-16 Opt 3	₹ 25 Lakh each	24-02-16	135.42	8.73%	24-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 15-16 Opt 3	₹ 25 Lakh each	07-01-16	156.02	8.63%	07-01-26	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 15-16 Opt 3	₹ 25 Lakh each	04-12-15	15.41	8.55%	04-12-25	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2018-19	₹ 10 Lakh each	23-07-18	15.94	9.05%	23-07-25	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 14-15 Opt I	₹ 25 Lakh each	28-01-15	100.93	8.49%	28-01-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2018-19	₹ 10 Lakh each	06-07-18	170.89	9.30%	05-07-24	Redeemable at par at the end of 2191 days from the date of allotment
Series C FY 2018-19 Option II	₹ 10 Lakh each	26-06-18	265.31	9.30%	26-06-24	Redeemable at par at the end of 2192 days from the date of allotment
Series I FY 17-18 Option II	₹ 25 Lakh each	14-06-17	26.59	8.07%	14-06-24	Redeemable at par at the end of 2557 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series J FY 17-18 Option II	₹ 25 Lakh each	16-06-17	53.16	8.07%	14-06-24	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	97.03	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 17-18 Option II	₹ 25 Lakh each	08-06-17	106.57	8.08%	10-06-24	Redeemable at par at the end of 2559 days from the date of allotment
Series G FY 17-18 Option I	₹ 25 Lakh each	31-05-17	37.34	8.07%	31-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series E FY 17-18	₹ 25 Lakh each	16-05-17	42.83	8.08%	16-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 17-18	₹ 25 Lakh each	04-05-17	134.11	8.08%	03-05-24	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 2018-19	₹ 10 Lakh each	01-02-19	25.36	9.15%	11-03-24	Redeemable at par at the end of 1865 days from the date of allotment
Series S FY 16-17	₹ 25 Lakh each	15-12-16	25.57	8.05%	15-12-23	Redeemable at par at the end of 2556 days from the date of allotment
Series G FY 2018-19 -MLD	₹ 10 Lakh each	21-09-18	36.02	8.49%	21-11-23	Redeemable at par at the end of 1887 days from the date of allotment
Series F FY 2018-19 MLD	₹ 10 Lakh each	18-09-18	51.29	8.39%	18-10-23	Redeemable at par at the end of 1856 days from the date of allotment
Series M FY 16-17 OPT 1	₹ 25 Lakh each	13-10-16	77.81	8.25%	13-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series L FY 16-17	₹ 25 Lakh each	10-10-16	155.86	8.36%	10-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 16-17	₹ 25 Lakh each	01-09-16	26.21	8.45%	01-09-23	Redeemable at par at the end of 2556 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series C FY 2018-19 Option I	₹ 10 Lakh each	26-06-18	248.62	9.30%	25-08-23	Redeemable at par at the end of 1886 days from the date of allotment
Series B FY 2018-19	₹ 10 Lakh each	19-06-18	330.35	9.30%	18-08-23	Redeemable at par at the end of 1886 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	09-05-18	62.38	8.45%	23-06-23	Redeemable at par at the end of 1871 days from the date of allotment
Series N FY 17-18	₹ 25 Lakh each	30-01-18	83.08	8.19%	30-05-23	Redeemable at par at the end of 1946 days from the date of allotment
Series N FY 17-18 Reissuance 1	₹ 25 Lakh each	26-02-18	58.39	8.19%	30-05-23	Redeemable at par at the end of 1919 days from the date of allotment
Series N FY 17-18 Reissuance 2	₹ 25 Lakh each	27-03-18	25.16	8.19%	30-05-23	Redeemable at par at the end of 1890 days from the date of allotment
Series N FY 17-18 Reissuance 3	₹ 25 Lakh each	28-03-18	23.23	8.19%	30-05-23	Redeemable at par at the end of 1889 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	06-05-16	1.08	8.67%	05-05-23	Redeemable at par at the end of 2555 days from the date of allotment
Series G FY 15-16 OPT 2	₹ 25 Lakh each	22-03-16	19.99	8.75%	22-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option II	₹ 25 Lakh each	28-12-17	188.86	8.15%	10-03-23	Redeemable at par at the end of 1898 days from the date of allotment
Series E FY 15-16 Opt 2	₹ 25 Lakh each	24-02-16	55.21	8.70%	24-02-23	Redeemable at par at the end of 2557 days from the date of allotment
Series L FY 17-18	₹ 25 Lakh each	21-12-17	399.67	8.15%	16-01-23	Redeemable at par at the end of 1852 days from the date of allotment
Series D FY 15-16 Opt 2	₹ 25 Lakh each	07-01-16	47.92	8.60%	06-01-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option I	₹ 25 Lakh each	21-12-17	515.59	8.15%	28-12-22	Redeemable at par at the end of 1833 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series B FY 15-16	₹ 25 Lakh each	10-11-15	155.08	8.65%	09-11-22	Redeemable at par at the end of 2556 days from the date of allotment
Series K FY 17-18	₹ 25 Lakh each	06-11-17	216.38	7.85%	07-11-22	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 15-16	₹ 25 Lakh each	11-09-15	26.20	8.67%	09-09-22	Redeemable at par at the end of 2555 days from the date of allotment
Series J FY 17-18 Option I	₹ 25 Lakh each	16-06-17	106.30	8.00%	16-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 17-18 Option I	₹ 25 Lakh each	14-06-17	37.22	8.00%	14-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 17-18 Option I	₹ 25 Lakh each	08-06-17	95.86	8.01%	08-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 17-18	₹ 25 Lakh each	22-05-17	26.71	8.00%	01-06-22	Redeemable at par at the end of 1836 days from the date of allotment
Series B FY 17-18 Option II	₹ 25 Lakh each	24-04-17	42.99	8.00%	24-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series A FY 17-18 Option II	₹ 25 Lakh each	13-04-17	80.79	8.02%	13-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series D FY 17-18	₹ 25 Lakh each	11-05-17	58.91	8.00%	11-05-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 16-17	₹ 25 Lakh each	17-01-17	14.22	7.95%	17-02-22	Redeemable at par at the end of 1857 days from the date of allotment
Series T FY 16-17	₹ 25 Lakh each	13-01-17	15.25	7.95%	11-02-22	Redeemable at par at the end of 1855 days from the date of allotment
Series V FY 16-17	₹ 25 Lakh each	10-02-17	36.37	7.89%	10-02-22	Redeemable at par at the end of 1826 days from the date of allotment
Series R FY 16-17	₹ 25 Lakh each	29-11-16	51.31	7.85%	29-12-21	Redeemable at par at the end of 1856 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series Q FY 16-17	₹ 25 Lakh each	28-11-16	51.32	7.85%	28-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series O FY 16-17	₹ 25 Lakh each	08-11-16	128.96	8.05%	08-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 16-17-Wipro Ltd	₹ 25 Lakh each	14-09-16	38.68	8.39%	14-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	37.73	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	32.34	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	10.78	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series D FY 16-17 OPT 1	₹ 25 Lakh each	10-06-16	133.71	8.70%	10-06-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT 1	₹ 25 Lakh each	12-05-16	5.38	8.65%	12-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	06-05-16	34.49	8.65%	06-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 15-16 OPT 1	₹ 25 Lakh each	22-03-16	40.04	8.75%	22-04-21	Redeemable at par at the end of 1857 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	12-04-16	27.11	8.70%	12-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 15-16	₹ 25 Lakh each	26-02-16	50.29	8.70%	26-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series E FY 15-16 Opt 1	₹ 25 Lakh each	24-02-16	100.60	8.70%	24-02-21	Redeemable at par at the end of 1827 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series D FY 15-16 Opt 1	₹ 25 Lakh each	07-01-16	30.59	8.55%	07-01-21	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 15-16 Opt 1	₹ 25 Lakh each	04-12-15	138.73	8.55%	04-12-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 17-18 Option I	₹ 25 Lakh each	13-04-17	204.49	7.90%	13-05-20	Redeemable at par at the end of 1126 days from the date of allotment
Series B FY 17-18 Option I	₹ 25 Lakh each	24-04-17	5.37	7.90%	29-04-20	Redeemable at par at the end of 1101 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	16.16	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	53.85	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	10.77	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Total			**7,256.82**			

The debentures mentioned above are secured by mortgage of a certain immovable property created under the terms of its operating lease arrangement and hypothecation of specific receivables.

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

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series E FY 15-16 Opt 5	₹ 25 Lakh each	24-02-16	6.10	8.73%	22-02-36	Redeemable at par at the end of 7303 days from the date of allotment
Series D FY 15-16 Opt 5	₹ 25 Lakh each	07-01-16	12.71	8.63%	07-01-36	Redeemable at par at the end of 7305 days from the date of allotment
Series G FY 17-18 Option II	₹ 25 Lakh each	31-05-17	105.99	8.20%	31-05-32	Redeemable at par at the end of 5479 days from the date of allotment
Series K FY 16-17 OPT 2	₹ 25 Lakh each	03-10-16	27.69	8.43%	03-10-31	Redeemable at par at the end of 5478 days from the date of allotment
Series E FY 15-16 Opt 4	₹ 25 Lakh each	24-02-16	6.11	8.73%	24-02-31	Redeemable at par at the end of 5479 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series D FY 15-16 Opt 4	₹ 25 Lakh each	07-01-16	17.70	8.63%	07-01-31	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 14-15 Opt II	₹ 25 Lakh each	28-01-15	100.06	8.51%	28-01-30	Redeemable at par at the end of 5479 days from the date of allotment
Series P FY 16-17	₹ 25 Lakh each	15-11-16	27.71	8.15%	13-11-26	Redeemable at par at the end of 3650 days from the date of allotment
Series N FY 16-17	₹ 25 Lakh each	20-10-16	130.26	8.30%	20-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 16-17 OPT 2	₹ 25 Lakh each	13-10-16	76.37	8.30%	13-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 16-17 OPT 1	₹ 25 Lakh each	03-10-16	103.59	8.43%	01-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series J FY 16-17	₹ 25 Lakh each	28-09-16	73.86	8.43%	28-09-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 16-17	₹ 25 Lakh each	13-07-16	20.08	8.77%	13-07-26	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 16-17 OPT 2	₹ 25 Lakh each	23-06-16	108.59	8.80%	23-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 16-17 OPT 2	₹ 25 Lakh each	17-06-16	50.36	8.80%	17-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 16-17 OPT 3	₹ 25 Lakh each	10-06-16	10.58	8.75%	10-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 16-17 OPT 3	₹ 25 Lakh each	06-05-16	20.90	8.67%	06-05-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 15-16	₹ 25 Lakh each	29-03-16	299.29	8.72%	27-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series G FY 15-16 OPT 3	₹ 25 Lakh each	22-03-16	89.83	8.75%	20-03-26	Redeemable at par at the end of 3650 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series E FY 15-16 Opt 3	₹ 25 Lakh each	24-02-16	134.39	8.73%	24-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 15-16 Opt 3	₹ 25 Lakh each	07-01-16	153.71	8.63%	07-01-26	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 15-16 Opt 3	₹ 25 Lakh each	04-12-15	15.45	8.55%	04-12-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 14-15 Opt I	₹ 25 Lakh each	28-01-15	100.82	8.49%	28-01-25	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 17-18 Option II	₹ 25 Lakh each	14-06-17	25.02	8.07%	14-06-24	Redeemable at par at the end of 2557 days from the date of allotment
Series J FY 17-18 Option II	₹ 25 Lakh each	16-06-17	50.00	8.07%	14-06-24	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	97.01	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 17-18 Option II	₹ 25 Lakh each	08-06-17	100.04	8.08%	10-06-24	Redeemable at par at the end of 2559 days from the date of allotment
Series G FY 17-18 Option I	₹ 25 Lakh each	31-05-17	35.19	8.07%	31-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series E FY 17-18	₹ 25 Lakh each	16-05-17	66.37	8.08%	16-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 17-18	₹ 25 Lakh each	04-05-17	127.02	8.08%	03-05-24	Redeemable at par at the end of 2556 days from the date of allotment
Series S FY 16-17	₹ 25 Lakh each	15-12-16	27.47	8.05%	15-12-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 16-17 OPT 1	₹ 25 Lakh each	13-10-16	75.03	8.25%	13-10-23	Redeemable at par at the end of 2556 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series L FY 16-17	₹ 25 Lakh each	10-10-16	151.46	8.36%	10-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 16-17	₹ 25 Lakh each	01-09-16	25.38	8.45%	01-09-23	Redeemable at par at the end of 2556 days from the date of allotment
Series N FY 17-18	₹ 25 Lakh each	30-01-18	90.68	8.19%	30-05-23	Redeemable at par at the end of 1946 days from the date of allotment
Series N FY 17-18 Reissuance 1	₹ 25 Lakh each	26-02-18	58.59	8.19%	30-05-23	Redeemable at par at the end of 1919 days from the date of allotment
Series N FY 17-18 Reissuance 2	₹ 25 Lakh each	27-03-18	28.55	8.19%	30-05-23	Redeemable at par at the end of 1890 days from the date of allotment
Series N FY 17-18 Reissuance 3	₹ 25 Lakh each	28-03-18	30.32	8.19%	30-05-23	Redeemable at par at the end of 1889 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	06-05-16	1.94	8.67%	05-05-23	Redeemable at par at the end of 2555 days from the date of allotment
Series G FY 15-16 OPT 2	₹ 25 Lakh each	22-03-16	21.16	8.75%	22-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option II	₹ 25 Lakh each	28-12-17	186.67	8.15%	10-03-23	Redeemable at par at the end of 1898 days from the date of allotment
Series E FY 15-16 Opt 2	₹ 25 Lakh each	24-02-16	57.80	8.70%	24-02-23	Redeemable at par at the end of 2557 days from the date of allotment
Series L FY 17-18	₹ 25 Lakh each	21-12-17	395.06	8.15%	16-01-23	Redeemable at par at the end of 1852 days from the date of allotment
Series D FY 15-16 Opt 2	₹ 25 Lakh each	07-01-16	48.02	8.60%	06-01-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option I	₹ 25 Lakh each	21-12-17	510.94	8.15%	28-12-22	Redeemable at par at the end of 1833 days from the date of allotment
Series B FY 15-16	₹ 25 Lakh each	10-11-15	152.88	8.65%	09-11-22	Redeemable at par at the end of 2556 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series K FY 17-18	₹ 25 Lakh each	06-11-17	212.63	7.85%	07-11-22	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 15-16	₹ 25 Lakh each	11-09-15	29.81	8.67%	09-09-22	Redeemable at par at the end of 2555 days from the date of allotment
Series J FY 17-18 Option I	₹ 25 Lakh each	16-06-17	103.92	8.00%	16-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 17-18 Option I	₹ 25 Lakh each	14-06-17	35.74	8.00%	14-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 17-18 Option I	₹ 25 Lakh each	08-06-17	91.33	8.01%	08-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 17-18	₹ 25 Lakh each	22-05-17	26.30	8.00%	01-06-22	Redeemable at par at the end of 1836 days from the date of allotment
Series B FY 17-18 Option II	₹ 25 Lakh each	24-04-17	40.59	8.00%	24-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series A FY 17-18 Option II	₹ 25 Lakh each	13-04-17	75.21	8.02%	13-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series D FY 17-18	₹ 25 Lakh each	11-05-17	55.22	8.00%	11-05-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 16-17	₹ 25 Lakh each	17-01-17	14.38	7.95%	17-02-22	Redeemable at par at the end of 1857 days from the date of allotment
Series T FY 16-17	₹ 25 Lakh each	13-01-17	29.51	7.95%	11-02-22	Redeemable at par at the end of 1855 days from the date of allotment
Series V FY 16-17	₹ 25 Lakh each	10-02-17	41.80	7.89%	10-02-22	Redeemable at par at the end of 1826 days from the date of allotment
Series R FY 16-17	₹ 25 Lakh each	29-11-16	50.36	7.85%	29-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series Q FY 16-17	₹ 25 Lakh each	28-11-16	52.98	7.85%	28-12-21	Redeemable at par at the end of 1856 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series O FY 16-17	₹ 25 Lakh each	08-11-16	134.17	8.05%	08-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 16-17-Wipro Ltd	₹ 25 Lakh each	14-09-16	40.91	8.39%	14-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	37.70	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	32.29	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	10.78	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series D FY 16-17 OPT 1	₹ 25 Lakh each	10-06-16	130.80	8.70%	10-06-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT 1	₹ 25 Lakh each	12-05-16	11.51	8.65%	12-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	06-05-16	34.23	8.65%	06-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 15-16 OPT 1	₹ 25 Lakh each	22-03-16	41.50	8.75%	22-04-21	Redeemable at par at the end of 1857 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	12-04-16	31.33	8.70%	12-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 15-16	₹ 25 Lakh each	26-02-16	53.02	8.70%	26-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series E FY 15-16 Opt 1	₹ 25 Lakh each	24-02-16	106.23	8.70%	24-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series D FY 15-16 Opt 1	₹ 25 Lakh each	07-01-16	38.80	8.55%	07-01-21	Redeemable at par at the end of 1827 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series C FY 15-16 Opt 1	₹ 25 Lakh each	04-12-15	145.59	8.55%	04-12-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 17-18 Option I	₹ 25 Lakh each	13-04-17	193.84	7.90%	13-05-20	Redeemable at par at the end of 1126 days from the date of allotment
Series B FY 17-18 Option I	₹ 25 Lakh each	24-04-17	6.12	7.90%	29-04-20	Redeemable at par at the end of 1101 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	16.14	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	53.76	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	10.59	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Total			**6,054.64**			

The debentures mentioned above are secured by mortgage of a certain immovable property created under the terms of its operating lease arrangement and hypothecation of specific receivables.

13 (i) Secured Redeemable Non Convertible Debentures (privately placed) as at April 1,2017

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series E FY 15-16 Opt 5	₹ 25 Lakh each	24-02-16	4.99	8.73%	22-02-36	Redeemable at par at the end of 7303 days from the date of allotment
Series D FY 15-16 Opt 5	₹ 25 Lakh each	07-01-16	10.17	8.63%	07-01-36	Redeemable at par at the end of 7305 days from the date of allotment
Series K FY 16-17 OPT 2	₹ 25 Lakh each	03-10-16	26.00	8.43%	03-10-31	Redeemable at par at the end of 5478 days from the date of allotment
Series E FY 15-16 Opt 4	₹ 25 Lakh each	24-02-16	5.00	8.73%	24-02-31	Redeemable at par at the end of 5479 days from the date of allotment
Series D FY 15-16 Opt 4	₹ 25 Lakh each	07-01-16	15.27	8.63%	07-01-31	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 14-15 Opt II	₹ 25 Lakh each	28-01-15	101.07	8.51%	28-01-30	Redeemable at par at the end of 5479 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series P FY 16-17	₹ 25 Lakh each	15-11-16	25.75	8.15%	13-11-26	Redeemable at par at the end of 3650 days from the date of allotment
Series N FY 16-17	₹ 25 Lakh each	20-10-16	134.67	8.30%	20-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 16-17 OPT 2	₹ 25 Lakh each	13-10-16	77.82	8.30%	13-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 16-17 OPT 1	₹ 25 Lakh each	03-10-16	106.39	8.43%	01-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series J FY 16-17	₹ 25 Lakh each	28-09-16	75.76	8.43%	28-09-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 16-17	₹ 25 Lakh each	13-07-16	15.91	8.77%	13-07-26	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 16-17 OPT 2	₹ 25 Lakh each	23-06-16	111.98	8.80%	23-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 16-17 OPT 2	₹ 25 Lakh each	17-06-16	53.41	8.80%	17-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 16-17 OPT 3	₹ 25 Lakh each	10-06-16	10.71	8.75%	10-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 16-17 OPT 3	₹ 25 Lakh each	06-05-16	21.55	8.67%	06-05-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 15-16	₹ 25 Lakh each	29-03-16	296.05	8.72%	27-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series G FY 15-16 OPT 3	₹ 25 Lakh each	22-03-16	89.69	8.75%	20-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series E FY 15-16 Opt 3	₹ 25 Lakh each	24-02-16	135.25	8.73%	24-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 15-16 Opt 3	₹ 25 Lakh each	07-01-16	155.84	8.63%	07-01-26	Redeemable at par at the end of 3653 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series C FY 15-16 Opt 3	₹ 25 Lakh each	04-12-15	15.41	8.55%	04-12-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 14-15 Opt I	₹ 25 Lakh each	28-01-15	101.10	8.49%	28-01-25	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	102.20	9.70%	10-06-24	Redeemable at par at the end of 1826 days from the date of allotment
Series S FY 16-17	₹ 25 Lakh each	15-12-16	25.57	8.05%	15-12-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 16-17 OPT 1	₹ 25 Lakh each	13-10-16	77.82	8.25%	13-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series L FY 16-17	₹ 25 Lakh each	10-10-16	155.83	8.36%	10-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 16-17	₹ 25 Lakh each	01-09-16	26.22	8.45%	01-09-23	Redeemable at par at the end of 2556 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	06-05-16	1.08	8.67%	05-05-23	Redeemable at par at the end of 2555 days from the date of allotment
Series G FY 15-16 OPT 2	₹ 25 Lakh each	22-03-16	19.96	8.75%	22-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series E FY 15-16 Opt 2	₹ 25 Lakh each	24-02-16	55.10	8.70%	24-02-23	Redeemable at par at the end of 2557 days from the date of allotment
Series D FY 15-16 Opt 2	₹ 25 Lakh each	07-01-16	47.88	8.60%	06-01-23	Redeemable at par at the end of 2556 days from the date of allotment
Series B FY 15-16	₹ 25 Lakh each	10-11-15	155.06	8.65%	09-11-22	Redeemable at par at the end of 2556 days from the date of allotment
Series A FY 15-16	₹ 25 Lakh each	11-09-15	26.18	8.67%	09-09-22	Redeemable at par at the end of 2555 days from the date of allotment
Series U FY 16-17	₹ 25 Lakh each	17-01-17	14.23	7.95%	17-02-22	Redeemable at par at the end of 1857 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series T FY 16-17	₹ 25 Lakh each	13-01-17	15.25	7.95%	11-02-22	Redeemable at par at the end of 1855 days from the date of allotment
Series V FY 16-17	₹ 25 Lakh each	10-02-17	36.37	7.89%	10-02-22	Redeemable at par at the end of 1826 days from the date of allotment
Series R FY 16-17	₹ 25 Lakh each	29-11-16	51.31	7.85%	29-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series Q FY 16-17	₹ 25 Lakh each	28-11-16	51.32	7.85%	28-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series O FY 16-17	₹ 25 Lakh each	08-11-16	128.95	8.05%	08-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	14-09-16	38.68	8.39%	14-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	86.23	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series D FY 16-17 OPT 1	₹ 25 Lakh each	10-06-16	133.71	8.70%	10-06-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT 1	₹ 25 Lakh each	12-05-16	5.38	8.65%	12-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	06-05-16	34.49	8.65%	06-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 15-16 OPT 1	₹ 25 Lakh each	22-03-16	39.97	8.75%	22-04-21	Redeemable at par at the end of 1857 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	12-04-16	27.10	8.70%	12-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 15-16	₹ 25 Lakh each	26-02-16	50.16	8.70%	26-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series E FY 15-16 Opt 1	₹ 25 Lakh each	24-02-16	100.37	8.70%	24-02-21	Redeemable at par at the end of 1827 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Series D FY 15-16 Opt 1	₹ 25 Lakh each	07-01-16	30.56	8.55%	07-01-21	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 15-16 Opt 1	₹ 25 Lakh each	04-12-15	138.68	8.55%	04-12-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	80.78	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Total			**3,346.22**			

The debentures mentioned above are secured by mortgage of a certain immovable property created under the terms of it's operating lease arrangement and hypothecation of specific receivables.

14 Subordinated liabilities

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Amortised Cost			
cumulative non convertible redeemable preference share (CPRS)	128.19	124.53	119.43
Total	**128.19**	**124.53**	**119.43**
Subordinated liabilities in India	128.19	124.53	119.43
Subordinated liabilities outside India	-	-	-
Total	**128.19**	**124.53**	**119.43**

Terms/rights attached to shares

Cumulative Non Convertible Redeemable Preference Shares ("CRPS")

a. Details relating to ISIN INE235P04024:

The CRPS do not have voting rights other than in respect of matters directly affecting the rights attached to the CRPS. In the event of any due and payable dividends remain unpaid for an aggregate period of at least 2 years prior to the start of any general meeting of the equity shareholders. CRPS holders shall have voting rights in line with the voting rights of the equity shareholders. The CRPS are redeemable in three annual tranches beginning from 01-October-2020 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be repaid in annual tranches of ₹ 33.10 crore for tranch 1 & 2 and ₹ 34.10 crore for tranch 3, each commencing from 01-October-2020. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations. On winding up or repayment of capital, CRPS holders enjoy preferential rights vis-à-vis equity shareholders, for repayment of capital paid up and shall include any unpaid Dividends and any fixed premium (if applicable).

b. Details relating to ISIN INE235P04040

The CRPS are redeemable in three annual tranches beginning from 29-Aug-2022 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be repaid in two tranches of ₹ 1.65 crore each commencing from 29-Aug-2022, 29-Aug-2023 & third tranche of ₹ 1.70 crore on 29-Aug-2024. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

Details of shareholders holding more than 5% shares in the Company	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
CRPS of ₹ 1,000,000 each fully paid held by						
Pioneer Independent Trust	750	71	750	71.23	750	71.23
L&T Employees Welfare Foundation	200	19	200	18.99	200	18.99
L&T Welfare Company Limited	98	9	98	9.50	100	9.50

15 Other financial liabilities (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for expenses	2.61	2.59	2.79
Total	**2.61**	**2.59**	**2.79**

16 Provisions (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Compensated absences	0.32	0.16	0.10
Gratuity	0.47	0.16	0.08
Total	**0.79**	**0.32**	**0.18**

17 Other non-financial liabilities (₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Others			
Statutory liabilities	1.18	0.13	1.03
Total	**1.18**	**0.13**	**1.03**

18 Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Authorised						
Equity shares of ₹ 10 each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	1,00,00,00,000	**1,000.00**	**1,00,00,00,000**	**1,000.00**	**1,00,00,00,000**	**1,000.00**
Issued, Subscribed and Paid up						
Equity shares of ₹ 10 each fully paid	49,01,80,214	490.18	49,01,80,214	490.18	47,06,66,666	470.67
	49,01,80,214	**490.18**	**49,01,80,214**	**490.18**	**47,06,66,666**	**470.67**

(b) Reconciliation of the number of equity shares and share capital:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity shares at the beginning of the year	49,01,80,214	490.18	47,06,66,666	470.67	47,06,66,666	470.67
Add: Shares issued during the year	-	-	1,95,13,548	19.51	-	-
Equity shares at the end of the year	**49,01,80,214**	**490.18**	**49,01,80,214**	**490.18**	**47,06,66,666**	**470.67**

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	49,01,80,214	490.18	49,01,80,214	490.18	47,06,66,666	470.67

(d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid held by						
L&T Infrastructure Finance Company Limited	23,70,36,157	48.36	23,70,36,157	48.36	22,76,00,000.00	48.36
L&T Finance Limited	13,86,52,953	28.28	13,86,52,953	28.28	13,31,33,329.00	28.28
L&T Finance Holdings Limited	11,44,91,100	23.36	11,44,91,100	23.36	10,99,33,333.00	23.36

Terms/rights attached to shares

Equity Shares

The Company has equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees.

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

On April 25, 2019, The Company, 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.

19 Other equity

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Securities premium account	133.83	133.83	83.33
Reserve u/s 45 1C of RBI Act 1934	92.72	66.39	36.47
Retained earnings	344.50	239.22	130.20
Total	**571.06**	**439.44**	**250.00**

19.1 Securities premium account

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance at beginning of year	133.83	83.33	-
Addition during the year	0.00	50.50	83.33
Balance at end of year	**133.83**	**133.83**	**83.33**

Securities premium includes the difference between the face value of the equity shares and the considerisation received in respect of shares issued. The securities premium is eligible to utilised in accordance with the provision of the companies Act, 2013.

19.2 Reserve u/s 45 IC of RBI Act

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance at beginning of year	66.39	36.47	17.65
Addition during the year	26.33	29.92	18.82
Balance at end of year	**92.72**	**66.39**	**36.47**

Reserve u/s 45-IC of Reserve Bank of India Act, 1934: The Company created a reserve pursuant to the Reserve Bank of India Act, 1934 by transfer a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

19.3 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balance at beginning of year	239.22	130.20	40.84
Addition during the year	131.66	138.98	89.37
Remeasurement of defined benefit plan	(0.05)	(0.04)	(0.01)
Additional Tax on Dividend			
Transfer to reserve u s 45 IC of RBI Act	(26.33)	(29.92)	-
Balance at end of year	**344.50**	**239.22**	**130.20**

Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserves, dividends or other distributions paid to shareholders etc.

20 Interest income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest on Loans		
On financial assets measured at:		
Amortised cost		
Interest on loans	692.39	522.70
Interest on deposits with Bank	11.02	2.01
Total	**703.41**	**524.71**

21 Fees and commission income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Advisory fees	22.76	15.08
Processing fees	2.38	3.45
Total	**25.14**	**18.53**

22 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on sale of financial instruments or fair valuation of investment on mutual fund	26.26	23.78
Total net gain on fair value changes	**26.26**	**23.78**
(B) Fair value changes:		
-Realised	26.07	23.78
-Unrealised	0.19	-
Total net gain on fair value changes	**26.26**	**23.78**

23 Other income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on income tax refund	-	0.51
Others	0.01	-
Total	**0.01**	**0.51**

24 Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on debt securities	568.96	389.63
Interest on subordinated liabilities	10.01	10.36
Ancillary borrowing costs	3.11	2.02
Other interest expense		
Interest cost on gratuity	0.01	0.01
Interest cost on compensated absences	0.01	0.01
Total	**582.10**	**402.03**

25 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loans		
On financial instruments measured at:		
Amortised cost	20.27	9.49
Total	**20.27**	**9.49**

26 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	5.24	2.97
Contribution provident and pension fund	0.20	0.12
Contribution to gratuity fund	0.06	0.03
Expenses on employee stock option scheme	0.38	0.13
Staff welfare expenses	0.07	0.05
Total	**5.95**	**3.30**

27 Depreciation, amortization and impairment

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Amortisation	0.01	0.01
Total	**0.01**	**0.01**

28 Other expenses

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent, rates & taxes	0.97	0.91
Property maintenance and other charges	0.36	0.34
Director's fees	0.13	0.12
Auditors' remuneration (Refer note below)	0.14	0.16
Legal and professional charges	1.29	0.28
Guarantee fees	1.42	1.40
Travelling and conveyance	0.29	0.13
Corporate social responsibility expenses	1.88	1.09
Management fees	0.89	0.64
Commission to non executive directors	0.19	0.27
Brand license fee	7.12	8.65
Donations	0.03	-
Stamping charges	-	0.08
Miscellaneous expenses	0.12	0.12
Total	**14.83**	**14.19**

Note (i): Auditors' remuneration comprises the following

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statuory audit fees	0.04	0.04
Limited review fees	0.04	0.04
Tax audit fees	0.01	0.01
Other service	0.05	0.07
Total	**0.14**	**0.16**

Note (ii): The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

(₹ in crore)

Particulars	For the year ended March 31, 2019
Statuory audit fees	0.04
Limited review fees	0.04
Tax audit fees	0.01
Other service	0.05
Total	**0.14**

29 Tax expense

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	-	(0.47)
Total	**-**	**(0.47)**

30 Disclosure pursuant to Ind AS 108 Operating Segment

The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business and are carried out within India. As such, there are no separate reportable segments as per the provisions of Ind As 108 operating segment.

31 Contingent liabilities and commitments

The company operates in a regulatory and legal enviornment that, by nature has a element of litigation risk inherent in its operations. As a result, the company is involved in various litigation and regulatory proceeding in the ordinary course of business. The company has formed controls and policies for managing legal claims. Based on professional legal advices, the company provides and or disclose amounts in accordance with its policies.

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities:		
a) Other money for which the Company is contingently liable;		
- Liability towards letter of comfort	140.56	62.00
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Other commitments	-	-

32 Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

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

33 Disclosure pertaining to Corporate social responsibility (CSR) related activities

The amount recognised as expense in the statement of profit and loss on CSR related activities is ₹ 1.88 crore (previous year: ₹ 1.09 crore) is required under section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014, which comprises of;

(₹ in crore)

Sr No	CSR project or programme	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Adoption of Climate Resilience Agriculture practices and Integrated Water Resource Management in Latur, Solapur & Osmanabad districts, Maharaashtra	-	0.30

(₹ in crore)

Sr No	CSR project or programme	For the year ended March 31, 2019	For the year ended March 31, 2018
2	Interventions of Digital Financial Literacy & Entrepreneurship Development in Dhar & Bharwani districts in Madhya Pradesh (*)	0.00	0.05
3	Promotion of Road Safety among municipal school children in Mumbai, Maharashtra	0.34	0.42
4	Providing immediate relief and support to the communities affected by floods in Kerala	1.45	-
5	Access to health services and breast cancer screening in Nagpur district, Maharashtra	-	0.21
6	Vocational training of rural youths in livestock management in Bhadrak, Jajpur and Cuttack district in Odisha	0.05	0.06
7	Contribution to the Relief Fund of the State Governments(*)	-	0.00
8	Admin & Capacity building	0.04	0.05
	Total	**1.88**	**1.09**

* Amount less than ₹ 30,000/-

34 Disclosures pursuant to Ind AS 17 “Leases”

Operating leases:

The Company holds premises under operating leases. Rent includes net of expenses of ₹ 0.97 Crore (previous year: ₹ 0.91 crore). The commited lease in future are:

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	0.07	0.83
Later than one year and not later than five years	-	3.74
Later than five years	-	-

35 Basic and diluted earnings per share (EPS) computed in accordance with Ind AS 33 “Earnings per Share”

(₹ in crore)

Particulars	2018-19	2017-18
Basic earnings per share		
Profit after tax as per accounts (₹ Crore)	131.66	138.98
Net profite attributable to Equity share holders	131.66	138.98
Weighted average number of equity shares outstanding	49,01,80,214.00	47,94,87,858.93
Basic EPS per share (₹)	2.69	2.90
Diluted earnings per share		
Profit after tax as per accounts (₹ Crore)	131.66	138.98
Weighted average number of equity shares outstanding	49,01,80,214.00	47,94,87,858.93
Diluted EPS per share (₹)	2.69	2.90
Face value per share (₹)	10.00	10.00

36 Expenditure in foreign currencies (₹ in crore)

Nature of expense	2018-19	2017-18
Travelling and conveyance	-	0.01
Legal and professional fees	0.77	-
Miscellaneous expenses	0.01	-

37 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(i) Defined Contribution plans :

The Company's state governed provident fund scheme are defined contribution plan for its employees which is permitted under the employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier .The benefit vests immediately on rendering of services by the employee.

The Company recognised charges of ₹ 0.20 Crores (previous year ₹ 0.12 Crores) for provident fund contribution in the Statement of Profit and Loss.

(ii) Defined benefits Gratuity Plan :

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

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

(₹ in crore)

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A) Present Value of Defined Benefit Obligation			
- Wholly funded			
- Wholly unfunded	0.47	0.16	0.09
	0.47	0.16	0.09
Less : Fair Value of plan assets	-		
Liabilities	0.47	0.16	0.09
Assets	-	-	-
Net liability/(asset)	0.47	0.16	0.09
Net liability/(asset) - current	0.02	0.00	0.38
Net liability/(asset) - non-current	0.45	0.15	(0.29)

(b) The amounts recognised in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars		Gratuity Plan	
		As at March 31, 2019	As at March 31, 2018
1	Current Service Cost	0.06	0.03
2	Interest Cost	0.01	0.01
3	Interest Income on Plan Assets	-	-
4	Actuarial losses/(gains) - others	0.05	0.04
5	Actuarial losses/(gains) - difference between actuarial return on plan assets	-	-
6	Past Service Cost	-	-
7	Actuarial gain/(loss) not recognised in Books	-	-
8	Translation adjustments	-	-
9	Amount capitalised out of the above/ recover from S&A	-	-
Total (1 to 9)		**0.12**	**0.08**
i	Amount included in “employee benefits expenses”	0.06	0.03
ii	Amount included in as part of “finance cost’	0.01	0.01
iii	Amount included as part of “Other Comprehensive income”	0.05	0.04
Total (i + ii + iii)		**0.12**	**0.08**

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

(₹ in crore)

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the present value of defined benefit obligation	0.16	0.09	0.04
Add : Current Service Cost	0.06	0.03	0.01
Add : Interest Cost	0.01	0.01	0.00
Add : Actuarial losses/(gains)	-	-	-
i) Actuarial (gains)/losses arising from changes in financial assumptions	0.00	0.03	0.01
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	0.00	(0.00)	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	0.04	0.01	0.00
Less : Benefits paid	-	(0.01)	(0.01)
Add : Past service cost	-	-	-
Add : Liability assumed/(settled)*	0.20	-	0.03
Add/(less) : Translation adjustments	-	-	-
Closing balance of the present value of defined benefit obligation	**0.47**	**0.16**	**0.09**

*On account of inter group transfer during the year

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

(₹ in crore)

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the fair value of the plan assets	-	-	-
Add : interest income of plan assets	-	-	-
Add/(less) : Actuarial gains/(losses)	-	-	-
(Difference between actual return on plan assets and interest income)			
Add : Contribution by the employer	-	0.01	0.01
Add/(less) : Contribution by plan participants	-	-	-
Less : Benefits paid	-	(0.01)	(0.01)
Add: Assets acquired/(settled)	-	-	-
Closing balance of plan assets	**-**	**-**	**-**

(e) The fair value of major categories of plan assets are as follows:

(₹ in crore)

Particulars		Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Government of India Securities	-	-	-
2	Corporate Bonds	-	-	-
3	Special Deposit Scheme	-	-	-
4	Insurer Managed Funds (Unquoted)	-	-	-
5	Others (quoted)	-	-	-
6	Others (unquoted)	-	-	-

(f) Principal actuarial assumptions at the valuation date:

Particulars		Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Discount rate (per annum)	7.80%	7.85%	7.25%
2	Salary escalation rate (per annum)	9.00%	9.00%	7.00%

(A) Discount rate:

Discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(B) Salary escalation rate:

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

(g) Attrition Rate:

The attrition rate varies from 0% to 25% (previous year: 0% to 25%) for various age groups.

(h) Mortality:

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

(i) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(j) Sensitivity Analysis:

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

(₹ in crore)

	Particulars	Gratuity Plan			
		Effect of 1% increase		Effect of 1% decrease	
		2018-19	2017-18	2018-19	2017-18
1	Discount rate (per annum)	(0.07)	(0.02)	0.08	0.03
2	Salary escalation rate (per annum)	0.08	0.03	(0.07)	(0.02)

38 Disclosure Pursuant to IND AS 115 - Revenue from Contract with Customer:"

a) Disaggregation of revenue - Following table covers the revenue segregation in to Geographical Segment

(₹ in crore)

Particulars	2018-19 Geographical Area			2017-18 Geographical Area		
	Domestic	International	Total	Domestic	International	Total
Fee Income	22.76	-	22.76	15.08	-	15.08
Total	**22.76**	**-**	**22.76**	**15.08**	**-**	**15.08**
Revenue Recognised based on performance obligations satisfied over a period of time	-	-	-	-	-	-
Revenue Recognised based on performance obligations satisfied at a point in time	22.76	-	22.76	15.08	-	15.08

b) Reconciliation of contracted price with revenue during the year

(₹ in crore)

Particulars	2018-19	2017-18
<u>Changes on account of :</u>		
Fresh Orders received during the Year	22.76	15.08
Orders completed fully	22.76	15.08
Revenue recognised during the Year out of orders completed during the Year	22.76	15.08

c) Movement of Contract Asset and Contract Liability

(₹ in crore)

Particulars	2018-19			2017-18		
	Contract Assets	Contract Liabilities	Net Balance	Contract Assets	Contract Liabilities	Net Balance
Opening Balance	-	-	-	-	-	-
Invoices raised during the Year	22.76	-	22.76	15.08	-	15.08
Revenue recognised during current year	22.76	-	22.76	15.08	-	15.08
Closing Balance	-	-	-	-	-	-

d) The Company has not recognised any assets as on March 31, 2018 and March 31, 2019 from the costs to obtain or fulfil a contract with a customer.

39 Related party disclosures: Ind AS -24 "Related party transaction"

(a) List of Related Parties (with whom transactions were carried out during current or previous year)

The company operates in a regulatory and legal enviornment that, by nature has a element of litigation risk inherent in its operations. As a result, the company is involved in various litigation and regulatory proceeding in the ordinary course of business. The company has formed controls and policies for managing legal claims. Based on professional legal advices, the company provides and or disclose amounts in accordance with its policies.

The Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3 L&T Infrastructure Finance Company Limited

4 L&T Finance Limited

5 L&T Financial Consultants Limited

6 Mr. Shiva Rajaraman

7 Mr. Arun Ramanathan (Ceased to be a Director with effect from July 20, 2018)

8 Mr. Thomas Mathew T.

9 Ms. Nishi Vasudeva (Appointed as Director with effect from July 02, 2018)

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	2018-19	2017-18
1	**Equity Capital infused (including securities premium)**		
	L&T Infrastructure Finance Company Limited	-	33.86
	L&T Finance Holdings Limited	-	16.35
	L&T Finance Limited	-	19.80

(₹ in crore)

Sr. No.	Nature of Transaction*	2018-19	2017-18
2	**Purchase of Loan Accounts**		
	L&T Infrastructure Finance Company Limited	337.16	903.06
	L&T Finance Limited	248.03	418.21
3	**Rent Paid**		
	L&T Financial Consultants Limited	1.22	1.15
	L&T Finance Limited	-	-
4	**Brand License Fees**		
	Larsen & Toubro Limited	6.94	7.94
5	**Management Fee Paid**		
	L&T Finance Holdings Limited	0.82	0.33
6	**Asset Management Fee / Hold Period Fee**		
	L&T Infrastructure Finance Company Limited	-	0.27
7	**Other Expenses paid to**		
	Larsen & Toubro Limited	0.05	0.02
	L&T Financial Consultants Limited	0.01	-
8	**Security deposit given**		
	L&T Financial Consultants Limited	0.39	-
9	**Interest on security deposit**		
	L&T Financial Consultants Limited	0.01	-
10	**ESOP Cost**		
	L&T Finance Holdings Limited	0.38	0.13

11 **Compensation paid to key managerial personnel** (₹ in crore)

Name of Key Management Personnel	2018-19				2017-18			
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr Shiva Rajaraman**	2.02	-	-	2.02	-	-	-	-
Mr. Arun Ramanathan	0.12	-	-	0.12	0.22	-	-	0.22
Mr. Thomas Mathew T.	0.16	-	-	0.16	0.17	-	-	0.17
Ms. Nishi Vasudeva	0.16	-	-	0.16	-	-	-	-

(c) Amount due to/from related parties:

(₹ in crore)

Sr. No.	Nature of transactions	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	**Accounts Payable**			
	Larsen & Toubro Limited ***	0.00	-	0.01
	L&T Finance Holdings Limited	0.20	0.13	-
	L&T Infrastructure Finance Company Limited	0.38	-	-
2	**Accounts Receivable**			
	L&T Finance Limited	0.35	-	0.03
	L&T Infrastructure Finance Company Limited	0.33	-	0.03
	Larsen & Toubro Limited	0.02	0.04	-
3	**Rent Deposits**			
	L&T Financial Consultants Limited	0.41	0.02	0.02
4	**Brand License Fees Payable**			
	Larsen & Toubro Limited	7.36	8.65	5.36

* Transactions shown above are excluding of GST, if any.

** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.

*** Amount is less than ₹ 50,000/-

40 Financial risk management

Basis

Great importance is attached to the identification, measurement and control of risks. All employees of the Company are responsible for the management of risk, with the ultimate accountability residing with the Board of Directors. The Board of Directors and its Risk Management Committee ensure that Management takes in to consideration all the relevant risk factors which could lead to unexpected fluctuations in results or to a loss of capital employed. Recommendations for risk control measures are derived from the evaluation of the risk factors. Certain risks are also recognised as opportunities. The aim in such cases is to achieve an appropriate balance between the possible losses which might result and the potential gains. Risks which primarily represent loss potential are minimised. This helps in aligning the risk appetite to the Company's strategy to deliver sustainable, long term returns to its investors. The risks are reviewed periodically every quarter.

Types of risk

As a lending non-banking financial company, the most important risks it is faced with are the following:

- Credit risk
- Market risk

Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers or counterparties fail to fulfil their contractual obligations to the Company.

Credit risk arises mainly from wholesale loans and loan commitments arising from such lending activities; but could also arise from credit enhancement provided.

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Loans and advances (incl. loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as ¬Probability of Default ("PD") and Loss Given Default ("LGD"). This is similar to the approach used for the purposes of measuring Expected Credit Loss ("ECL") under Ind AS 109.

Wholesale portfolio is managed separately to reflect the differing nature of the assets; wholesale balances tend to be large and are managed on an individual basis.

Wholesale (Infrastructure Finance)

The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its "Wholesale" segment. Borrower and loan specific information collected at the time of application (such as turnover and industry type for wholesale exposures) and judgement based on market intelligence on the sector or the specific borrower is used in assigning the rating. The Company's own internal ratings were benchmarked against the last published cumulative default rates for 1 year and 3 year periods as published annually by CRISIL for Stage 1 and Stage 2 loan assets.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an AAA and A- rating grade is lower than the difference in the PD between a BBB and B- rating grade.

Management also assesses the impact of economic developments in key markets on specific customers, customer segments or portfolios. If changes in credit conditions are foreseen, mitigation action, including the revision of risk appetites or limits and tenors, as appropriate are taken.

Expected Credit Loss

Prior to the implementation of Ind AS, the Board of Directors used the Non-Banking Financial Company Systemically Important (NBFC-ND-SI) Non-deposit taking Master Directions issued by the Reserve Bank of India, as the basis for setting up its provisioning policies.

Post the shift to Ind AS, and specifically to address the requirements of Ind AS 109, these were enhanced or supplemented, with reviews at levels regarded as appropriate. Management oversees the estimation of ECL including:

i. setting requirements in policy, including key assumptions and the application of key judgements;

ii. the design and execution of models; and

iii. review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built as summarised below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note 1.11 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.11 for a description of how the Company defines credit-impaired and default).

For wholesale business, the PD was determined based on the internal credit rating assigned to the borrower as explained above. The EAD is determined and the LGD estimated, at the borrower level. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods as published annually by CRISIL. The Exposure at Default ("EAD") is measured at the amortised cost as at the reporting date, after considering repayments of principal and interest received in advance. The Company, in determining its Loss Given Default ("LGD") estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realised on resolution of cases referred to the National Company Law Tribunal ("NCLT") under the Insolvency and Bankruptcy Code, 2016. The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 4 years.

For credit impaired loan assets LGD is computed based on actual history of loss (on settlement/repossession and disposal of security/ enforcement action) from the same historical quarterly snapshots. The loss divided by the principal outstanding at the time of default is the loss ratio for a credit impaired loan asset in a specific snapshot. The weighted average of loss ratios (using the principal outstanding in respect of such credit impaired loan assets in the corresponding snapshot as the weight) was used to determine the LGD ratio for credit impaired loan assets.

By applying the LGD ratio to the EAD for the credit impaired loan asset portfolio, the ECL for Stage 3 loan assets was determined. The EAD adjustment factor was used, along with the respective PD factors to arrive at the ECL for Stage 2 and Stage 1 loan assets.

Exposure at Default (EAD)

EAD is the amortised cost as at the period end, after considering repayments of principal and interest received in advance.

As a lending non-banking financial company, credit risks arise if borrowers do not meet their obligations vis-à-vis the Company. Credit risks may also arise from active financial positions (Cash and Cash equivalents).

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavors to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time. Internal credit rating is used as an important tool to manage exposures of the "Wholesale" segment. Ratings provides a consistent and common scale for measurement of components of credit risk of a loan asset including the Probability of Default (PD) across products and sectors. Credit rating model takes into account critical success parameters relevant for each industry, competitive forces within the industry as well as regulatory issues while capturing financial parameters, management strengths, project parameters etc. of the borrower. These ratings are reviewed at least once annually.

Collateral / Security Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral/ security, where applicable. The collateral/security comes in various forms, such as charge on cash flows & receivables, cash (or equivalent) collateral, charge on contracts & rights thereof, hypothecation of movable assets and mortgage of immovable assets, pledge of shares, guarantees, etc.

The fair value of collateral/security impacts the calculation of Expected Credit Loss (ECL). To the extent possible, the Company uses market data for valuing collateral/ security. Other collateral/ security which do not have readily determinable market values are valued using suitable models/ methodologies based on market practices. Where the above is not possible, the collateral/ security is valued based on data provided by third parties/ consultants with expertise in the area or by way of management judgement.

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at 31st March, 2019. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, group/ borrower or revenue counterparty of the borrowers etc as are relevant to the respective product.

Market Risk Management

Liquidity Risk:

The risk that the Company is unable to service its contractual or contingent liabilities or that it does not have the adequate amount of funding and liquidity to support its committed disbursements.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee which provides oversight and strategic direction for the prudent asset liabilities management. As a prudent practice, the Company has been maintaining positive cumulative liquidity gaps in the current market scenario.

In the absence of any regulatory requirement, the Group of which the Company is a component, continues to maintain liquidity buffer in the form of High Quality Liquidity Assets which provides adequate cushion. The Company also maintains liquidity at Company level as stipulated by rating agencies.

Foreign Exchange Rate Risk:

In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk.

Interest Rate Risk:

The Company generally borrows through the issue of fixed rate long term instruments and lends through fixed rate bonds or loans. Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). Interest Rate Sensitivity Statement is prepared every month and put up to ALCO. The statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings at the Group level are also measured every month and captured in the Risk Dashboard.

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

(₹ in crore)

Sr. No.	Particulars	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017
I	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Investment in mutual funds	167.04	-	-
	Sub-total (I)	**167.04**	**-**	**-**
II	Measured at amortised cost:			
	(i) Loans	8,167.95	6,976.75	3,993.97
	(v) Other financial assets	0.40	0.02	0.08
	Sub-total (II)	**8,348.06**	**7,167.37**	**4,162.12**
III	Measured at fair value through other comprehensive income (FVTOCI):	-	-	-
	Sub-total (III)	**-**	**-**	**-**
	Total (I+II+III)	**8,515.10**	**7,167.37**	**4,162.12**

(b) Category-wise classification for applicable financial liabilities:

(₹ in crore)

Sr. No.	Particulars	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017
I	Measured at fair value through Profit or Loss (FVTPL):			
	(i) Derivative Instruments not designated as cash flow hedges	-	-	-
	Sub-total (I)	**-**	**-**	**-**
II	Measured at amortised cost:			
	(i) Borrowings and debt securities	7,404.43	6,151.13	3,346.22
	(ii) Subordinated Liabilities	128.19	124.53	119.43
	(ii) Trade payables	7.95	8.78	5.40
	(iii) Others	2.61	2.59	2.79
	Sub-total (II)	**7,543.18**	**6,287.03**	**3,473.84**
III	Measured at fair value through Other Comprehensive Income (FVTOCI):			
	(i) Derivative Instruments designated as cash flow hedges	-	-	-
	Sub-total (III)	**-**	**-**	**-**
	Total (I+II+III)	**7,543.18**	**6,287.03**	**3,473.84**

(c) Fair value of financial assets and financial liabilities measured at amortised cost: (₹ in crore)

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Loans	8,200.79	8,167.95	6,989.32	6,976.75	3,997.04	3,993.97
Total financial assets	**8,200.79**	**8,167.95**	**6,989.32**	**6,976.75**	**3,997.04**	**3,993.97**
Financial liabilities						
Debt securities	7,404.43	7,345.58	6,151.13	6,155.35	3,346.22	3,410.18
Subordinated liabilities	128.19	127.83	124.53	125.50	119.43	117.34
Total financial liabilities	**7,532.62**	**7,473.41**	**6,275.66**	**6,280.85**	**3,465.65**	**3,527.52**

Note: Carrying amounts of cash and cash equivalents , other receivables, other payables as at 31 March 2019, 31 March 2018 and 1 April 2017 approximate the fair value because of their short term nature.

(d) Maturity profile of financial liabilities (Amount at undiscounted value) (₹ in crore)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Payable	7.95	-	7.95	8.78	-	8.78	5.40	-	5.40
Borrowings, debt securities and subordinated liabilities	244.23	9,803.73	10,047.95	108.41	8,747.71	8,856.12	-	5,431.05	5,431.05
Other financial liabilities	2.61	-	2.61	2.59	-	2.59	2.79	-	2.79

(e) Fair value hierarchy of financial assets and financial liabilities measured at fair value: (₹ in crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	167.04	-	-	167.04
Total financial assets	**167.04**	**-**	**-**	**167.04**

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

(₹ in crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	-	-	8,167.95	8,167.95	Discounted cashflow approach
Total financial assets	**-**	**-**	**8,167.95**	**8,167.95**	
Financial Liabilities					
Debt securities	-	-	7,345.58	7,345.58	Discounted cashflow approach
Subordinated liabilities	-	-	127.83	127.83	
Total financial liabilities	**-**	**-**	**7,473.41**	**7,473.41**	

(₹ in crore)

As at March 31, 2018	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	-	-	6,976.75	6,976.75	Discounted cashflow approach
Total financial assets	**-**	**-**	**6,976.75**	**6,976.75**	
Financial Liabilities					
Debt securities	-	-	6,155.35	6,155.35	Discounted cashflow approach
Subordinated liabilities	-	-	125.50	125.50	
Total financial liabilities	**-**	**-**	**6,280.85**	**6,280.85**	

(₹ in crore)

As at April 1, 2017	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	-	-	3,993.97	3,993.97	Discounted cashflow approach
Total financial assets	**-**	**-**	**3,993.97**	**3,993.97**	
Financial Liabilities					
Debt securities	-	-	3,410.18	3,410.18	Discounted cashflow approach
Subordinated liabilities	-	-	117.34	117.34	
Total financial liabilities	**-**	**-**	**3,527.52**	**3,527.52**	

(g) Movement of items measured using unobservable inputs (Level 3):

Particulars	Loans	Total
Balance as at April 1, 2017	**3,993.97**	**3,993.97**
Addition during the year	4,265.94	4,265.94
Disposal during the year	(1,283.16)	(1,283.16)
Gains/(losses) recognised in Profit or Loss	-	-

(g) Movement of items measured using unobservable inputs (Level 3):

Particulars	Loans	Total
Balance as at March 31, 2018	**6,976.75**	**6,976.75**
Addition during the year	2,169.75	2,169.75
Disposal during the year	(978.54)	(978.54)
Gains/(losses) recognised in Profit or Loss	-	-
Balance as at March 31, 2019	**8,167.95**	**8,167.95**

Valuation technique used to determine fair value:

A. Level 1: Mutual funds- Quoted price in the active market

B. Level 2: Traded debenture – Future cash flows are discounted using G-sec rates as at reporting date.

C. Level 3: Discounted cash flow technique has been used for the purposes of valuation. The cash flows have been projected and discounted back using an appropriate discount rate.

(h) Fair value measurements using significant unobservable inputs (level 3) : There are no Level 3 financial assets and liabilities which are recorded at fair value.

(i) Sensitivity disclosure for level 3 fair value measurements : There are no Level 3 financial assets and liabilities which are recorded at fair value.

(j) Maturity profile of assets and liabilities

(₹ in crore)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	176.94	-	176.94	190.60	-	190.60	40.44	-	40.44
Bank balance other than (a) above	-	-	-	-	-	-	127.63	-	127.63
Loans	459.17	7,708.78	8,167.95	339.38	6,637.36	6,976.75	1,287.44	2,706.53	3,993.97
Investments	167.04	-	167.04	-	-	-	-	-	-
Trade Receivables	2.09	-	2.09	-	-	-	-	-	-
Other Receivable	0.68	-	0.68	-	-	-	-	-	-
Other financial assets	-	0.40	0.40	-	0.02	0.02	-	0.08	0.08
Non-Financial Assets									

(₹ in crore)

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Current tax assets (Net)	-	89.64	89.64	-	47.80	47.80	-	32.35	32.35
Deferred tax assets (net)	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-	-	-	-
Intangible assets under development	-	0.05	0.05	-	-	-	-	-	-
Other intangible assets	-	0.01	0.01	-	0.02	0.02	-	0.03	0.03
Other non-financial assets	1.59	-	1.59	1.91	-	1.91	1.22	-	1.22
Total	**807.51**	**7,798.89**	**8,606.39**	**531.89**	**6,685.21**	**7,217.10**	**1,456.73**	**2,738.99**	**4,195.72**
Financial Liabilities									
Debt Securities	510.58	6,893.85	7,404.43	337.21	5,813.92	6,151.13	105.60	3,240.62	3,346.22
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-	-
Subordinated liabilities	22.94	105.25	128.19	0.57	123.96	124.53	0.57	118.86	119.43
Trade Payables	7.57	-	7.57	8.78	-	8.78	5.40	-	5.40
Other Payables	0.38	-	0.38		-	-	-	-	
Other financial liabilities	2.61	-	2.61	2.59	-	2.59	2.79	-	2.79
Non-Financial Liabilities									
Provisions	0.34	0.45	0.79	0.17	0.15	0.32	0.10	0.08	0.18
Other non-financial liabilities	1.18	-	1.18	0.13	-	0.13	1.03	-	1.03
Total	**545.60**	**6,999.55**	**7,545.15**	**349.45**	**5,938.03**	**6,287.48**	**115.49**	**3,359.56**	**3,475.06**

(k) Reconciliation of loss allowance provision - Loans:

(₹ in crore)

Particulars	Loss allowance measured at 12 month expected credit losses	Loss allowance measured at life time expected credit losses	
		Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired
Loss allowance as on 31.3.2017	**3.07**	**-**	**-**
Provision on new financial assets	1.05	-	-
Higher/(Lower) provision on existing financial assets	8.44	-	-
Loss allowance as on 31.3.2018	**12.57**	**-**	**-**
Provision on new financial assets	0.73	-	-
Higher/(Lower) provision on existing financial assets	19.54	-	-
Loss allowance as on 31.3.2019	**32.84**	**-**	**-**

(l) Cash flow and fair value interest rate risk

(m) Interest rate risk exposure

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

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowings	-	-	-
Fixed rate borrowings	7,230.20	6,029.30	3,355.30
Total borrowings	**7,230.20**	**6,029.30**	**3,355.30**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in crore)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	0.00%	-	0.00%	-	-	-	-	-	-
Interest rate swap at variable rate	0.00%	-	0.00%	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**	**0.00%**	**-**	**0.00%**

(n) Sensitivity :

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates – increase by 25 basis points *	0.00	0.00	0.00	0.00
Interest rates – decrease by 25 basis points*	0.00	0.00	0.00	0.00

There are no variable rate borrowings hence it is NIL.

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

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

(₹ in crore)

Particulars	April 1, 2018	Cash flows	Changes in fair values	Other	March 31, 2019
Debt securities	6,151.13	1,202.03	-	51.27	7,404.43
Subordinated debt	124.53	-	-	3.66	128.19
Total liabilities from financing activities	**6,275.66**	**1,202.03**	**-**	**54.94**	**7,532.63**

(₹ in crore)

Particulars	April 1, 2017	Cash flows	Changes in fair values	Other	March 31, 2018
Debt securities	3,346.22	2,670.49	-	134.41	6,151.13
Subordinated debt	119.43	-	-	5.10	124.53
Total liabilities from financing activities	**3,465.66**	**2,670.49**	**-**	**139.51**	**6,275.66**

42 Disclosure pursuant to Ind AS 116" Lease:

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116, Leases and consequential amendments to various Ind AS standards. The amendments are effective from accounting periods beginning from 1st April, 2019.

The Company is required to adopt Ind AS 116, Leases from 1st April, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company is currently assessing the impact of application of Ind AS 116 on Company's financial statements.

43 Tax Disclosure:

The Company is an Infrastructure Debt Fund - Non Banking Finance Company "IDF – NBFC", registered with Reserve Bank of India ('RBI') on 21st October, 2013. Therefore, total income of the Company is exempt under Section 10(47) of the Income Tax Act, 1961 from the date of registration. In view of this, no provision for tax has been made in the books of accounts and accordingly, no disclosures have been made as required under Ind AS 12 Income taxes.

44 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts,recovery of the same and future period expense details are following:

(₹ in crore)

As at	Total cost incurred by Holding company	Expenses recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	Expenses charged to retained earning on transition date April 1, 2017	Remaining expenses to be recovered in future periods
(A)	(B)	(C)	(D)	(E)	(F) = (B-C)
March 31, 2019	1.22	0.52	0.38	-	0.70
March 31, 2018	0.34	0.14	0.13	-	0.20
April 1, 2017	0.02	0.02	-	-	-

45 Statement of reconciliation of equity under Ind AS and equity reported under I-GAAP

Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

(₹ in crore)

Particulars	Note	As at 31 March 2018	As at 01 April 2017
Equity as per I-GAAP		**1,016.02**	**808.92**
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	A	(0.13)	-
Redeemable preference capital classified as liability		(105.30)	(105.30)
Incremental provision on application of expected credit loss model	B	15.38	12.94
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	C	3.65	4.11
Equity under Ind AS		**929.62**	**720.67**

Statement of reconciliation of total comprehensive income for the period ended March 31, 2018:

(₹ in crore)

Particulars	Note	As at 31 March 2018
Net Profit after tax as per I-GAAP		**149.65**
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	A	(0.13)
Provision on application of expected credit loss model	B	2.43
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	C	(13.01)
Reclassification of net actuarial loss on employee defined benefit obligations to OCI		0.04
PAT as per Ind AS (before OCI)		**138.98**
Remeasurements of the defined benefit plans		**(0.04)**
Total comprehensive income		**138.94**

Notes:

A. The cost of employee benefits under the Employee Stock Option Plans ("ESOP") is measured using fair value method. The portion of ESOP charge levied by the holding company (L&T Finance Holdings Limited) is accordingly measured and recognised at fair value. Under I-GAAP ESOP charge was calculated based on intrinsic value method.

B. The allowances for credit losses on loan assets is based on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made based on the RBI Master Directions.

C. Under Ind AS 23 borrowing cost is calculated using the effective interest method as described under Ind AS 109. Under I-GAAP borrowing cost was computed by applying the coupon rate to the principal amount for the period with consequential impact in the asset items where borrowing cost is capitalised. Borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest recognised based on EIR method.

D. The provision is made against Loans based on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made based on RBI regulatory requirement and based on assessment on case to case basis.

46 (1) Appropriations to the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

46 (2) The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction - Non-Banking Financial Company - Systemically Important, Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

46 (3) Capital

Capital to Risk Assets Ratio (CRAR)	**2018-19**	**2017-18**
(i) CRAR (%)	27.05%	39.32%
(ii) CRAR - Tier I Capital (%)	23.48%	33.50%
(iii) CRAR - Tier II Capital (%)	3.57%	5.82%
(iv) Amount of subordinated debt raised as Tier-II capital raised during the year	-	-
(v) Amount raised by issue of Perpetual Debt Instruments raised during the year	-	-

46 (4) Investment (₹ in crore)

Sr. No.	**Particulars**	**2018-19**	**2017-18**
	(b) Outside India	-	-
(ii)	Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investment		
	(a) In India	167.04	-
	(b) Outside India	-	-
2	Movement of Provision held towards depreciation of Investment		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write off/write back of excess provision during the year	-	-
(iv)	Closing balance	-	-

46 (5) Derivatives:

46 (5) (i) Forward rate agreement/ Interest rate swap (also includes Currency Interest rate Swaps): The company has not entered into forward rate agreements/ interest rate swaps during the financial year ended March 31, 2019 (Previous year: Nil)

46 (5) (ii) Exchange traded Interest rate (IR) Derivatives: The company has not traded in Interest rate Derivative during the financial year ended March 31, 2019 (Previous year: Nil)

46 (5) (iii) Disclosure on Risk Exposure in Derivatives: Nil (Previous year –Nil)

46 (6) Securitization:

46 (6) (i) No transaction for Special Purpose Vehicle during the Financial year (Previous year – Nil)

46 (6) (ii) Financial asset sold to Securitization/Reconstruction company for Asset reconstruction: Nil (Previous year- Nil)

46 (6) (iii) Details of Assignment transactions undertaken by NBFC: During the current and previous year no assignment transaction has been undertaken.

46 (6) (iv) Details of Non performing Financial assets purchased/Sold: During the current and previous year no Non performing Financial Assets has been purchased/sold from/to other NBFCs.

46 (7) Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Particulars	Year	1 month	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	2018-19	-	-	-	-	-	0.40	-	-	0.40
	2017-18	-	-	-	-	-	-	-	-	-
Loans	2018-19	33.66	3.65	73.21	122.71	243.81	1,054.69	1,166.37	5,512.29	8,210.40
	2017-18	27.62	2.41	55.55	82.76	164.16	821.08	940.61	4,890.25	6,984.44
Investment	2018-19	166.85	-	-	-	-	-	-	-	166.85
	2017-18	-	-	-	-	-	-	-	-	-
Borrowing	2018-19	-	-	225.00	-	-	1,144.00	3,180.20	2,575.70	7,124.90
	2017-18	-	-	-	96.49	-	585.00	2,642.00	2,597.00	5,920.49

The above bucketing has been arrived based on extant regulatory guideline and the policy approved by the Board of Directors at its meeting held in the month of July 2018.

46 (8) Exposures:

46 (8) (i) Exposures to Real Estate Sector:

Category	2018-19	2017-18
a) Direct Exposure		
(i) Residential Mortgages	Nil	Nil
(ii) Infrastructure Real Estate (SEZs, Industrial Parks, IT Parks)	Nil	Nil
(iii) Commercial Real Estate	Nil	Nil
(iv) Investment in Mortgage Backed Securities(MBS) and other securitised exposures	Nil	Nil
b) Indirect Exposure	Nil	Nil

46 (8) (ii) Exposures to Capital Market:

Sr No	Category	2018-19	2017-18
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total exposure to capital Market	Nil	Nil

46 (8) (iii) Financing of parent company products: Nil (Previous Year - Nil).

46 (8) (iv) Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: Nil (Previous Year - Nil)

46 (8) (v) Unsecured advances: Nil (Previous Year - Nil).

46 (9) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

46 (10) Penalties imposed by RBI or other regulators: No Penalties has been imposed by RBI or other regulators during the year (Previous Year- Nil).

46 (11) Ratings assigned by credit rating agencies and migration during the year:

	2018-2019			2017-2018		
	CARE	CRISIL	ICRA	CARE	CRISIL	ICRA
Non Convertible Debentures	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (Stable)
Bank Loan	A1+	-	-	A1+	-	-
Redeemable Preference Shares	-	AAA (Stable)	-	-	AAA (Stable)	-
Commercial Paper	A1+	A1+	A1+	A1+	A1+	A1+
Principal Protected Market Linked Debentures	-	PP-MLD AAAr (Stable)	PP-MLD AAA (Stable)	-	-	-

46 (12) Provisions and contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2018-19	2017-18
Provision towards Non Performing Assets	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	-	11.92
Impairment on financial instruments	20.27	-

46 (13) Drawdown from reserves: No drawdown from reserves during the year (previous year: nil).

46 (14) Concentration of deposits, advances, exposures and NPAs:

Disclosure on Exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities, in terms of RBI circular DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019

Position as on 31 March 2019 (₹ in crore)

Loan amount outstanding	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA	Provisions required to be made as per IRAC norms.	Provisions actually held
696.16	-	2.84	2.84

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 ₹ 32 crore on these loans between 1st October, 2018 and the year end has been deferred.

46 (15) Concentration:

46 (15) (i) Concentration of deposits: (₹ in crore)

Sr No	Particulars	2018-19	2017-18
1	Total deposit of twenty largest depositors	N.A.	N.A.
2	Percentage of deposit of twenty large depositors to total deposit of NBFC	N.A.	N.A.

46 (15) (ii) Concentration of advances: (₹ in crore)

Sr No	Particulars	2018-19	2017-18
1	Total advances to twenty largest borrowers	3,711.80	3,924.48
2	Percentage of advances to twenty largest borrowers to total advances of NBFC	45.21%	56.19%

46 (15) (iii) Concentration of exposures: (₹ in crore)

Sr No	Particulars	2018-19	2017-18
1	Total exposure to twenty largest depositors/ customers	4,807.97	4,129.98
2	Percentage of exposure to twenty large borrowers/ customers to total exposure of NBFC on borrowers/ customers.	47.40%	54.75%

46 (15) (iv) Concentration of Non Performing Assets:

(₹ in crore)

Sr No	Particulars	2018-19	2017-18
1	Total exposure to top four NPA accounts	Nil	Nil

46 (15) (v) Sector wise Non Performing Assets:

Percentage of Non Performing Assets to total advances in that sector (₹ in crore)

Sr No	Sector	2018-19	2017-18
1.	Agriculture & Allied activities		
2.	MSME		
3.	Corporate borrowers		
4.	Services	Nil	Nil
5.	Unsecured personal loans		
6.	Auto loans		
7.	Other personal loans		

46 (16) Non- Performing Assets : NIL

46 (17) Overseas Assets: Nil (Previous Year Nil)

46 (18) Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms): Nil (Previous Year Nil)

46 (19) Disclosure of Customer Complaints: Nil (Previous Year Nil)

46 (20) Postponement of revenue recognition: Nil

46 (20) Disclosures on Flexible Structuring of Existing Loans: Nil

46 (21) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period): Nil

46 (23) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period): Nil

46 (24) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period): Nil

Schedule to the

Balance Sheet of a non-deposit taking non-banking financial company

Liability Side:

1. Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:

(₹ in crore)

Sr. No	Particular	As at 31-03-2019 Amount outstanding	As at 31-03-2019 Amount Overdue	As at 31-03-2018 Amount outstanding	As at 31-03-2018 Amount Overdue
(a)	Debentures :				
	Secured	7,256.82	Nil	6,064.72	Nil
	Unsecured	128.19	Nil	Nil	Nil
	(Other than falling within the meaning of public deposits*)				
(b)	Deferred Credits	Nil		Nil	Nil
(c)	Term Loans	Nil	Nil	Nil	Nil

Asset Side:

2. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in crore)

Sr. No	Particular	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
(a)	Secured	8,167.95	6,984.44
(b)	Unsecured	Nil	Nil

3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities

(₹ in crore)

Sr. No	Particular	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial Lease	Nil	Nil
(b)	Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire	Nil	Nil
(b)	Repossessed assets	Nil	Nil
(iii)	Other loans counting towards AFC activities		
(a)	Loans where assets have been repossessed	Nil	Nil
(b)	Loans other than (a) above	Nil	Nil

4. Break-up of Investments

(₹ in crore)

Sr. No	Particulars	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
	Current Investments		
1	**Quoted**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	167.04	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil

(₹ in crore)

Sr. No	Particulars	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
2	**Unquoted :**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil

(₹ in crore)

Sr. No	Long Term Investments	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
1	**Quoted**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
2	**Unquoted :**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds / Venture Capital Fund	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (Security Deposit)	Nil	Nil

5. Borrower group-wise classification of assets financed as in (2) and (3) above (see footnote 2 below):

(₹ in crore)

Category	As at 31-03-2019 Amount outstanding	As at 31-03-2018 Amount outstanding
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties (Secured)	8,167.95	6,984.44
Total	**8,167.95**	**6,984.44**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (see footnote 3 below)

(₹ in crore)

Category	As at 31-03-2019		As at 31-03-2018	
	Market Value/ Breakup Value/ Fair value /NAV	Book Value(Net of Provisions)	Market Value/ Breakup Value/ Fair value /NAV	Book Value(Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	167.04	167.04	-	-
Total	**167.04**	**167.04**	**-**	**-**

7. Other information

(₹ in crore)

Sr. No	Particulars	As at 31-03-2019	As at 31-03-2018
(i)	Gross Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	Nil	Nil
(ii)	Net Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	Nil	Nil
(iii)	Assets acquired in satisfaction of debt	Nil	Nil

Footnotes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms have been applied as prescribed in Master direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking (Reserve Bank) Directions, 2016.

3 All Accounting Standards represents to Companies Act and Companies rules and Guidance are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (4) above.

47 The previous year Previous GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

In terms of our report attached.

For B.K.Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 044784
Firm Registration No.: 105102W

Place : Mumbai
Date : April 28, 2019

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN - 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary