ANNUAL REPORT 2021-22

L&T INFRA CREDIT LIMITED

(formerly known as L&T INFRA DEBT FUND LIMITED)

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Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Ninth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY22 as compared to the previous FY i.e., FY21 is given below:

(₹ in Cr)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	731.18	893.62
Total Expenses	720.18	734.46
Profit before Tax	**11.00**	**159.16**
Provision for Tax		
Provision for Tax related to earlier year	6.89	95.93
Profit after Tax	**4.11**	**63.23**
Other Comprehensive Income	0.66	(1.67)
Total Comprehensive Income for the Year	**4.77**	**61.56**
Add: Balance brought forward from previous year	540.21	503.25
Balance available for appropriation	544.98	564.82
Appropriations:		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	0.82	12.65
Reserve u/s 36(1)(viii) of Income-tax Act, 1961	10.93	-
Impairment Reserve	-	11.95
Capital Redemption Reserves	33.10	-
Surplus in the Statement of Profit and Loss	**500.13**	**540.21**

FINANCIAL PERFORMANCE OF THE COMPANY

In spite of the challenging economic environment and slowdown in several sectors, the Company has a profit (including other comprehensive income) of ₹ 4.77 Cr on loans of ₹ 4,940.38 Cr as on March 31, 2022, 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 tenor ranging from 5 to 20 years from over 500 investors out of which 300 are institutional investors, principally insurers and pension / provident funds. The net worth of the Company as on March 31, 2022 was ₹ 1,306.39 Cr as compared to ₹ 1,333.88 Cr as on March 31, 2021.

APPROPRIATIONS

The Company proposes to transfer ₹ 0.82 Cr (previous year: ₹ 12.65 Cr) to Special Reserve created u/s 45 – IC of the Reserve Bank of India Act, 1934, transfer NIL amount (previous year: ₹ 11.95 Cr) to Impairment Reserve created as per the RBI Circular No. RBI/2019-20/170, transfer ₹ 10.93 Cr (previous year: ₹ NIL Cr) to Reserve u/s 36(1)(viii) of Income-tax Act, 1961 transfer ₹ 33.10 Cr (previous year: NIL) to Capital Redemption Reserves and retain ₹ 500.13 Cr (previous year: ₹ 540.21 Cr) in the Statement of Profit and Loss of the Company.

COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013 ("the Act").

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been given as part of the Management Discussion & Analysis section.

MATERIAL CHANGES AND COMMITMENTS

RBI vide its letter dated May 17, 2021 had advised the Company to take steps to convert the Company into NBFC – Investment and Credit Company ("NBFC – ICC") from an IDF- NBFC. Accordingly, the Company had made an application on June 09, 2021 to RBI for converting the Company into an NBFC-ICC. RBI approval for the same is awaited.

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 dividend @ 5% p.a. per share in respect of 648, 50 and 1,003 Cumulative Redeemable Non-Convertible Preference Shares ("NCRPS") of the face value of ₹ 10,00,000 each of the Company for FY22, entailing an outflow of ₹ 3.24 Cr, ₹ 0.25 Cr and ₹ 3.36 Cr respectively and dividend @ 5.25% p.a. per share in respect of 1,500 NCRPS of the face value of ₹ 10,00,000 each of the Company for FY22, entailing an outflow of ₹ 7.88 Cr.

For the year ended on March 31, 2022, your Company has not considered the proposal to pay dividend on equity shares to conserve the capital in the business.

CREDIT RATING

During the period under review, CRISIL Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA") had reviewed the ratings as follows:

Type of Security	CRISIL	CARE	ICRA
Non-Convertible Debentures	CRISIL AAA / Stable [Triple A with Stable Outlook]	CARE AAA / Stable [Triple A with Stable Outlook]	ICRA AAA / Stable [Triple A with Stable Outlook]
Preference shares	CRISIL AAA / Stable	–	–
Long- term Principal Protected Market Linked Debentures	CRISIL PP – MLD AAAr / Stable	CARE PP – MLD AAA / Stable	PP – MLD ICRA AAA / Stable
Short-term rating on Commercial Papers	CRISIL A1+	CARE A1+	ICRA A1+
Short term bank facilities	–	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.

FUND RAISING

During the year under review, no fund raising activity was undertaken.

Further, the net borrowings have reduced by ₹ 652.28 Cr as at March 31, 2022 as compared to March 31, 2021. The aggregate debt outstanding as on March 31, 2022 was ₹ 7,814.40 Cr.

CHANGES TO THE SHARE CAPITAL

During the year under review, the Company did not issue any further capital.

Further, 1,003 NCRPS of face value of ₹ 10,00,000 which was due for partial redemption with 33.20% premium aggregating to ₹ 440,878,680 were duly redeemed by the Company.

As on March 31, 2022, the authorized share capital of the Company was ₹ 20,00,00,00,000 (₹ Two Thousand Crore only) divided into 1,00,00,00,000 (One Hundred Crore) Equity Shares of ₹ 10 (₹ Ten Only) each and 10,000 (Ten thousand) Redeemable Cumulative Preference Shares of ₹ 10,00,000 (₹ Ten Lakh Only) each.

As on March 31, 2022, the paid-up share capital of the Company was ₹ 7,44,08,22,140 (₹ Seven Hundred and Forty Four Crore Eight Lakh Twenty Two Thousand One Hundred and Forty only) divided into 49,01,80,214 equity shares of face value of ₹ 10 each, aggregating to ₹ 4,90,18,02,140 (₹ Four Hundred and Ninety Crore Eighteen Lakh Two Thousand One Hundred and Forty only) and 3,201 CRPS comprising of 2,198 fully paid of ₹ 10,00,000 each, and 1,003 fully paid of ₹ 3,30,000 each aggregating to ₹ 2,53,90,20,000 (₹ Two Hundred Fifty Three Crore Ninety Lakh Twenty Thousand 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 Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

During the year under review, Mr. Sunil Prabhune, stepped down from the position of the Non-Executive Director of the Company with effect from August 12, 2021 to devote time to other commitments.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every Annual General Meeting ("AGM"), 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 AGM and being eligible, has offered herself for re-appointment.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at *https://www.ltfs.com/companies/lt-infra-credit.html*.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

Familiarization Programme

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at *https://www.ltfs.com/companies/lt-infra-credit/investors.html*.

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 and the Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

KEY MANAGERIAL PERSONNEL ("KMPs")

During the year under review, Ms. Apurva Rathod stepped down from the position of the Company Secretary of the Company with effect from April 28, 2021 and consequently, Ms. Savita Kodain was appointed as the Company Secretary of the Company and was designated as KMP under the Act with effect from June 09, 2021.

Further, Mr. Sandeep Agarwal stepped down from the position of Head-Accounts (discharging functions of the Chief Financial Officer) with effect from December 12, 2021 and Mr. Manish Jethwa was appointed as the Chief Financial Officer of the Company and was designated as KMP under the Act with effect from January 20, 2022.

As on March 31, 2022 the Company had the following KMPs:

1) Shiva Rajaraman - Whole-time Director

2) Savita Kodain - Company Secretary

3) Manish Jethwa - Chief Financial Officer

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 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, require the Nomination and Remuneration Committee ("NRC") to formulate a policy relating to 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 Policy").

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the Policy, which is available on the website of the Company at *https://www.ltfs.com/companies/lt-infra-credit.html*.

B) Brief framework of the Policy

The objective of this Policy is:

i. To guide the Board in relation to appointment and removal of Directors.

ii. To evaluate the performance of the Members of the Board including Independent Directors.

iii. To formulate criteria for evaluation of Independent Directors and the Board.

iv. To determine criteria for payment of remuneration to Directors, Senior Management / KMP and Employees.

v. To recommend to the Board on remuneration payable to the Directors including Senior Management / KMP and Employees, if required.

vi. To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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 their appointment as an Independent Director.

No person is eligible to be appointed as a Director, if he / she is subject to any disqualifications as stipulated under the Act or any other law(s) for the time being in force.

Approval of shareholders for appointment/ re-appointment of an Independent Director on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

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 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 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 31st on the basis of the following criteria:

a) Membership & Attendance - Committee and Board Meetings;

b) Contribution during such meetings;

c) Active participation in strategic decision making;

d) Inputs to executive management on matters of strategic importance;

e) Performance of the Directors;

f) Fulfillment of the independence criteria and their independence from the management; and

g) 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") not being a KMP of the Company, 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 Human Resource ("HR") Department initiates the process of 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) / NRC / as prescribed by law or regulator 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 and / or recommending the criteria for remuneration for Directors, Senior Management / KMPs and other employees ensures 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, Senior Management / 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 Policy was amended to carry out the changes as required due to changes in the regulatory provision(s).

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and 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 ("LTFH"), the holding company and individual feedback provided to each Director.

c) Chairperson Evaluation:

- Evaluation as done by the individual directors is collated and compilation is submitted in a sealed envelope / through electronic means to the Chairperson of the NRC and Chairperson of the NRC presents the feedback at the NRC Meeting and subsequently at the Board Meeting.

d) Whole-time Director Evaluation:

- Evaluation as done by the individual directors is submitted to the Chairperson of NRC and Chairperson of Board in a sealed envelope / through electronic means and the Chairperson of NRC tables / discusses the compilation at the NRC / Board meeting.

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance for the year under review, is forming part of the Annual Report. The certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is appended to the Corporate Governance Report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder and RBI requirements, the Members at their Eighth AGM held on June 28, 2021, had appointed M/s C N K & Associates LLP, Chartered Accountants (Firm Registration No: 101961W/W-100036) as the Statutory Auditors of the Company for a term of three years, i.e., from the conclusion of the Eighth AGM till the conclusion of the Eleventh AGM.

AUDITORS' REPORT

The Auditors' Report to the Members for the year under review is unmodified. 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 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed M/s Krupa Joisar & Associates, Practicing Company Secretary (Membership No.: F11117; Certificate of Practice No.: 15263) to undertake the Secretarial Audit of the Company for FY22.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s Krupa Joisar & Associates has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI Regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report is appended herewith as **Annexure A** to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

PARTICULARS OF EMPLOYEES

The information required to be given pursuant to the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company does not apply.

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

The Company being in the process of conversion to NBFC - ICC, 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 are not relevant to its activities.

The details of conservation of energy and Technology absorption at L&T Financial Services ("LTFS") are as follows:

a. Conservation of Energy

(i) Steps taken or impact on conservation of energy:

- Installation of sensor-based lighting within the office premises which automatically turns the lights off when not in use.
- Set up of variable frequency drives for air handling units and pumps for optimum use of electricity.
- Installation of LED-based energy efficient lighting fixtures in the office premises.
- Optimisation of office space across branches leading to relocation of 24 branches, thereby achieving better energy efficiency.
- Installation of energy efficient ACs in offices.
- Installation of Automatic Tube Cleaning System (ATC system) for maintenance of chiller.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Corporate headquarters shifted to "Renewable Energy."

b. Technology Absorption:

The details pertaining to technology absorption at LTFS (usage of digital and data analytics to build sustainable competitive advantage) are covered in the Management Discussion and Analysis section.

c. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings. The expenditure in foreign currency was ₹ 0.01 Cr (previous year: ₹ 0.06 Cr) 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 Limited and step down wholly-owned 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 Act.

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

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

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, 2022 and of the profit and loss 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 and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

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 systems 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" in line with the Board approved Risk Based Internal Audit Policy.

The IA function of L&T Financial Services ("LTFS") monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the 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 ("AC") of the Company from time to time.

BOARD MEETINGS

The details of the Board Meetings held during FY22 are disclosed in the Corporate Governance Report appended to this Report.

COMPOSITION OF THE AUDIT COMMITTEE

The Company has constituted an AC in terms of the requirements of the Act, Regulation 18 of the SEBI Listing Regulations and RBI regulations. 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") and ESG Committee. The composition and terms of reference of the CSR & ESG 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/csr.html*.

The Company aims to promote inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The CSR efforts of the Company closely align with the Sustainable Development Goals (SDGs), particularly, 'No Poverty' (SDG 1), 'Gender Equality' (SDG 5), 'Sustainable Cities and Communities' (SDG 11), 'Climate Action' (SDG 13) and 'Partnership for the Goals' (SDG 17). The CSR interventions follow a project-based accountability approach, emphasizing on the principles of 'Social impact', 'Scale' and 'Sustainability' to create shared value for all stakeholders. The key projects are undertaken in focused areas of interventions, viz, Digital Financial Inclusion, Disaster Management and other initiatives.

During the year under review, the CSR Policy has been updated as below:

- Revision in the thrust areas based on Company strategy
- Changes aligned with the amendment to the Act

An annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure B** 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, under which the Whistle Blower Investigation 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, employees and service providers can raise actual or suspected violations.

Necessary details pertaining to the framework are disclosed in the Corporate Governance Report appended to this Report.

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

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties ("RPT Policy") pursuant to the recommendation of the AC. In line with the requirements of the Act, RBI regulations and the SEBI Listing Regulations, the Company has formulated the RPT Policy which is also available on the website of the Company at *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") irrespective of its materiality and any subsequent material modification to any existing RPTs are referred to the AC of the Company for prior approval. The process of approval of RPTs by the AC, Board and Shareholders is as under:

  a) Audit Committee:

  All RPTs and subsequent material modification, irrespective of whether they are in the ordinary course of business or at an arm's length basis will require prior approval of AC.

  Only those members of the AC who are independent directors approve RPTs.

  RPTs to which the subsidiary of the Company is a party but the Company is not a party, require prior approval of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity with effect from April 1, 2022.

  b) Board:

  Generally, all RPTs would be 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 and / or which requires shareholders' approval would be approved by the Board.

  c) Shareholders:

  All material RPTs and subsequent material modification would require 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 an ordinary resolution in the general meeting, it is required to be ratified by the Board or 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.

TRANSACTIONS WITH RELATED PARTIES

Prior approval of the AC and the shareholders is not required for a transaction to which the listed subsidiary is party but the Company is not a party, if Regulation 23 and Regulation 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.

The following transactions are exempted from the approval requirements as per SEBI Listing Regulations and / or the Act:

- holding company and its wholly-owned subsidiary;
- two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company.

All RPTs that were entered into during FY22 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 constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 21 of the SEBI Listing Regulations and RBI regulations and has also adopted a Risk Management Policy. The details of the same are disclosed in the Corporate Governance Report.

The Company has a risk management framework and Board members are informed about risk assessment and minimization procedures and periodical review to ensure management controls risk by means of a properly designed framework. The AC and the Board is kept apprised of the proceedings of the Meetings of the RMC.

The Company has in place a Risk Management Policy covering identification, assessment, measurement, mitigation and monitoring of all the key risks faced by the Company. This policy has been approved by the Board and is subjected to its review at an annual frequency at the minimum. The RMC assists the Board in providing oversight on the implementation of risk management framework laid down in the policy.

The Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk and operational risk are some of the risks that the Company is exposed to and details of the same are provided in the Management Discussion and Analysis section.

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 Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. 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 PRESCRIBED UNDER THE ACT

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act is available on the website of the Company at *https://www.ltfs.com/companies/lt-infra-credit.html*.

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 material penalties have been levied by the RBI / any other Regulators during the year under review.

RBI REGULATIONS

The Company has complied with the applicable regulations of RBI as on March 31, 2022.

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, SEBI, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions 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, for exhibiting outstanding performance during such challenging times.

For and on behalf of the Board of Directors
L&T Infra Credit Limited
(formerly known as L&T Infra Debt Fund Limited)

Dinanath Dubhashi
Director
DIN: 03545900

Rupa Rege Nitsure
Non-Executive Director
DIN: 07503719

Place: Mumbai
Date: April 27, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'A' TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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 CREDIT LIMITED
(formerly known as 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 CREDIT LIMITED** (formerly known as 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, 2022, 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, 2022 according to the provisions of, **as applicable**:

(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, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently, 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, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **presently the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**

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, 1998; **presently, 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 – 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 with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) 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.

Further, no penalty or fine was levied on the Company except for a fine of Rs. 1,180 each by NSE and BSE for delay in filing of the compliance with respect to regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Whole time Director, 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.

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.– NIL

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

- Redemption of Non-Convertible Debentures ("NCDs") during the FY 2021-22 aggregating to ₹ 634 Cr, issued on a private placement basis.
- Partial Redemption of 1003 Cumulative Non-Convertible Redeemable Preference Shares ("CRPS") aggregating to ₹ 44.08 Cr during the FY 2021-22.

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

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

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

(vi) Any other Events – please specify, if any

(a) The Company is in the process of conversion from an Infra Debt Fund - NBFC (“IDF – NBFC”) to Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) and the approval from the Reserve Bank of India (RBI) is awaited.

(b) The name of the Company was changed from L&T INFRA DEBT FUND LIMITED to L&T INFRA CREDIT LIMITED pursuant to approval received from the Registrar of Companies, Mumbai on August 18, 2021.

(c) The members of the Company approved the alteration of memorandum of Association by amending the Main Object Clause in their meeting held on July 23, 2021.

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117D000172707

Place: Mumbai
Date: April 20, 2022

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

'Annexure I'

To,
The Members
L&T INFRA CREDIT LIMITED
(formerly known as 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.

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117D000172707

Place: Mumbai
Date: April 20, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'B' TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility ("CSR")

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

1) **Brief outline on CSR policy of the Company**

CSR Vision:

We aspire for an inclusive social transformation of the rural communities we serve by nurturing and creating opportunities for sustainable livelihoods for them.

CSR Mission:

Our mission is to reach marginalized farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their ecosystems thereby creating sustainable livelihoods and enabling financial inclusion.

Commitment:

Our focus is on creating value for rural indigent communities, which desire a secure future. Our social responsibility theme and commitment is in line with the United Nation's global development agenda of Sustainable Development Goals (SDGs) particularly, 'No Poverty' (SDG 1), 'Gender Equality' (SDG 5), 'Sustainable Cities and Communities' (SDG 11), 'Climate Action' (SDG 13) and 'Partnership for the goals' (SDG 17).

Our key initiatives are woven around sustainable livelihoods of rural communities facilitated by focused areas of intervention – Digital Financial Inclusion, Disaster Management and Other Initiatives.

We implement the CSR projects as a collaborative effort between various companies within L&T Financial Services, through partnership with organizations mandated under Rule 4(1) of the Companies (CSR Policy) Rules, 2014.

CSR Approach:

A project-based accountability approach is adopted, emphasizing on the three aspects of social impact, scale and sustainability. Baseline and end line assessments are carried out for each project with clearly defined measurable results.

Monitoring:

A three-tier structure exists with the CSR & ESG Committee formulating & recommending the annual action plan to the Board, in line with the CSR vision of the Company. The CSR team conducts periodic review of the projects and documents the progress. The Board verifies that the CSR funds have been utilised for the projects as approved by it.

2) **Composition of CSR & ESG Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1.	Dinanath Dubhashi	Chairperson	1	1
2.	Thomas Mathew T.	Independent Director	1	1
3.	Nishi Vasudeva	Independent Director	1	1

3) **Web-link where composition of CSR & ESG Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

The composition of CSR and ESG Committee, CSR Policy and CSR projects approved by the Board can be accessed on the website at the following link - *https://www.ltfs.com/csr.html*.

4) **Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable (N.A.)

5) **Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

Sr. No	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	Nil	Nil
	Total	-	-

6) **Average net profit of the Company as per Section 135(5):** ₹ 1,67,93,07,428.89

7) a) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 3,35,86,149

b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

c) **Amount required to be set-off for the financial year, if any:** Nil

d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 3,35,86,149

8) a) **CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 3,35,86,149	Nil	N.A.	N.A.	Nil	N.A.

b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - through implementing agency	
				State	District						Name	CSR registration number
1.	Digital Sakhi West Bengal (Promotion of digital financial literacy and entrepreneurship development, reaching out to 450 Digital Sakhis and 1000 Women Entrepreneurs)	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	West Bengal	East Medinipur	4 years	10,17,00,685	3,05,86,149	Nil	No	Sabuj Sangha	CSR00000299
	TOTAL						**10,17,00,685**	**3,05,86,149**				

Note: *The CSR projects are implemented as a collaborative effort between various companies within L&T Financial Services and the amount allocated for the project disclosed herein is the amount pertaining to all companies within L&T Financial Services*

c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR registration number
1.	Healthcare & Environmental Access to health services and tree plantations	(i) promoting health care including preventive health (iv) ensuring environmental sustainability	No	Maharashtra	Nagpur	30,00,000	No	Pandit Deendayal Upadhyay Institute of Medical Science, Research and Human Resources	CSR00003027
	TOTAL					**30,00,000**			

d) **Amount spent in Administrative overheads:** Nil

e) **Amount spent on Impact Assessment, if applicable:** N.A.

f) **Total amount spent for the financial year (8b+8c+8d+8e):** ₹ 3,35,86,149

g) **Excess amount for set-off, if any:** Nil

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per Section 135(5)	₹ 3,35,86,149
ii.	Total amount spent for the financial year	₹ 3,35,86,149
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

9) a) **Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	FY19	Nil	Nil	N.A.	Nil	N.A.	Nil
2.	FY20	Nil	Nil	N.A.	Nil	N.A.	Nil
3.	FY21	Nil	Nil	N.A.	Nil	N.A.	Nil
	TOTAL	**Nil**	**Nil**	**-**	**Nil**	**-**	**Nil**

b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - Completed / ongoing
1.	Digital Sakhi West Bengal	Digital Sakhi West Bengal (Promotion of digital financial literacy and entrepreneurship development, reaching out to 450 Digital Sakhis and 1000 Women Entrepreneurs)	FY20	4 years	10,17,00,685	3,05,86,149	6,69,86,834	Ongoing
	TOTAL				**10,17,00,685**	**3,05,86,149**	**6,69,86,834**	

Note: *The CSR projects are implemented as a collaborative effort between various companies within L&T Financial Services and the amount allocated for the project and the cumulative spent disclosed herein is the amount pertaining to all companies within L&T Financial Services*

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(1)	(2)	(3)	(4)	(5)
Project ID	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
N.A.				

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): N.A.

Dinanath Dubhashi
Chairperson
CSR and ESG Committee
DIN: 03545900

Rupa Rege Nitsure
Non-Executive Director
DIN: 07503719

Place: Mumbai
Date: April 27, 2022

CORPORATE GOVERNANCE REPORT

[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A. L&T INFRA CREDIT LIMITED (FORMERLY KNOWN AS L&T INFRA DEBT FUND LIMITED) ("THE COMPANY") - PHILOSOPHY ON CORPORATE GOVERNANCE

At L&T Financial Services ("LTFS"), we believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values. Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. The Board of Directors ("Board") helps to ensure that we have appropriate governance in place, both to support our operations and protect our Members' interest. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") mandated by the Securities and Exchange Board of India ("SEBI") have been fully complied with. A report on compliance with the SEBI Listing Regulations as prescribed by SEBI is given below.

B. BOARD OF DIRECTORS

The members of the Board of the Company are eminent personalities from various fields and are entrusted with the responsibilities of management, general affairs, direction and performance of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

1. Composition of Board:

The composition of Board is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. As on the date of this Report, the Board consists of five Directors comprising two Independent Directors (including one woman Independent Director), two Non-Executive Directors and one Whole-time Director. Ms. Nishi Vasudeva is the Chairperson of the Company.

The Board consists of eminent personalities from diverse fields: professionals, private sector / public sector, social sector / commercial sector, banking / non-banking sector.

During the year under review, Mr. Sunil Prabhune, stepped down from the position of the Non-Executive Director of the Company with effect from August 12, 2021 to devote time to other commitments.

Further, the Company appointed Ms. Nishi Vasudeva as the Chairperson of the Company in compliance with the recent changes in regulatory provisions.

Commensurate with the size of the Company, complexity and nature of various underlying businesses, the composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership.

All the Independent Directors have confirmed to the Board that they meet the criteria for independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board. Further, the Whole-time Director of the Company is not serving as an Independent Director in any company.

None of the Directors of the Company are inter-se related to each other.

2. Board Procedure:

The Board meets at regular intervals to discuss and decide on policy of the Company / business and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, separate special

Board / Committee Meetings are held or the approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent meeting.

The Company Secretary approaches various business / department heads in advance with regard to the matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board / Committee Meetings. The detailed agenda together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is placed at the Meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of Directors. Senior management personnel are invited to the Board / Committee Meeting(s) to provide additional inputs for the items being discussed by the Board / Committee(s).

Further, presentations are made on business operations to the Board by the Chief Executives of various businesses of the Company. Additionally, presentations are made on various matters including the financial statements, fundraising program, operations related issues, the regulatory environment or any other issue which the Board is required / wants to be apprised of. The Company Secretary is responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

With a view to leveraging technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee agenda and minutes. The Directors of the Company receive the agenda in electronic form through this application, which can be accessed only through i-Pad. The application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee agenda in electronic form.

Due to the exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs ("MCA") and SEBI, all Board / Committee meetings in FY22 were held through video conferencing. Necessary infrastructural support was provided to the Directors, to ensure seamless attendance in all meetings. The proceedings of the meetings are recorded and stored in accordance with the requirements of the Act.

The draft minutes of the proceedings of the Meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the Meeting. Comments, if any, received from the Directors are incorporated in the minutes. The minutes are approved by the members of the Board / Committee(s) and confirmed.

3. Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the Independent Directors of the Company met on April 09, 2021.

4. Meetings & Attendance:

During the financial year ended March 31, 2022, 7 (seven) Board Meetings were held on April 09, 2021, June 09, 2021, June 24, 2021, July 14, 2021, October 18, 2021, January 20, 2022 and March 28, 2022. The Meetings of the Board are generally held at 8th Floor, Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India. However, due to Covid-19 pandemic situation, the Meetings during the FY22 were held through electronic mode (i.e., video conference).

The details of attendance of the members of the Board at the Meetings held during the year and at the last AGM and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2022 are as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held / conducted during the year	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other companies[1]	No. of Committee Memberships / Chairmanships (including in Company)[2]		No. of Independent Directorships (including in Company)[3]
							Member	Chairman	
Nishi Vasudeva[4]	03016991	C-ID	7	7	–	5	7	1	6
Thomas Mathew T.	00130282	ID	7	7	–	3	4	1	4
Dinanath Dubhashi	03545900	NED	7	7	Present	6	4	2	–
Sunil Prabhune[5]	07517824	NED	4	4	Absent	–	–	–	–
Rupa Rege Nitsure	07503719	NED	7	7	Present	3	–	–	–
Shiva Rajaraman	07570408	WTD	7	7	Present	1	1	–	–

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

(1) *Excludes Directorship in foreign company*
(2) *Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company*
(3) *Only equity listed companies are considered*
(4) *Appointed as Chairperson of the Company with effect from October 18, 2021*
(5) *Ceased to be the Non-Executive Director of the Company with effect from August 12, 2021*

The details pertaining to the directorships held by a Director in listed companies other than the Company as on March 31, 2022 is as follows:

Name of the Director	Name of the listed entity[1]	Nature of Directorship
Nishi Vasudeva	Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited)	Independent Director
	HCL Technologies Limited	Independent Director
Thomas Mathew T.	L&T Finance Holdings Limited	Independent Director
Dinanath Dubhashi	L&T Finance Holdings Limited	Managing Director & Chief Executive Officer
Rupa Rege Nitsure	–	–
Shiva Rajaraman	–	–

(1) *Only equity listed companies are considered*

5. Information to the Board:

The Board of Directors have access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results and results of operations of subsidiaries.
- Minutes of the meetings of the Board of Directors and Committees of the Board.
- Minutes of the Board meetings of subsidiaries.
- Details of potential acquisitions or collaboration agreement, if any.
- Material default, if any, in the financial obligations to and by the Company or substantial non-payment.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company.

- Developments in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

6. Post-meeting internal communication system:

The important decisions taken at the Board / Committee meetings are communicated to the departments / subsidiary companies concerned promptly to enable timely action, if required. Necessary action taken report is also placed at the meeting(s).

7. Board-skills / expertise / competencies:

The core skills / expertise / competencies identified by the Board pursuant to Schedule V of the SEBI Listing Regulations and available with the Board are as given below:

Name of the Director	Expertise										Experience
Nishi Vasudeva	✓			✓	✓	✓	✓	✓	✓	✓	> 40 years
Thomas Mathew T.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 41 years
Dinanath Dubhashi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 31 years
Rupa Rege Nitsure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 19 years
Shiva Rajaraman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 24 years

	Leadership qualities		Industry knowledge and experience
	Experience and exposure in policy shaping and industry advocacy		Understanding of relevant laws, rules, regulation and policy
	Corporate Governance		Financial expertise
	Risk Management		Global Experience/International Exposure
	Information Technology		ESG expertise

8. Performance Evaluation:

The Nomination and Remuneration Committee has approved a policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of the Company. The process for the aforesaid evaluation as required under the Act is given in the Board's Report.

9. Succession Planning:

The Company has a mechanism in place for ensuring orderly succession for appointments to the Board and to Senior Management.

10. Familiarization programme:

All new Independent Directors inducted on the Board are given an orientation. Presentations are made by Chief Executives and Senior Management giving an overview regarding the group structure, its businesses, the environment in which it operates, its various regulators, Board constitution and guidelines.

During the year under review, an ESG Leadership Engagement Program was conducted for the Board and Senior Management to familiarize the Directors about ESG concepts, trends and the updates from industry (including regulatory reporting framework) and industry mapping of practices adopted at LTFS.

The Company ensures necessary training to the Directors relating to its businesses through formal / informal interactions. Systems and resources are made available to the members of the Board. Additionally, regular field visits i.e., visits to the branches and meeting centers, are generally arranged for the Directors which help them understand the businesses and the on ground functioning. It also gives the Board an opportunity to communicate directly with the borrowers and dealers and understand the on-ground perception of the services provided by the Company and factors which differentiates its offerings from others.

The details relating to the familiarization programme are available on the website of the Company at *https://www.ltfs.com/companies/lt-infra-credit/investors.html*.

11. Confirmation of Independent Directors:

In the opinion of the Board, Independent Directors fulfill the conditions required for independent directors as per the provisions of the Act, the SEBI Listing Regulations and all other applicable laws and are independent of the management.

C. BOARD COMMITTEES

The structure of a Board and the planning of the Board's work are key elements to effective governance. Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities of the Company. The Board is regularly briefed about the deliberations, including summary of discussions and decisions, taken by the Committees through the minutes of the meetings. The business transacted by the Committees of the Board is placed before the Board for noting / recommendation / approval as applicable.

The Board has currently constituted the following Committees including pursuant to the provisions of the Act, SEBI Listing Regulations and Reserve Bank of India regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility and ESG Committee;
- Stakeholders Relationship Committee;
- Committee of Directors;
- Asset Liability Management Committee;
- Risk Management Committee;
- IT Strategy Committee.

1. Audit Committee ("AC"):

Terms of reference:

The role of the AC includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions;
   g. modified opinion(s) in the draft audit report;

4. Review with the management, the quarterly financial statements before submission to the Board for approval;
5. Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up thereon;
14. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Functioning of the Whistle Blower Mechanism / Vigil Mechanism of the Company;
18. Approve the appointment of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
19. Review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 Cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
20. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
21. 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;
22. 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;
23. 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; and
24. Carrying out any other function as may be mentioned in the terms of reference of the audit committee.

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

Composition:

The AC as on March 31, 2022 comprises:

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

Meetings and Attendance:

The AC met 5 (five) times during the year on April 09, 2021, June 24, 2021, July 14, 2021, October 18, 2021 and January 20, 2022. The details of attendance of members at the meetings were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Thomas Mathew T.	5	5
Nishi Vasudeva	5	5
Dinanath Dubhashi	5	5

All the members of the AC are financially literate and have accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

2. Nomination and Remuneration Committee ("NRC"):

Terms of reference:

The role of the NRC includes the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
3. 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.
4. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
5. Devising a policy on diversity of board of directors;
6. Extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition:

The NRC as on March 31, 2022 comprises:

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

Meetings and Attendance:

The NRC met 2 (two) times during the year on April 09, 2021 and October 18, 2021. The details of attendance of members at the meetings were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Thomas Mathew T.	2	2
Nishi Vasudeva	2	2
Dinanath Dubhashi	2	2

Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. The compensation reflects each Board member's responsibility and performance. The Directors on the Board who are in the service of LTFS draw remuneration from LTFS and are not paid any commission or sitting fees for attending the meetings of the Board and / or any Committee of the Company.

While the Company pays remuneration to Executive Director(s) by way of salary, perquisites, retirement benefits (fixed components) and variable remuneration, the Non-Executive Directors ("NEDs") are paid remuneration by way of commission and sitting fees. The remuneration to NEDs is based on the recommendations of the NRC and approval of the Board, subject to the limits approved by the Members, to the extent required as per regulatory requirements.

None of the NEDs have any pecuniary relationship with the Company.

As required under Schedule V of the SEBI Listing Regulations, the criteria for payment to NEDs is available on the website of the Company at *https://www.ltfs.com/investors.html*. Further, the performance evaluation criteria for Independent Directors as required under Schedule V of the SEBI Listing Regulations is included in the Board's Report.

Details of remuneration paid to Directors for the financial year ended March 31, 2022:

a) Remuneration to Executive Director(s)

The details of remuneration paid to Mr. Shiva Rajaraman, Whole-time Director are as follows:

(in ₹)

Salary and Perquisites[1]	Variable Remuneration[2] (up to)	Retirement Benefits	Total
3,06,08,750	41,46,580	10,45,559	3,58,00,889

[1] *Includes perquisite of ESOPs of the ultimate holding company (i.e. L&T Finance Holdings Limited) exercised during the year.*

[2] *Based on policy formulated by the NRC and approved by the Board.*

- *Notice period for termination of appointment of Whole-time Director is in accordance with the provisions of the Act, as per the Articles of Association of the Company, Employment Contract and / or Policies.*
- *No ESOPs were granted during the year and the ESOPs granted during earlier years pursuant to approval of the NRC of LTFH, will vest as per the approved vesting schedule*

b) Remuneration to Non-Executive Directors

The Company follows a transparent process for determining the remuneration of NEDs. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by them, active participation in strategic decision making and inputs to executive management on matters of strategic importance. Besides these, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of NEDs including Independent Directors.

In the backdrop of growing complexities and increasing regulatory requirements, the NEDs have contributed significantly and given useful feedback from time to time. The commission payable / paid in respect of NEDs for the year is mentioned below. The commission paid is as per the limits approved by the Members.

In addition to the commission, the Company pays sitting fees of ₹ 50,000 per Board and Independent Directors meeting, ₹ 50,000 per Audit Committee and Nomination and Remuneration Committee meeting and ₹ 25,000 per meeting for Corporate Social Responsibility and ESG Committee, Risk Management Committee, IT Strategy Committee and other Committee meetings.

The details of remuneration to the NEDs are as follows:

(₹ in Lakh)

Name of the Director	Sitting fees for Board Meeting / Independent Director Meeting	Sitting fees for Committee Meetings	Commission[1]	Total
Nishi Vasudeva	3.5	4.5	13.70	21.7
Thomas Mathew T.	3.5	3.3	10.50	17.3

[1] *Based on guidelines formulated by the NRC and approved by the Board*

Details of shares / convertible instruments, if any, held by the NEDs as on March 31, 2022 are as follows:

Name of the Director	No. of Equity Shares	No. of Preference Shares
Dinanath Dubhashi[1]	1	–
Rupa Rege Nitsure[1]	1	–

[1] *Held jointly with L&T Finance Limited*

3. Corporate Social Responsibility ("CSR") and ESG Committee (renamed w.e.f. January 20, 2022):

Terms of reference:

The role of CSR and ESG Committee includes the following:

1. Formulation of CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board;
2. Recommending the annual action plan and the amount to be spent on CSR activities;
3. Monitoring the implementation of the CSR policy; and
4. Formulation of action plan / guidelines / policies with regard to Sustainability / ESG.

Composition:

The CSR and ESG Committee as on March 31, 2022 comprises:

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

Meetings and Attendance:

The Committee met once during the year on April 09, 2021 and all the members of the CSR and ESG Committee had attended the meeting.

4. Stakeholders Relationship Committee ("SRC") (Committee constituted w.e.f. October 18, 2021):

Terms of reference:

The role of the SRC includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

Composition:

The SRC as on March 31, 2022 comprises of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
Nishi Vasudeva	Member	ID
Shiva Rajaraman	Member	WTD

Meetings and Attendance:

The SRC met once during the year on March 28, 2022 and all the members of the SRC had attended the meeting.

Details of Shareholders' requests / complaints:

The Company resolves investor grievances, if any expeditiously. The Company / its Registrar and Share Transfer Agents received the following complaints from SEBI / Stock Exchanges and queries from the shareholders, which were resolved within the time frame laid down by SEBI:

Particulars	Opening	Received	Resolved	Pending
Complaints:				
SEBI / Stock Exchanges	0	0	0	0
Queries:	0	0	0	0

5. Committee of Directors ("COD"):

Terms of reference:

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

Composition:

The COD as on March 31, 2022 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
Rupa Rege Nitsure	Member	NED
Shiva Rajaraman	Member	WTD

Meetings and Attendance:

No meeting was held during the year.

6. Asset Liability Management Committee ("ALCO"):

Terms of reference:

The role of ALCO includes the following:

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits; and
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.

Composition:

The ALCO as on March 31, 2022 comprises:

Name of the Member	Designation in the Committee
Whole-time Director	Chairperson
Managing Director & Chief Executive Officer of LTFH	Member
Chief Risk Officer	Member
Head – Treasury & Investment	Member
Mr. Vipul Chandra (Representative of L&T)	Member
Group Chief Economist	Member

Meeting details:

The Committee met 11 times during the year on May 14, 2021, June 25, 2021, July 26, 2021, August 20, 2021, September 24, 2021, October 28, 2021, November 19, 2021, December 24, 2021, January 17, 2022, February 15, 2022 and March 25, 2022.

7. Risk Management Committee ("RMC"):

Terms of reference:

The role of RMC includes the following:

1. Monitor the asset liability gap and strategize action to mitigate the associated risks with the help of Asset-Liability Management Committee ("ALCO"), Risk Management Committee would be managing the integrated risk which would include liquidity risk, interest rate risk, currency risk etc.
2. Formulate a detailed risk management policy including:
   a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b. Measures for risk mitigation including systems and processes for internal control of identified risks.
   c. Business continuity plan.
3. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken; and
7. Review of appointment, removal and terms of remuneration of the Chief Risk Officer.

Composition:

The RMC as on March 31, 2022 comprises:

Name of the Member	Designation in the Committee	Nature of Directorship
Non-Executive Director (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	Chairperson	NED
Nishi Vasudeva (Independent Director) [(1)]	Member	ID
R. Govindan (Representative of L&T)	Member	–
Whole-time Director	Member	WTD
Chief Risk Officer	Member	–

[(1)] *Nishi Vasudeva inducted as a Member of the Committee with effect from October 18, 2021*

Meetings and Attendance:

The Committee met four times during the year on July 02, 2021 September 17, 2021, December 17, 2021 and March 28, 2022. The attendance of members at the meetings was as follows:

Details of the Member	No. of Meetings held / conducted during the tenure of the Member / Year	No. of Meetings attended
Non-Executive Director (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	4	4
Nishi Vasudeva (Independent Director) [(1)]	1	1
R. Govindan (Representative of L&T)	4	4
Whole-time Director	4	4
Chief Risk Officer	4	4

[(1)] *Nishi Vasudeva inducted as a Member of the Committee with effect from October 18, 2021*

8. IT Strategy Committee ("ITC"):

Terms of Reference:

The role of ITC includes the following:

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls; and
- Instituting an effective governance mechanism and risk management processes for all outsourced IT operations.

Composition:

Name of the Member	Designation in the Committee
Nishi Vasudeva (Independent Director)	Chairperson
MD & CEO - L&T Finance Holdings Limited	Member
Chief Information Officer	Member
Chief Technology Officer	Member
Whole-time Director	Member
Chief Risk Officer	Member
Chief Information Security Officer	Member

Meetings and Attendance:

The Committee met twice during the year on September 17, 2021 and March 28, 2022. All the members of ITC attended the meeting.

D. OTHER INFORMATION:

Training of Directors:

All Directors of the Company are aware and are also updated as and when required, of their roles, responsibilities and liabilities.

Information to Directors:

The Directors have access to the information within the Company, which inter alia, includes items as mentioned in point no. B5 of the Corporate Governance Report. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with the management. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior management personnel are asked to make presentations about the performance of the Company / business to the Board.

Statutory Auditors:

Mr. Hiren Shah, Partner of M/s CNK & Associates LLP, Chartered Accountants, Statutory Auditors of the Company has signed the Audit Report for FY22.

Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members including Independent Directors and senior management personnel. The Code of Conduct is available on the website of the Company at *https://www.ltfs.com/investors.html*. The declaration of Whole-time Director is given below:

To the Members of L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)

Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

Shiva Rajaraman
Whole-time Director

Date: April 27, 2022
Place: Mumbai

Vigil Mechanism Framework / Whistle Blower 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, 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, employees and service providers can raise actual or suspected violations.

The Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/ suspected violations. The implementation of the framework is monitored through the Committee which meets on a quarterly basis and all cases are discussed in detail before it is presented to the AC. It addresses all concerns raised on questionable practices. The framework ensures protection to the whistleblower to avoid any sort of unfair or prejudicial employment practices. The Chairperson of the AC has direct access to all complaints raised through the framework. At the AC, brief update is presented to the Members for their review. The Committee takes necessary actions to maintain confidentiality within the organization on matters brought to its attention.

The mechanism framed by the Company is in compliance with the requirements of the Act and SEBI Listing Regulations and the same is available on the website of the Company at *www.ltfs.com/investors.html*.

As on March 31, 2022, no complaint has been received by the Company from any directors or employees of the Company with respect to any wrong doings that may have an adverse impact on the Company's image or financials of the Company.

During the year, no person has been declined access to the AC, wherever desired.

General Body Meetings:

The details of AGM of the Company for the previous three years are as under:

Year	Date	Time	Venue / Mode of conducting the meeting
2018-19	June 28, 2019	12:00 P.M.	Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East) Mumbai 400098
2019-20	July 28, 2020	10:30 A.M.	Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East) Mumbai 400098
2020-21	July 28, 2021	10:30 A.M.	Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East) Mumbai 400098 IN

The following special resolutions were passed by the Shareholders during the past three Annual General Meetings:

Year	Date	Resolution
2018-19	June 28, 2019	Nil
2019- 20	July 28, 2020	Reaffirming / ratifying the resolution for issuance of non-convertible debentures during FY21.
2020- 21	July 28, 2021	Nil

Other Disclosures:

- During the year, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the Financial Statements as required under Ind AS 24 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time while preparing the Financial Statements.
- There were no instances of non-compliance on any matter relating to capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority except as follows:
    - o In accordance with SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020, a fine of ₹ 1,180 each by the Stock Exchanges (BSE and NSE) was levied for inadvertent absence and delay in submission of asset cover details along with the financials. The Company made the payment and necessary checks and controls were put in place to ensure full disclosure in the financial results.
- The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and other applicable provisions of the SEBI Listing Regulations.
- The web link with respect to the policy for determining material subsidiaries and policy on dealing with related party transactions are available on the website of the Company at *www.ltfs.com*.
- The Company has also substantially complied with the discretionary requirements stipulated under Regulation 27 of the SEBI Listing Regulations.
- The provisions of Regulation 32(7A) of the SEBI Listing Regulations are not applicable to the Company.
- M/s Krupa Joisar & Associates, Practising Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report.
- At the Eighth AGM held on July 28, 2021, M/s CNK & Associates LLP were appointed in place of M/s Deloitte Haskins & Sells LLP. Therefore, for Q1FY22, the total consolidated fees of ₹ 0.02 Cr was paid to the Statutory Auditors (i.e. M/s Deloitte Haskins & Sells LLP) and all entities in the network firm / network entity of which the Statutory Auditors are a part of, for all the services rendered to the Company.

  Further, for the remaining quarters, the total consolidated fees of ₹ 0.17 Cr (excluding taxes and including provisions) was paid to the Statutory Auditors (i.e. M/s CNK & Associates LLP) for all the services rendered to the Company.
- There were no complaints of sexual harassment of women at workplace received by the Company during FY22 and FY21.
- In terms of amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all mandatory recommendations received from its committees.
- For disclosure pertaining to credit rating, please refer the Board's Report.

Means of Communication:

- Quarterly Results are communicated through Newspaper Advertisements in prominent national daily like Free Press Journal.
- The financial results are also displayed on the website of the Company at *www.ltfs.com/investors.html*.
- The Annual Report is circulated to all the Members and all others like auditors, equity analysts, etc.
- Management Discussion and Analysis section forms a part of the Annual Report and is sent to the Members of the Company.

General Shareholders' Information:

Annual General Meeting	Monday, July 11, 2022 at 1.00 P.M. at the registered office of the Company
Financial Year	April 1, 2021 to March 31, 2022.
Listing on Stock Exchanges (Equity Shares)	N.A.
Listing of Preference Shares	All the series of Non-Convertible Redeemable Preference Shares ("NCRPS") issued by the Company on a private placement basis till date are listed on BSE Limited.
Listing of Non-Convertible Debentures ("NCDs")	Unsecured, Redeemable, Non-Convertible Debentures issued by the Company on private placement basis till date are listed on National Stock Exchange of India Limited and BSE Limited.
Stock Code (Equity)	N.A.
Stock Code (Preference)	As on March 31, 2022, the Company has 4 active ISINs listed on Stock Exchanges.
Stock Code (NCDs)	As on March 31, 2022, the Company has 86 active ISINs listed on Stock Exchanges.
CIN	L67100MH2013PLC241104
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	N.A.
Registrar and Share Transfer Agent("RTA")	**M/s. Link Intime India Private Limited** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

Distribution of Shareholding as on March 31, 2022:

100% shareholding of the Company is held by the promoters of the Company.

Categories of the Shareholders as on March 31, 2022:

Category	No. of Shares	%
Promoters	490,180,214	100
Financial Institutions	–	0.00
Foreign Institutional Investors, Foreign Portfolio Investors & Alternate Investment Funds	–	0.00
Mutual Funds	–	0.00
Bodies Corporate	–	0.00
Directors & Relatives	–	0.00
Resident Individuals & Others	–	0.00
Banks	–	0.00
Non-Resident Indians	–	0.00
TOTAL	**490,180,214**	**100.00**

Dematerialization of Shares:

Being a Debt Listed Company, shares are not required to be traded on the Stock Exchanges.

Securities Dealing Code:

LTFH, holding company of the Company requires the Company to adhere to SEBI (Prohibition of Insider Trading) Regulations, 2015 pursuant to which LTFH has framed the Securities Dealing Code in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information.

Under this Code, Designated Persons are prohibited from dealing in the shares of the Company during the closure of Trading Window. They are required to obtain compliance approval when trading in securities beyond a specified limit. They are prohibited from executing a contra trade for a period of six months and from taking positions in the derivatives segment. They are also required to make relevant periodic disclosures as defined in the Code.

Ms. Vinda Wagh, Head – Group Regulatory Compliance has been designated as the Compliance Officer for monitoring compliances with this Code. Ms. Apurva Rathod, Company Secretary of LTFH has been designated as the Chief Investor Relations Officer under the Code to deal with dissemination of information and disclosure of unpublished price sensitive information.

Secretarial Audit:

The Board of Directors of the Company at its meeting held on April 09, 2021 had appointed M/s Krupa Joisar & Associates, Practising Company Secretary as the Secretarial Auditor of the Company for FY22.

Debenture Trustee:

The Debenture Trustee of the Company is:

Catalyst Trusteeship Limited
GDA House, Plot No 85
Bhusari Colony (Right), Paud Road, Pune - 411 038
Tel: +91 020 6680 7200 / 7223 / 7224
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
Website: *www.catalysttrustee.com*

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To
The Board of Directors
L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)

Dear Sirs / Madams,

We have reviewed the financial statements read with the cash flow statement of L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that;

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

We have indicated to the Auditors and the Audit Committee:

(i) that there were no significant changes in internal control over financial reporting during the period;

(ii) that there were no significant changes in accounting policies made during the period; and

(iii) that there were no instances of significant fraud of which we have become aware of.

Yours sincerely,

Shiva Rajaraman
Whole-time Director

Manish Jethwa
Chief Financial Officer

Place: Mumbai
Date: April 27, 2022

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
L&T INFRA CREDIT LIMITED
(formerly known as L&T INFRA DEBT FUND LIMITED)

We have examined the compliance of the conditions of Corporate Governance by L&T INFRA CREDIT LIMITED (formerly known as L&T INFRA DEBT FUND LIMITED) ('the Company') for the year ended on March 31, 2022, as stipulated and as applicable under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 or Regulation 62, as applicable and part C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Krupa Joisar & Associates**
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117D000224431

Mumbai, April 27, 2022

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
L&T INFRA CREDIT LIMITED
(formerly known as L&T INFRA DEBT FUND LIMITED)

We have examined the following documents:

a. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

b. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as received from the Directors of L&T INFRA CREDIT LIMITED (formerly known as L&T INFRA DEBT FUND LIMITED) (hereinafter referred to as 'the Company') to the Board of Directors of the Company for the Financial Year 2021-22 and Financial Year 2022-23, produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of Appointment in the Company*	Date of Cessation in the Company*
1.	Mr. Thomas Mathew Thumpeparambil	00130282	16/10/2014	-
2.	Ms. Nishi Vasudeva	03016991	02/07/2018	-
3.	Mr. Dinanath Mohandas Dubhashi	03545900	29/04/2016	-
4.	Dr. Rupa Rege Nitsure	07503719	27/04/2016	-
5.	Mr. Shiva Rajaraman	07570408	27/02/2020	
6.	Mr. Sunil Prabhune	07517824	24/04/2019	12/08/2021

**Date of appointment and cessation is as per MCA Portal*

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act. Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Krupa Joisar & Associates
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117D000172751

Mumbai, April 20, 2022

MACRO-ECONOMIC REVIEW

Indian economy reverted to growth in FY22 reporting a growth of 8.7%, after a dip of 6.6%. While the first half of FY22 witnessed decent economic revival after the 2nd wave of the pandemic, the momentum was broken in the second half of FY22 on account of the 3rd wave of Covid and fallout from the geo-political developments in Europe. The adverse impact of the 3rd wave was very limited due to lockdowns being localised and better preparedness of the State Governments to handle the health crisis. Economic recovery during FY22 was also supported by large-scale vaccination and sustained fiscal and monetary support.

As per the provisional estimate of the National Statistical Office, the economic growth in FY22 was broad based across sectors with agriculture (3% YoY), industry (10.3% YoY) and services (8.4% YoY) registering a positive growth rate partly helped by a favourable statistical base. Both exports and imports grew by 24.3% and 35.5% YoY, respectively. India continues to be recognised as the fastest-growing major economy with a GDP growth of 8.7% in FY22. However, private consumption spending, especially in the rural belts remained weak throughout FY22, led by uneven monsoon rainfall, large number of extreme rainfall events, weak non-farm employment generation and unfavourable terms of trade for farmers.

India's Consumer Price Index (CPI) based inflation averaged at 5.5% in FY22 versus 6.2% in the corresponding period of the previous year. While softening of food prices provided some relief, the hardening of crude oil prices since June-July 2021 presented a major upside risk to inflation. While core inflation remained elevated in FY22, the continuing pass through of tax cuts relating to petrol and diesel in November 2021 helped to moderate input cost pressures to some extent. India's Wholesale Price Index (WPI) based inflation however, stayed in double digits for all months averaging 13% in FY22, partly led by an unfavourable statistical base and partly by elevated global commodity prices.

India's FY22 Current Account Deficit (CAD) too faced mild upside risk from high commodity prices. The wider merchandise trade deficits pulled India's current account into the negative territory in Q2FY22 and further widened in Q3FY22. The current account swung into negative territory with a deficit of $23 billion in Q3FY22 from a lower deficit of $9.9 billion in the preceding quarter. Indian rupee too depreciated by 3.5% against the US dollar during FY22, triggered by steadily rising crude oil prices and a sustained pull-out from local stocks by the foreign institutional investors since October 2021.

On the positive side, the Central Government's financial position is substantially better in FY22 as compared to FY21, primarily on account of buoyant tax collections. The Government's fiscal deficit for FY22 stood at ₹ 15.87 trillion or 6.7% of GDP, lower than the revised budget estimate of 6.9% of GDP for the year. The fiscal deficit was contained on the back of higher-than-expected nominal GDP, robust revenue collections and lower capital spending partly offsetting shortfalls from disinvestment proceeds as well as higher revenue expenditure.

Overall, the Indian financial sector remained fully functional during FY22 and anchored the process of economic recovery. Looking at the pace of recovery, the Reserve Bank of India (RBI) turned to rebalancing of liquidity on a dynamic basis during the year FY22, while maintaining adequate liquidity in support of its accommodative stance.

However, in the last quarter of FY22, the post-pandemic recovery of Indian economy was partially hit by an economic disruption caused by the war in Ukraine and the consequent economic sanctions on Russia, which are likely to reduce global growth and push up inflation.

Fitch Ratings has revised the outlook on India's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Stable, from Negative, and has affirmed the IDR at 'BBB-' citing a reduction in downside risks to India's medium-term growth due to India's rapid economic recovery & easing financial sector weaknesses despite near-term headwinds from the global commodity price shock.

OUTLOOK FOR FY23

According to CRISIL – the domestic rating agency, India's real GDP will grow by 7.3% in FY23, with risks tilted to the downside. At the end of FY22, risks to India's economic growth have shifted from Covid pandemic to geopolitics, elevated crude oil prices and interest rate hikes by the US Federal Reserve. CRISIL research has projected Brent crude oil prices at $ 94-99 per barrel for FY23. If oil price stays higher than that in FY23 then it will create risks to India's growth, inflation and current account position.

Global think-tanks and rating agencies too are projecting around 7-7.5% growth for India during FY23, with downside risks. Domestic growth in FY23 will primarily be supported by a continued vaccination drive and supportive favourable fiscal and monetary policies.

India's FY23 growth projection (%)

Institute	India's FY23 growth projection
IMF	8.2%
World Bank	7.5%
OECD	6.9%
United Nations	6.4%
RBI	7.2%
Fitch	7.8%
Moody	8.4%
S&P	7.3%

While economic growth in FY23 will be driven by expected normal monsoon, higher public investment and private capex in select pockets supported by the Government's PLI scheme (Production Linked Incentive scheme), there will be headwinds from the global economic slowdown and higher commodity, especially oil prices. India's CPI inflation may cross the RBI's upper tolerance level of 6.0% in FY23 on account of four factors –

1. If crude oil price averages more than $90 per barrel;
2. Pressure on core inflation from rising international prices of metals and minerals;
3. Pressure on food prices from elevated costs of edible oils and fertilisers; and
4. Imported inflation due to weak rupee.

Bond yields and bank interest rates will rise at a faster pace because of adverse spillovers from the actions of global central banks, higher market borrowings by the Central and State Governments, surging crude oil prices and inflation risks.

Whereas revival in services trade and remittance inflows will support India's current account position to some extent, Current Account Deficit is expected to widen to 2.0-2.5% of GDP in FY23 following the rise in Brent crude oil price, pushing up the import bill. Moreover, slowing external demand will adversely impact India's exports leading to widening of the merchandise trade deficit. As fundamental factors affecting the rupee trajectory like crude prices, foreign institutional investors' capital, CAD, etc. are projected to worsen, there will be depreciation pressure on the currency. But India will be better prepared in FY23 to face external shocks due to its comfortable foreign exchange cover (at $598 billion as of May 20, 2022).

POSSIBLE THREATS

Major global central banks have begun the tightening cycle to tackle soaring inflation. The US Federal Reserve has already raised interest rate twice in 2022 so far (by 25 bps in March 2022 and 50 bps in May 2022) while the Bank of England announced a fourth consecutive rate hike in May 2022. S&P Global expects four more rate hikes by the US Federal Reserve in the calendar year 2022 and five more between 2023 and 2024.

Reversal of ultra-loose monetary policy has also been initiated by the RBI. In April 2022 monetary policy review, it introduced a Standing Deposit Facility rate of 3.75% (at 40 bps higher than the reverse repo rate) as a floor of the Liquidity Adjustment Facility. In an intermeeting monetary policy review in May 2022, it raised the repo rate by 40 bps to 4.4% and Cash Reserve Ratio (CRR) by 50 bps to 4.5%. The withdrawal of liquidity through the CRR hike is expected at around ₹ 870 billion. Putting together the last two policy actions, the effective increase in India's policy rates is of 80 bps. Faster than expected monetary tightening may impact the growth trajectory in the short term, though it is positive from the medium-term perspective.

Since the invasion of Ukraine, prices of energy, grains and metals are signalling that inflation rates are poised to accelerate. India is more susceptible to the oil price shock as it imports nearly 80-85% of its total energy requirement. Prolonged geo-political tension and monetary policy tightening by advanced economies will accentuate risk-off sentiments amongst foreign investors and result in outflows from emerging markets like India. High domestic inflation and wider Current Account Deficit could depreciate the rupee further. However, substantial forex reserves, upcoming IPOs in FY23 and likely inclusion in the global bond index in the second half of FY23 could cap the downside for rupee.

Covid infection rates are currently down, but the pandemic has not been eradicated officially. Hence, the possibility of disruption of economic activity due to further waves of infections cannot be ruled out.

To lead the economy on a sustained growth path, domestic consumption and investment need nurturing. To boost private investment, public investment needs to be enhanced. The Central Government has already envisaged a higher capital outlay to kick start infrastructure-led growth. State Governments also need to undertake similar measures to give an impetus to economic growth. To spur public investment, both the

Central and the State Governments will rely on higher market borrowings, which could lead to higher cost of borrowing for both, the public and private sectors during FY23.

FINANCIAL RATIOS

Net profit margin saw a decline from 7.08% to 0.56% (-92.06%) and Return on net worth saw a decline from 4.74% to 0.31% (-93.36%), on account of reduction in profit of the year. Liquidity coverage ratio increase from 143% to 217% (51.75%) on account of increase in high quality liquid assets (HQLA).

BUSINESS PERFORMANCE

Coming out from clutches of the pandemic, FY22 reiterated the robustness of infrastructure sector. Revenue generation of operational infrastructure projects remained steady while greenfield construction activities also picked up pace. The timely steps taken by regulators helped in infrastructure projects being protected from adverse impact caused by the pandemic. FY22 also witnessed critical developments for infrastructure sector with landmark judicial pronouncement in Andhra Pradesh tariff dispute which upheld the sanctity of PPA tariff.

Infrastructure investment continues to be the key area of attention for the Indian Government. The Union Budget 2022 laid special emphasis on infrastructure sector under the initiative 'Gati-Shakti' for Roads and plans to increase highway network by 25,000 km. With the enhanced outlay of ₹ 1.87 Lakh Crore for the Ministry of Road Transport and Highways, the allocation is ~55% higher than previous year and augurs well for the sector. Allocation for NHAI more than doubled (YoY) to ₹ 1.34 Lakh Crore and has tripled from FY20 to FY23. The Budget has placed prominence on monetising operating public infrastructure assets coupled with the increase in spend on infrastructure to create medium- term growth. Under Renewables, capital outlay of ₹ 28,500 Crore has been allocated to Indian Renewable Energy Development Agency Limited (IREDA) and Solar Energy Corporation of India Limited (SECI) (40% higher than previous year). Your Company's emphasis will continue to be on Infrastructure Finance – both greenfield (Solar) and operational (Solar and Wind) whereas in Road it is on operational.

Consequent to the merger of L&T Infrastructure Finance Company Limited with L&T Finance Limited, your Company has taken steps to convert itself from an the IDF – NBFC to an NBFC – Investment and Credit Company (NBFC – ICC). Accordingly, your Company has applied to the Reserve Bank of India (RBI) for conversion to an NBFC – ICC.

HUMAN RESOURCES

As a financial services provider, people are the greatest assets and the core strength to your Company's business. As of 31st March 2022, your Company employed 18 employees. Your Company has consistently been agile and has improved its human resource practices to match up to the dynamic workplace. The pandemic posed a challenge for people working in the field. With 75% of your Company's people in frontline roles (directly interacting with customers), the focus on health and safety is always critical. And the pandemic further accentuated the criticality.

Prioritising the safety and health of employees and their families was imperative for your Company. And so, your Company undertook multiple measures, ensuring access to preventive and curative healthcare and safety features for its people and their families.

Your Company continued its focus on developing people talent internally to ensure a strongly engaged, motivated and capable workforce, to help take the growth forward.

POLICIES AND PROGRAMS FOR EMPLOYEES

Capability building

Your Company's talent strategy is performance-oriented and aligned with the organisational goals. It encourages employees who are aligned, have demonstrated the right attitude and display desire to take up larger roles. As a part of your Company's strategy to groom future-ready talent, it encourages cross-functional movements and upskills them through 'Education, Exposure and Experience'.

Your Company has been ambitiously taking internal initiatives for the career development of its young frontline staff. Since frontline executives are very crucial for business development, a flagship programme 'Aspire' is specially designed to train the frontline staff, especially the sales functionality and support function members. Such planned growth opportunity enables your Company to attract and retain top performers for frontline roles. It also enables them to manage transition and become productive quickly.

Initiatives towards building future leaders

Succession planning is critical to the talent strategy of your Company.

It helps in reducing people risk associated with vacancy in critical roles, thus ensuring business continuity.

The objectives of succession planning include:

- Ensuring availability of people of right calibre to take over critical roles within the organisation, as and when the current incumbent moves on
- Ensuring talent required to sustain and support the future organisation growth is readily available

The identified successors form a talent pool for your Company. They are groomed for taking up critical roles in future through targeted learning interventions.

RISK MANAGEMENT

Risk management implies controlling potential future events that may adversely impact a business' operations and functioning. It is about adopting a proactive approach instead of being reactive. Risk management forms a vital part of your Company's businesses and it is cognisant of the prominent role it plays in long-term success. Your Company, as it advances towards its business objectives and goals, is often subjected to various risks.

Credit risk, market risk, liquidity risk, ESG risk and operational risk are some of the risks that your Company is exposed to. These risks, if not timely identified and duly mitigated, hold the potential to severely affect your Company's financial strength, operations and reputation. With this as the backdrop, your Company has in place a Board-approved Risk Management Framework. This framework encompasses risk appetite statement, risk limits framework, risk dashboards and Early Warning Signals. The Risk Management Committee (RMC) heads and supervises the efficiency of this framework periodically.

Your Company's Risk Management function works independently from the business units under the guidance of the RMC. This helps ensure guidance during challenges, underscore oversight and balance the risk / reward decisions.

Post large scale events, stress tests are conducted by your Company which help assess the durability of the balance sheet. It provides useful insights to the management with regards to better understanding of the nature and extent of any vulnerabilities, quantify the impact and develop plausible business-as-usual mitigating actions.

Your Company's Risk Management function periodically boards an external independent firm. This firm helps your Company review its approach to risk appetite and ensures alignment with the best market practices. The prime intention behind this review exercise is to improve the efficiency and effectiveness of your Company's stress testing program. This is crucial for the assessment of your Company's capital strength and earning volatility. A rigorous examination of your Company's resilience is carried and observed against external macroeconomic shocks. Your Company has always had a focused strategy of developing a proactive and effective risk mitigation and management culture and framework. This has immensely helped your Company stay ahead of the curve as one of the leading NBFCs with highest credit rating of AAA.

Moreover, your Company has taken cognisance of the sustainability and climate related risks and has developed a framework to address these risks.

Your Company has an effective Risk Management framework in place which helps it grow sustainably. This framework comprises:

- Risk management strategies and policies: A risk appetite statement which is clearly defined and covers Company-wide overall risk limits. It is further merged with detailed individual / sector / group limits, covering multiple risk dimensions
- Efficient risk management practices and procedures
- Strong internal control systems backed by consistent and constant information gathering
- Suitable and independent risk management structures with well- defined risk metrics for continuous monitoring by RMC

Credit Risk

Your Company is exposed to various kinds of risks including operational, liquidity, market, however credit risk is the single largest risk for your Company's business. Your Company, therefore, carefully and efficiently manages its exposure to credit risk.

An overview of credit risk of portfolio is presented to the RMC periodically. Your Company has a wide-ranging underwriting framework in place.

This framework helps guide individual businesses to optimum credit decisions. Further, it is also supported by well-defined risk limits across various parameters including products, sectors, geographies and counter-parties. Your Company also has an effective review mechanism in place. It uses state-of-the-art Early Warning Signals to quickly recognise potentially weak credit while stressing on maintaining 'Zero DPD' (Days Past Due indicates the number of days that a loan repayment has not been made, past the due date). Your Company has been able to ensure stable asset quality amid volatile times and difficult lending environment, because of stringent adherence to the aforementioned prudent risk norms and diligently following the institutionalised processes.

Your Company's provisioning policy is cautious, conservative and prudent in nature. As per the RBI notification on acceptance of IND AS for regulatory reporting, it computes provision as per IND AS 109 and as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). If the impairment allowance in aggregate, under Ind AS 109, is lower than the provisioning required under IRACP (including standard asset provisioning), the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'.

Operational Risk

Your Company's effective and pre-emptive Operational Risk Framework is overseen by the Operational Risk Management Committee. The team examines operational risks and incidents in a way so as to ensure robust continuance of processes and systems. Further, periodic process walk-throughs are also conducted to check controls. This helps recognise redundancies in processes, thus, enabling your Company to remain competitive in a fast-evolving and constantly moving digital environment.

Market / Liquidity Risk

Your Company protects itself against market or liquidity risk with the help of its prudent approach. Your Company maintains a positive liquidity gap on a cumulative basis in all the time-buckets up to 1 year (at consolidated level). A Contingency Funding Plan has also been put into practice by your Company for responding to severe disruptions which might affect the ability to fund some or all activities in a timely manner and at a reasonable cost. These cautious and judicious liquidity risk management measures and practices clearly reflected the robustness of your Company's asset liability management during the Covid related stress. Your Company maintains positive interest rate sensitivity gap over a one-year horizon. This acts as a mitigant against interest rate risk in balance sheet.

Regular liquidity and interest rate stress testing is also conducted. Thus, helping to manage and regulate its response to the evolving market conditions related to liquidity and interest rate changes.

IT Security Risk

The Company has instituted security protocols such as firewalls, intrusion prevention system to detect and stop threats.

It also has separations for internet facing applications and critical internal applications and processes to recognise, monitor and mitigate IT Security Risks. Your Company continuously carries out security gap and vulnerability assessments. Your Company has integrated Cyber Security in its IT Security policies and procedures which enables it to mitigate risks. Apart from your Company's IT Infrastructure with multiple layers of security and in-depth defense by design, it also has clearly defined Early Warning Signals. These help your Company detect and respond to cyber threats promptly. Employee education programs are also conducted regularly to teach them about dealing with security risks and cyber threats.

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

ESG

Your Company has committed to creating long-term stakeholder value by embedding sustainability practices across its businesses and operations. ESG has become a cornerstone of the Lakshya 2026 plan rolled out by your Company.

ESG enabled Policy Ecosystem

Your Company developed the ESG Policy to act as a guiding framework to incorporate environmental, social and governance (ESG) considerations into operations and business, mitigate material impacts and risks thereof and serve as a guiding document for the ESG initiatives undertaken by your Company.

With an intent to encourage ESG consciousness amongst its value-chain partners, your Company has implemented the Third-Party Code of Conduct and also strengthened the contractual obligations.

Integrating ESG in operations

During FY22, your Company took bold steps to mainstream ESG in its operations. Your Company also identified 'emissions' and 'water', two critical environmental issues, as areas of immediate ESG action.

INTEGRATING ESG IN BUSINESS

Key Achievements

- Helped avoid 22.62 Lakh tCO_2e emissions
- 53.22 Lakh women borrowers receiving micro loans

- Rolled out ESG induction modules for employees in 8 regional languages

Your Company strengthened its Risk Management Framework by identifying and integrating ESG considerations in Risk Appetite Statements in key businesses. Your Company is truly maximising stakeholder value in the short, medium and long-term.

Commitment towards social wellbeing

Your Company continues to demonstrate deep commitment to wellbeing of its stakeholders through various measures. To address the 'S' of ESG, your Company prioritised actions that promoted wellbeing of key stakeholders. For example, products, services and key business activities have been designed to meet the needs and expectations of customers. By focussing on continued transparency and engagement, your Company has not only enhanced its customer base but also nurtured higher customer loyalty and strong brand recall. The rural businesses of your Company have significantly powered the agenda of financial inclusion and empowerment across the country.

Employee wellbeing has always been one of the topmost priorities of your Company as covered in detail in the Human Resources section of this report.

During FY22, your Company worked towards inclusive social transformation of rural communities through its CSR initiatives.

Ensuring robust Governance

Your Company enhanced the scope of the 'CSR Committee', by amending the terms of reference to include focus on ESG aspects. Your Company has also put in place a process to provide ESG updates to the Board every quarter and evaluate the effectiveness of the Board and the CSR and ESG Committee in ESG related performance.

Your Company has committed to achieving Carbon Neutrality by FY35 and Water Neutrality by FY22

Approach to Carbon Neutrality

- **Decarbonisation:** Shifting to renewable energy, operational space optimisation, etc
- **Sequestration:** Planted over 68,000 trees in FY22

Reduced estimated FY22 carbon footprint by ~ 20%

Approach to Water Neutrality

- **Reduce:** Extensive use of technology and awareness building activities
- **Recycle:** Installation of Sewage Treatment Plant (STP) in owned premises
- **Replenish:** Trained Water User Groups to maximise water replenishment and achieved replenishment of 94.88 Lakh kL

Achieved Water Neutrality

CORPORATE SOCIAL RESPONSIBILITY

In pursuance of your Company's vision of creating sustainable value for all stakeholders, social investments are being undertaken in a concerted manner to enable and empower indigent communities.

The social responsibility theme and commitment closely align with the United Nation's global development agenda of Sustainable Development Goals (SDGs).

The CSR projects also supplement the efforts of the Government of India, through focused efforts in creating inclusive growth, working at the grassroots in aspirational districts, promoting the vision of Digital India and also enabling financial inclusion in the rural heartland.

CSR Vision

Aspire for an inclusive social transformation of the rural communities we serve, by nurturing and creating opportunities for sustainable livelihoods for them.

CSR Mission

Reach marginalised farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their ecosystems, thereby creating sustainable livelihoods and enabling financial inclusion.

Approach

Project-based accountability method, emphasising on the three aspects of 'Social impact, Scale and Sustainability' to create shared value.

CSR Thrust Areas

- Digital Financial Inclusion
- Disaster Management
- Other Initiatives

While the 1st Covid wave did not significantly impact the rural regions, the 2nd wave last year affected those at the bottom of the pyramid and this further accentuated inequalities across regions, gender, health, livelihood and opportunities. Your Company swiftly responded to the challenges posed by the pandemic, through its CSR initiatives by way of a series of interventions that aimed to provide immediate relief and create long-term impact for the community.

DIGITAL SAKHI

EMPOWERING RURAL WOMEN THROUGH DIGITAL FINANCIAL INCLUSION

Your Company's flagship CSR project, Digital Sakhi, has been created with the belief that women, when empowered, can act as change agents in their community and catalyse a positive change. The project, while catering to the larger national development agenda of creating a Digital India, also provides impetus to women empowerment and gender equality.

Through the project, your Company has created livelihood opportunities and educated, both, women and the community to imbibe nuances of digital financial literacy. Simultaneously, rural Women Entrepreneurs have also been upskilled and trained in enterprise development, enabling them to lead a better quality of life and attain financial independence.

Digital Sakhis not only play the role of trusted advisors to Women Entrepreneurs, but also to the larger rural community, amongst other things, by educating and enabling access to benefits of government entitlements and schemes. The efforts of Digital Sakhis have been recognised by the state governments and local bodies as well, as they have conducted dedicated sessions for the community to promote financial literacy at the behest of panchayats and worked hand-in-hand with various public departments to spread awareness and increase adoption of government schemes.

The CSR projects (including Digital Sakhi) are implemented as a collaborative effort between various companies within L&T Financial Services.

The impact created by your Company can be observed across multiple themes of women empowerment over the course of 5 years, the veil that shadowed the faces of the women have been lifted, the barriers that confined them to their homes have been broken, the biases they dealt with have been crushed and more than 450 project villages now are ushered by confidence and smiles of Digital Sakhis. Your Company's contribution is highlighted hereinafter.

Outreach: The Digital Sakhi project, which was initiated in 2017, has consistently expanded its geographical footprint to 5 states across the country. In FY22, your Company supported the Digital Sakhi project in West Bengal, creating a cadre of 450 Digital Sakhis, upskilling 1000 Women Entrepreneurs and reaching out to more than 6.30 Lakh community members.

Creating sustainable livelihood: Your Company continued its efforts to build and expand avenues of sustainable livelihood for the Digital Sakhis and the Women Entrepreneurs. The project has focused on enabling access to credit, support services from the government and enhancing capacities and capabilities to achieve a better standard of living.

Building resilient communities: While the 2nd wave of Covid brought about a crisis of unprecedented magnitude, it also provided an opportunity to reinvent and innovate. Your Company, through the Digital Sakhi project, displayed quick adaptability to on-ground realities. With minimal turnaround time, an in-house digital module on Covid awareness was created, translated into the local language and training provided. Digital Sakhis also provided a fillip to the vaccination efforts, through awareness sessions.

Breaking barriers: Digital Sakhi project has continued to invigorate the women empowerment narrative with many women rising up the ranks, from the confines of their homes to being change agents in their community.

Bridging the last mile gap: Digital Sakhis played an active role in bridging the last mile gap and facilitating convergence of government schemes, conducting sessions in Gram Sabhas and the State Rural Livelihood Mission programs and supporting the community to obtain the benefits of government schemes.

The efforts of Digital Sakhis have proven instrumental in bringing the larger community into the ambit of entitlements.

The Digital Sakhis supported the 'Duare Sarkar' campaign of the Government of West Bengal, facilitating access to benefits of government schemes for 2,00,000+ community members.

Spearheading financial literacy: Aligned with RBI's mandate to celebrate Financial Literacy Week in February 2022, your Company through the Digital Sakhis, carried out a wide range of activities to propagate financial education in the community.

Digital Sakhis, through a mix of both in-person and virtual sessions, reached out to local self-government functionaries, Self-Help Groups (SHGs), Women entrepreneurs, Youth groups, Students and the Community at large.

Digital Sakhis have also facilitated the creation of a digital payment ecosystem in the community, by setting up QR code facilities in shops and businesses and installing UPI payment apps for community members.

Skilling and scaling up entrepreneurs: A critical cog in the Digital Sakhi project is the Women Entrepreneurs (WEs), who are central to building prosperity and perpetuation of digital payments in the villages.

Through the project, upskilling and crucial input support was provided to the WEs, to develop their outlook, business capabilities and knowledge of the markets.

The efforts have led to Women Entrepreneurs expanding their businesses and earning increased income.

These changes have manifested itself in improved standard of living, enhanced participation in financial decision making and women empowerment.

The impact of the Digital Sakhi project stands as a testimony to your Company's aim to create a multi-dimensional impact on the ground.

Boondein – Employee Volunteering

Through Boondein, your Company conducted multiple employee volunteering events during the year. This included celebrating Joy of Giving

Week in the first week of October where through skilled volunteering, employees mentored children and women, taught digital literacy, soft skills and conducted personality development sessions.

Creating synergies between CSR projects and employees, your Company celebrated Diwali with Digital Sakhis at 5 locations. The effort helped generate additional revenue for the women through sale of their products. Similarly, employee volunteers also conducted sessions on road safety with school children.

Employee volunteering is not restricted to the corporate office, but also extends to the branches in the form of disaster relief efforts.

Your Company also conducted a week- long clothes donation campaign. In FY22, through a mix of virtual and on-ground volunteering efforts, over 180 employees contributed more than 1,400 hours, reaching out to more than 22,000 beneficiaries.

Independent Auditor's Report

To the Members of L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements **L&T Infra Credit Limited** (formerly known as L&T Infra Debt Fund Limited) ("the Company"), which comprise the Balance Sheet as at March 31,2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company (financial position) as at March 31, 2022, and its profit, total comprehensive income (financial performance), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note no 47 of financial statements, regarding application filed by the Company with the Reserve Bank of India ("RBI") for converting itself from an Infrastructure Debt Fund - NBFC (IDF – NBFC) to an Investment and Credit Company – NBFC (ICC - NBFC) consequent to merger of the Sponsor company L&T Infrastructure Finance Company Limited ("LTIFC") with L&T Finance Limited ("LTFL") as per the orders of National Company Law Tribunal.

Our opinion is not modified in respect of this matter.

OTHER MATTER

The financial statements of the Company for the year ended March 31, 2021 were audited by the predecessor auditor whose audit report dated April 9, 2021 expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 of the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1.	Allowances for Expected Credit Losses: Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach.	Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. Read and assessed the Company's policy with respect to one-time restructuring offered to customer

Sr. No.	Key Audit Matters	Auditor's Response
	ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include : 1. Estimating the behavioral life of the product 2. Data inputs in relation to ECL model 3. Application of the macro economic factors on a forward looking basis 4. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default.	pursuant to the "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under higher stages. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the 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 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 FINANCIAL STATEMENTS

The Company's Management and Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error , which have been used for the purpose of preparation of the financial statements by the Board of Directors of the Company, as aforesaid.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE 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 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) Based on the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

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

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (1) and (2) contain any material misstatement.

d) Dividend declared and paid by the Company during the year on Preference shares is in compliance with section 123 of the Act.

3. 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, remuneration paid by the Company to its director s during the year is in accordance with the provisions of section 197 of the Act.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W/W – 100036

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: April 27, 2022
UDIN: 22100052AHWPIO9132

Annexure 1 to Independent Auditor's Report

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements' in the Independent Auditor's Report of even date to the members of L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) ("the Company") on the financial statements for the year ended March 31, 2022]

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i) a) A) The Company does not hold any Property, Plant and Equipment and accordingly, clause 3(i)(a)(A) is not applicable;

B) The Company is maintaining proper records showing full particulars of intangible assets.

b) The Company does not hold any Property, Plant and Equipment and accordingly, clause 3(i)(b) is not applicable;

c) The Company does not hold any immovable property and accordingly, clause 3(i)(c) is not applicable;

d) The Company has not revalued any of its Intangible assets during the year;

e) As disclosed in note 49(c) and as confirmed by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

ii. a) The Company is a service company primarily engaged in lending business and accordingly, reporting under clause 3(ii)(a) is not applicable;

b) The Company does not have any working capital limit which has been sanctioned and accordingly reporting under clause 3(ii)(b) is not applicable;

iii. The Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loan, secured or unsecured, to companies, firms, Limited Liability Partnerships, or other Parties during the year;

a) Since the principal business of the company is to give loans, reporting under clause 3(iii)(a) is not applicable;

b) Since the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loan during the year, reporting under clause 3(iii)(b) of the Order is not applicable;

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for One borrower where principal and interest aggregating to Rs.147.87 crores is unpaid as on March 31,2022, the summary of which are as disclosed in Note 51(25) of notes of the Financial Statements;

[For the purpose of the above disclosure, the company has considered modified repayment schedule to the extent the Moratorium period granted as per the Reserve Bank of India circular DOR.No.BP.BC/3/21.04.048/2020-21dated August 06, 2020 on Resolution Framework for COVID-19 related stress and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (as amended time to time)];

d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 52(25) and No of notes to the Financial Statements. The total amount of principal and interest overdue for more than 90 days is Rs. 119.50 crore and Rs. 28.37crore respectively for one borrower. The Company has taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;

e) Since the principal business of the company is to give loans, reporting under clause 3(iii)(e) is not applicable;

f) The Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Act;

iv. The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable;

v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which directives issued by the RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder apply. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company;

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable;

vii. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company;

a) There were no undisputed amounts payable in respect of goods and services tax, provident fund, income-tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company;

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the amounts relates	Amount (Rs.in Crore)
Income Tax Act,1961	Income Tax	CIT (Appeals)	AY - 2014-15	4.68
Income Tax Act,1961	Income Tax	ITAT – Mumbai	AY- 2016-17	9.67
Income Tax Act,1961	Income Tax	CIT (Appeals)	AY - 2017-18	19.47

viii. As disclosed by the management in note 49(d) and verified by us there are no unrecorded transactions which have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961;

ix. a) During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

b) As disclosed by the management in note 49(e) and as confirmed by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

c) During the year Company has not availed any term loans and hence reporting under clause 3(ix)(c) is not applicable;

d) On an overall examination of the financial statements of the Company and according to the information and explanations given by the Management, we report that no funds raised on short-term basis have been used for long-term purposes by the Company;

e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clauses 3(ix)(e) is not applicable to the Company;

f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(f) is not applicable to the Company;

x. a) During the year Company has not raised money by way of initial public offer / further public offer (including debt instruments) and hence reporting under the clause 3(x)(a) of the Order is not applicable;

b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under 3(x)(b) of the Order is not applicable;

xi. a) We report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year;

b) No report under sub section (12) of section 143 of the Act has been filed in the form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with central government during the year and up to the date of this report;

c) There were no whistle blower complaints received by the Company during the year;

xii. The Company is not a Nidhi company and hence the reporting under clause 3(xii) of the order is not applicable to the Company;

xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

xiv. a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

b) We have considered the internal audit reports of the Company issued till date, for the period under the audit;

xv. During the year, the Company has not entered any non-cash transactions with its directors or persons connected with its directors and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. a) The Company had obtained registration as required under section 45IA of the Reserve Bank of India Act, 1934 as Infrastructure Debt Fund – Non Banking financial Company (IDF – NBFC). However, due to merger of Company's sponsor i.e. L&T Infrastructure Finance Company Limited ("LTIFC") with L&T Finance Limited ("LTFL") , Company lost its status as IDF – NBFC. Consequently, the Company has applied to Reserve Bank of India ("RBI") on June 11, 2021 for conversion of its status from IDF – NBFC to Investment Credit Company NBFC (ICC – NBFC);

b) Pending approval from RBI as per a) above, the Company has not disbursed any new loan during the year;

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under clause xiv(c) of the Order is not applicable;

d) There are two CICs as part of the Larsen & Toubro Limited Group;

xvii. Based on overall examination of financial statements, the Company has not incurred cash losses in the current financial year and immediately preceding financial year;

xviii. As per RBI circular no. RBI/2021-22/25 Ref No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Statutory Auditors have resigned upon completion of their term of appointment as per the requirement of the said circular. There are no issues, concerns or objections raised by the outgoing auditors, based on our communication with them;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due";

xx. As disclosed by management in note 36 of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year hence reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W/W – 100036

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: April 27, 2022
UDIN: 22100052AHWPIO9132

Annexure 2 to the Independent Auditor's Report

of even date on Financial Statements of L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited

REPORT ON THE INTERNAL FINANCIALCONTROLS UNDER CLAUSE I OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting L&T Infra Credit Limited (formerly known as L&T Infra Debt Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements 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 WITH REFERENCE TO THESEFINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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 r espects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2022, 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 C N K & Associates LLP
Chartered Accountants
Firm Registration No: 101961W/W – 100036

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: April 27, 2022
UDIN: 22100052AHWPIO9132

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Balance Sheet as at March 31, 2022

(₹ In crore)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	2	534.91	1,234.76
(b) Bank balance other than (a) above	3	1,114.87	–
(c) Receivables	4		
(i) Trade receivables		9.32	–
(ii) Other receivables		–	0.01
(d) Loans	5	4,940.38	8,435.99
(e) Investments	6	2,508.07	159.22
(f) Other financial assets	7	1.17	0.89
2 Non-financial assets			
(a) Current tax assets (net)	8	72.54	73.45
(b) Deferred tax assets (net)	9	8.33	–
(c) Intangible assets under development	10	0.02	–
(d) Other intangible assets	11	0.26	0.05
(e) Other non-financial assets	12	1.20	2.77
Total Assets		**9,191.07**	**9,907.14**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Payables - Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.47	5.57
(b) Payables - Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		–	–
(c) Debt securities	14	7,528.49	8,144.00
(d) Subordinated liabilities	15	285.91	322.68
(e) Other financial liabilities	16	1.39	1.69
2 Non-financial liabilities			
(a) Current tax liabilities (net)	17	28.77	95.93
(b) Provisions	18	0.92	1.00
(c) Other non-financial liabilities	19	1.74	0.65
3 Equity			
(a) Equity share capital	20	490.18	490.18
(b) Other equity	21	850.20	845.43
Total Liabilities and Equity		**9,191.07**	**9,907.14**
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2-52		

In terms of our report of even date.

For C N K & Associates LLP
Chartered Accountants

Hiren Shah
Partner
Membership No : 100052
Firm Registration No : 101961W/W-100036

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors of
L&T Infra Credit Limited
(Formerly known as L&T Infra Debt Fund Limited)

Dinanath Dubhashi
Director
(DIN : 03545900)

Shiva Rajaraman
Whole-time Director
(DIN : 07570408)

Manish Jethwa
Head Accounts (CFO)

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 27, 2022

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in crore)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations			
	(i) Interest income	22	711.02	880.37
	(ii) Fees and commission income	23	11.70	4.88
	(iii) Net gain on fair value changes	24	6.21	4.41
	(iv) Net gain on derecognition of financial instruments under amortised cost category	25	–	2.11
(I)	**Total revenue from operations**		**728.93**	**891.77**
(II)	**Other income**	26	**2.25**	**1.85**
(III)	**Total income (I + II)**		**731.18**	**893.62**
	Expenses			
	(i) Finance costs	27	662.69	705.52
	(ii) Impairment/(Reversal of impairment) on financial instruments	28	31.83	(1.38)
	(iii) Employee benefits expenses	29	10.23	11.76
	(iv) Depreciation, amortization and impairment	30	0.08	0.03
	(v) Other expenses	31	15.35	18.53
(IV)	**Total expenses**		**720.18**	**734.46**
(V)	**Profit before tax (III - IV)**		**11.00**	**159.16**
(VI)	**Tax expense**			
	Current Tax	32	15.44	–
	Deferred tax	32	(8.55)	–
	Provision for tax related to earlier years	32	–	95.93
(VII)	**Profit after tax (V - VI)**		**4.11**	**63.23**
	Other comprehensive income			
A.	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurements of the net defined benefit Plans		0.05	0.28
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	–
	Subtotal (A)		**0.04**	**0.28**
B.	(i) Items that will be reclassified subsequently to statement of profit and loss			
	(a) Change in fair value of debt instruments measured at fair value through other comprehensive income		0.83	(1.95)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(0.21)	–
	Subtotal (B)		**0.62**	**(1.95)**
(VIII)	**Total Other comprehensive income for the year (A+B)**		**0.66**	**(1.67)**
(IX)	**Total comprehensive income for the year (VII + VIII)**		**4.77**	**61.56**

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in crore)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(X) Earnings per equity share			
(1) Basic (₹)	38	0.08	1.29
(2) Diluted (₹)	38	0.08	1.29
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2-52		

In terms of our report of even date.

For C N K & Associates LLP
Chartered Accountants

Hiren Shah
Partner
Membership No : 100052
Firm Registration No : 101961W/W-100036

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors of
L&T Infra Credit Limited
(Formerly known as L&T Infra Debt Fund Limited)

Dinanath Dubhashi
Director
(DIN : 03545900)

Shiva Rajaraman
Whole-time Director
(DIN : 07570408)

Manish Jethwa
Head Accounts (CFO)

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 27, 2022

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Cash Flow Statement for the year ended March 31, 2022

(₹ in crore)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities:**		
	Profit before tax	11.00	159.16
	Adjustments for :		
	Depreciation and Amortisation expense	0.08	0.03
	Impairment/(Reversal of impairment) on financial instruments	31.83	(1.38)
	Provision for gratuity	0.13	0.20
	Net gain on derecognition of financial instruments under amortised cost category	–	(2.11)
	Net gain on fair value changes of financial instruments	(6.21)	(4.41)
	Operating profit before working capital changes	**36.83**	**151.49**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets-		
	Other financial assets	(0.28)	(1.40)
	Other non financial assets	1.57	(0.92)
	Trade and other receivables	(9.31)	0.48
	Adjustments for increase / (decrease) in operating liabilties-		
	Trade Payable	(2.10)	(6.55)
	Other financial liabilities	14.38	30.18
	Provision	(0.25)	(0.31)
	Other non financial liabilities	1.09	(0.08)
	Cash generated from operations	**41.93**	**172.89**
	Net income tax refund / (paid)	(81.25)	32.78
	Loans disbursed (net of repayments)	3,463.78	328.18
	Net cash generated from operating activities (A)	**3,424.46**	**533.86**
B	**Cash flow from investing activities**		
	Proceed from sale / (purchase) of investments in mutual funds	7.11	539.59
	(Purchase) of investments in bond	(769.93)	(60.07)
	(Purchase) of investments in CP	(1,579.35)	–
	Expenditure on other intangible assets & intangible assets under development	(0.31)	(0.01)
	Change in bank balances not available for immediate use	(1,114.87)	25.85
	Net cash (used in) / generated from investing activities (B)	**(3,457.35)**	**505.36**

L&T Infra Credit Limited
(formerly known as L&T Infra Debt Fund Limited)

Cash Flow Statement for the year ended March 31, 2022

(₹ in crore)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities			
Proceeds from borrowings		–	401.34
Repayment of borrowings		(666.96)	(543.10)
Net cash used in financing activities (C)		**(666.96)**	**(141.76)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(699.85)**	**897.46**
Cash and cash equivalents at beginning of the year		**1,234.76**	**337.30**
Cash and cash equivalents at end of the year		**534.91**	**1,234.76**
Net (decrease)/increase in cash and cash equivalents		**(699.85)**	**897.46**
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2-52		

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

Interest received	746.70	872.22
Interest / Dividend paid	672.80	670.66

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

In terms of our report of even date.
For C N K & Associates LLP
Chartered Accountants

Hiren Shah
Partner
Membership No : 100052
Firm Registration No : 101961W/W-100036

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors of
L&T Infra Credit Limited
(Formerly known as L&T Infra Debt Fund Limited)

Dinanath Dubhashi
Director
(DIN : 03545900)

Shiva Rajaraman
Whole-time Director
(DIN : 07570408)

Manish Jethwa
Head Accounts (CFO)

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 27, 2022

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

(₹ in crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	490,180,214	490.18	490,180,214	490.18
Changes in equity share capital due to prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting year	–	–	–	–
Add: Shares issued during the year	–	–	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**490,180,214**	**490.18**	**490,180,214**	**490.18**

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Total
	Securities premium reserve	Capital redemption reserve	Reserve u/s 45 1C of RBI Act 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Impairment reserve	Retained earnings	
Balance as at April 01, 2020	**133.83**	**–**	**135.32**	**–**	**11.47**	**503.25**	**783.87**
Changes in equity share capital due to prior period errors (a)	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–
Profit for the year	–	–	–	–	–	63.23	63.23
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	0.28	0.28
Other Comprehensive income for the year (net of tax) (c)	–	–	–	–	–	(1.95)	(1.95)
Total comprehensive income for the year (a+b+c)	**–**	**–**	**–**	**–**	**–**	**61.56**	**61.56**
Transfer from retained earnings	–	–	12.65	–	11.95	(24.60)	–
Balance as at March 31, 2021	**133.83**	**–**	**147.97**	**–**	**23.42**	**540.21**	**845.43**

L&T Infra Credit Limited
(formerly known as L&T Infra Debt Fund Limited)

Statement of Changes in Equity for the year ended March 31, 2022

(₹ in crore)

Particulars	Reserves and Surplus						Total
	Securities premium reserve	Capital redemption reserve	Reserve u/s 45 1C of RBI Act 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Impairment reserve	Retained earnings	
Balance as at April 01, 2021	**133.83**	**–**	**147.97**	**–**	**23.42**	**540.21**	**845.43**
Changes in equity share capital due to prior period errors (a)	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting year (b)	–	–	–	–	–	–	–
Profit for the year	–	–	–	–	–	4.11	4.11
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	0.04	0.04
Other Comprehensive income for the year (net of tax) (c)	–	–	–	–	–	0.62	0.62
Total comprehensive income for the year (a+b+c)	**–**	**–**	**–**	**–**	**–**	**4.77**	**4.77**
Transfer from retained earnings	–	33.10	0.82	10.93	–	(44.85)	–
Balance as at March 31, 2022	**133.83**	**33.10**	**148.79**	**10.93**	**23.42**	**500.13**	**850.20**

In terms of our report of even date.

For C N K & Associates LLP
Chartered Accountants

Hiren Shah
Partner
Membership No : 100052
Firm Registration No : 101961W/W-100036

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors of
L&T Infra Credit Limited
(Formerly known as L&T Infra Debt Fund Limited)

Dinanath Dubhashi
Director
(DIN : 03545900)

Shiva Rajaraman
Whole-time Director
(DIN : 07570408)

Manish Jethwa
Head Accounts (CFO)

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 27, 2022

Brief Profile:

L&T Infra Credit Limited (formerly known as 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.

Pursuant to order of National Company Law Tribunal Benches, Mumbai and Kolkata dated March 15, 2021 and March 19, 2021 respectively, the scheme of amalgamation for merger of L&T Infrastructure Finance Company Limited ("LTIFC") and L&T Housing Finance Limited ("LTHFC") with L&T Finance Limited ("LTFL") became effective from April 12, 2021 with appointed date being April 01, 2020. Prior to the merger, LTIFC was the sponsor of the Company (erstwhile L&T Infra Debt Fund Limited). Consequent to the merger of the sponsor (i.e., LTIFC with LTFL), the Company is no longer eligible to be regarded as IDF-NBFC. The Company is taking steps to convert itself to an NBFC – Investment and Credit Company (NBFC-ICC).

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 applicable regulations of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

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 as at the end of each reporting period.

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

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

1.3. Presentation of financial statements:

The Balance Sheet, Statement of Changes in Equity for the period, and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of 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 Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1.4. 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

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).

The Company has business model(s) (as may be permitted by RBI from time to time) 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. 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.

The Company also considers 3 Scenarios – Pessimistic, Base Case and Optimistic Scenarios during such assessment. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets.

The Company considers sale of financial assets measured at amortised cost portfolio as consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows if these sales are

- due to an increase in the assets' credit risk or
- due to other reasons such as sales made to manage credit concentration risk (without an increase in the assets' credit risk) and are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

In addition, the Company also considers sale of such financial assets as consistent with the objective of holding financial assets in order to collect contractual cash flows if the sale is made close to the maturity of the financial assets and the proceeds from sale approximate the collection of the remaining contractual cash flows.

(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) 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.

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

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. 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.

(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.

1.5. Impairment:

The Company recognises loss allowances for Expected Credit Losses (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. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

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

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 forbearance granted to borrowers in accordance with Covid-19 Regulatory Package notified by the Reserve Bank of India (RBI) is excluded in determining the period of default (Days Past Due) in the assessment of default.

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. 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.

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.

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.

1.6. 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.

1.7. 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.

1.8. Presentation of allowance for ECL in the Balance Sheet:

Loss allowances for ECL are presented in the Balance sheet 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 Balance sheet as the carrying amount is at fair value.

1.9. Derivative financial instruments:

The Company may enter into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss.

1.10. 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 as 'interest income' in the Statement of Profit and Loss 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) Income from financial instruments at FVTPL:

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

(v) 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.

1.11. 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.

1.12. 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.

1.13. 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.

1.14. 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.

1.15. 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. 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.

1.16. Lease:

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes forming part of the financial statements for the year ended March 31, 2022

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

The Company as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. Accordingly, the Company recognises lease payments as income on a straight-line basis in case of assets given on operating leases. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

1.17. Cash and bank balances:

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

1.18. Securities premium account:

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

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. 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.

1.21. 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.

1.22. Taxation:

Current tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.23. 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.

1.24. 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.

1.25. 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.

1.26. 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.

1.27. Key source of estimation:

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

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with schedule banks	17.58	128.03
Others		
Fixed deposits with banks (maturity less than 3 months)*	517.33	1,106.73
Total	**534.91**	**1,234.76**

3 Bank balance other than above

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with banks maturity more than 3 months but less than 12 months*	1,114.87	–
Total	**1,114.87**	**–**

Note : * Out of the total mentioned above, ₹ 1624.24 crs (P.Y. 234 crs) was assigned against the security of Non Convertible Debenture issued.

4 Receivables

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(i) Receivables considered good - unsecured	9.32	–
Other receivables		
(ii) Receivables from related parties	–	0.01
Total	**9.32**	**0.01**

(₹ in crore)

Particulars	As at March 31, 2022						
		Outstanding for following periods from the due date of payment					
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed							
- Considered good	–	9.32	–	–	–	–	9.32
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Disputed							
- Considered good	–	–	–	–	–	–	–
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Gross trade receivables	–	9.32	–	–	–	–	9.32
Less : Allowance for Doubtful debts	–	–	–	–	–	–	–
Total trade receivables (net of allowance for doubtful debts)	**–**	**9.32**	**–**	**–**	**–**	**–**	**9.32**

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2021						
		Outstanding for following periods from the due date of payment					
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed							
- Considered good	–	–	–	–	–	–	–
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Disputed							
- Considered good	–	–	–	–	–	–	–
- Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Gross trade receivables	–	–	–	–	–	–	–
Less : Allowance for Doubtful debts	–	–	–	–	–	–	–
Total trade receivables (net of allowance for doubtful debts)	**–**	**–**	**–**	**–**	**–**	**–**	**–**

5 Loans

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Term loans		
(i) At amortised cost		
- Term loans	2,449.61	4,938.56
- Debenture	2,556.25	3,531.08
Less: Impairment loss allowance	(65.48)	(33.65)
Total	**4,940.38**	**8,435.99**
(B) Loans in India		
(i) At amortised cost		
- Secured by tangible assets	5,005.86	8,469.64
- Unsecured	–	–
Less: Impairment loss allowance	(65.48)	(33.65)
Total	**4,940.38**	**8,435.99**

Note : Out of the above mentioned loan Standard assets are hypothecated/ assigned against the security of Non Convertible Debenture issued.

6 Investments

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Investments in India		
(i) At fair value through profit or loss		
Mutual funds - (Quoted)	102.45	100.13
Commercial Paper - (Unquoted)*	1,576.15	–
(ii) At fair value through Other Comprehensive income		
Investments in bonds - (Unquoted)*	829.47	59.09
Total	**2,508.07**	**159.22**

Note : * Out of the total mentioned above, ₹ 1769.00 crs (P.Y. Nil) was assigned against the security of Non Convertible Debenture issued.

6 (i) Details of Mutual Fund Investment:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face Value (₹)	Quantity (No.)	Net carrying value	Face Value (₹)	Quantity (No.)	Net carrying value
Investment carried at Fair Value through P&L						
L&T Liquid Fund - DP-Growth	1,000.00	346,367.40	100.96	1,000.00	89,002.22	25.09
ICICI Prudential Liquid Fund - DP- Growth	100.00	47,134.75	1.49	100.00	820,847.89	25.01
SBI Liquid Fund - DP -Growth	–	–	–	1,000.00	77,645.43	25.01
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	–	–	–	100.00	754,503.86	25.01
Total			**102.45**			**100.13**

Notes forming part of the financial statements for the year ended March 31, 2022

Details of Investments in Bonds :

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face Value (₹)	Quantity (No.)	Net carrying value	Face Value (₹)	Quantity (No.)	Net carrying value
Investments in government securities						
Investment carried at fair value through other comprehensive income						
National Highways Authority of India						
7.70% NHAI Sept 2029	1,000,000.00	5.00	5.21	1,000,000.00	5.00	5.35
7.70% NHAI Sept 2029	1,000,000.00	5.00	5.59	1,000,000.00	5.00	5.35
7.70% NHAI Sept 2029	1,000,000.00	54.00	58.58	1,000,000.00	45.00	48.38
8.27% NHAI Mar 2029	1,000,000.00	15.00	16.87	–	–	–
8.36% NHAI May 2029	1,000,000.00	10.00	10.79	–	–	–
Total		**89.00**	**97.04**	**–**	**55.00**	**59.09**
Non Convertible Debentures						
7.00% HDFC limited	1,000,000.00	390.00	415.48	–	–	–
8.54% Bajaj finance limited	1,000,000.00	25.00	26.75	–	–	–
8.50% LIC housing finance limited	1,000,000.00	100.00	107.24	–	–	–
8.05% HDFC limited	1,000,000.00	25.00	25.20	–	–	–
Sundaram finance limited	1,000,000.00	60.00	61.10	–	–	–
Total		600.00	635.78	–	–	–
Public Sector Unit				–	–	–
7.93% NTPC limited 22	1,000,000.00	40.00	43.02	–	–	–
7.85% NABARD 22	1,000,000.00	50.00	53.62	–	–	–
Total		**90.00**	**96.64**			**–**
Total			**829.47**			**59.09**

Details of Investments in Commercial Paper :

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face Value (₹)	Quantity (No.)	Net carrying value	Face Value (₹)	Quantity (No.)	Net carrying value
Investment carried at fair value through profit & loss						
HDFC limited	1,000,000.00	515.00	510.36	–	–	–
LIC housing finance limited	1,000,000.00	575.00	570.92	–	–	–
HDFC limited	1,000,000.00	500.00	494.87	–	–	–
Total	**1,000,000.00**	**1,590.00**	**1,576.15**	**–**	**–**	**–**

7 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	1.17	0.89
Total	**1.17**	**0.89**

8 Current tax assets (Net)

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid in advance (net of provision for tax)	72.54	73.45
Total	**72.54**	**73.45**

9 Deferred tax assets (Net)

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (Refer Note 50)	8.33	–
Total	**8.33**	**–**

10 Intangible assets under development

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development	0.02	–
Total	**0.02**	**–**

Notes forming part of the financial statements for the year ended March 31, 2022

(i) Intangible assets under development

(a) Intangible assets under development aging schedule March 31, 2022

(₹ in crore)

Intangible assets under development	Amount in Intangible asset under development for a period of 31 March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.02	–	–	–	0.02
Projects temporarily suspended	–	–	–	–	–

Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.

(a) Intangible assets under development aging schedule for March 31, 2021

(₹ in crore)

Intangible assets under development	Amount in Intangible asset under development for a period of 31 March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.

11 Other intangible assets

(₹ in crore)

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	Opening as at April 1, 2021	Additions during the year	Disposal during the year	Closing as at March 31, 2022	Up to April 1, 2021	Charge during the year	Disposal during the year	Up to March 31, 2022	As at March 31, 2022	As at March 31, 2021
Intangible										
Computer Software	0.12	0.28	–	0.40	0.07	0.08	–	0.14	0.26	0.05
Total	**0.12**	**0.28**	**–**	**0.40**	**0.07**	**0.08**	**–**	**0.14**	**0.26**	**0.05**

* The Company has not revalued any of its Intangible assets during the year.

(₹ in crore)

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	Opening as at April 1, 2020	Additions during the year	Disposal during the year	Closing as at March 31, 2021	Up to April 1, 2020	Charge during the year	Disposal during the year	Up to March 31, 2021	As at March 31, 2021	As at March 31, 2020
Intangible										
Computer Software	0.10	0.02	–	0.12	0.04	0.03	–	0.07	0.05	0.06
Total	**0.10**	**0.02**	**–**	**0.12**	**0.04**	**0.03**	**–**	**0.07**	**0.05**	**0.06**

* The Company has not revalued any of its Intangible assets during the year.

12 Other non-financials Assets

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.89	1.73
GST credit receivable	0.31	1.04
Total	**1.20**	**2.77**

13 Payables

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Trade payables		
Micro enterprises and small enterprises	–	–
Others than micro and small enterprises		
Due to others	1.70	1.33
Due to related parties	1.77	4.24
Total trade payables (i)	**3.47**	**5.57**
(ii) Other payables		
Micro enterprises and small enterprises	–	–
Others than micro and small enterprises	–	–
Total other payables (ii)	**–**	**–**
Total payables (i+ii)	**3.47**	**5.57**

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022						Total
	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- MSME	–	–	–	–	–	–	–
- Others	1.65	–	1.82	–	–	–	3.47
Disputed							
- MSME	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–
Total trade payable	**1.65**	**–**	**1.82**	**–**	**–**	**–**	**3.47**

(₹ in crore)

Particulars	As at March 31, 2021						Total
	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
- MSME	–	–	–	–	–	–	–
- Others	1.21	–	4.36	–	–	–	5.57
Disputed							
- MSME	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–
Total trade payable	**1.21**	**–**	**4.36**	**–**	**–**	**–**	**5.57**

14 Debt securities

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Redeemable non-convertible debentures (Secured) (refer Note 14(i))	7,528.49	8,144.00
Total	**7,528.49**	**8,144.00**
Debt securities in India	7,528.49	8,144.00
Total	**7,528.49**	**8,144.00**

There is no borrowing from the bank and financials institution during the year.

14 (i) Secured Redeemable Non Convertible Debentures (privately placed) as at March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr E FY16 Opt 5	₹ 25 Lakh each	24/02/16	5.00	8.73%	22/02/36	Redeemable at the end of 7303 days from the date of allotment
Sr D FY16 Opt 5	₹ 25 Lakh each	07/01/16	10.18	8.63%	07/01/36	Redeemable at the end of 7305 days from the date of allotment
NCD SRD STRPP 5	₹ 2 Lakh each	25/11/20	10.28	7.95%	23/11/35	Redeemable at the end of 5476 days from the date of allotment
NCD SRC STRPP 5	₹ 2 Lakh each	21/10/20	26.93	8.10%	19/10/35	Redeemable at the end of 5476 days from the date of allotment
NCD SRD STRPP 4	₹ 2 Lakh each	25/11/20	10.28	7.95%	24/11/34	Redeemable at the end of 5112 days from the date of allotment
NCD SRC STRPP 4	₹ 2 Lakh each	21/10/20	26.93	8.10%	20/10/34	Redeemable at the end of 5112 days from the date of allotment
NCDSR I (18-19)	₹ 10 Lakh each	20/02/19	20.20	9.22%	20/02/34	Redeemable at the end of 5479 days from the date of allotment
NCD SRD STRPP 3	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/33	Redeemable at the end of 4748 days from the date of allotment
NCD SRC STRPP 3	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/33	Redeemable at the end of 4748 days from the date of allotment
NCD SRD STRPP 2	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/32	Redeemable at the end of 4383 days from the date of allotment
NCD SRC STRPP 2	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/32	Redeemable at the end of 4383 days from the date of allotment
Sr G FY18 Opt 2	₹ 25 Lakh each	31/05/17	112.08	8.20%	31/05/32	Redeemable at the end of 5479 days from the date of allotment
NCD SRD STRPP 1	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/31	Redeemable at the end of 4017 days from the date of allotment
NCD SRC STRPP 1	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/31	Redeemable at the end of 4017 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr K FY17 OPT 2	₹ 25 Lakh each	03/10/16	26.01	8.43%	03/10/31	Redeemable at the end of 5478 days from the date of allotment
Sr E FY16 Opt 4	₹ 25 Lakh each	24/02/16	5.01	8.73%	24/02/31	Redeemable at the end of 5479 days from the date of allotment
Sr D FY16 Opt 4	₹ 25 Lakh each	07/01/16	15.28	8.63%	07/01/31	Redeemable at the end of 5479 days from the date of allotment
Sr B FY15 Opt 2	₹ 25 Lakh each	28/01/15	101.25	8.51%	28/01/30	Redeemable at the end of 5479 days from the date of allotment
NCDSR B(19-20)	₹ 10 Lakh each	25/10/19	12.41	8.80%	25/10/29	Redeemable at the end of 3653 days from the date of allotment
NCDSR A(19-20)	₹ 10 Lakh each	24/09/19	701.29	8.42%	24/09/29	Redeemable at the end of 3653 days from the date of allotment
SR C 19-20	₹ 10 Lakh each	08/01/20	15.91	8.75%	08/01/27	Redeemable at the end of 2557 days from the date of allotment
Sr P FY 16-17	₹ 25 Lakh each	15/11/16	25.76	8.15%	13/11/26	Redeemable at the end of 3650 days from the date of allotment
Sr N FY 16-17	₹ 25 Lakh each	20/10/16	134.75	8.30%	20/10/26	Redeemable at the end of 3652 days from the date of allotment
Sr M FY17 OPT 2	₹ 25 Lakh each	13/10/16	77.86	8.30%	13/10/26	Redeemable at the end of 3652 days from the date of allotment
Sr K FY17 OPT 1	₹ 25 Lakh each	03/10/16	106.42	8.43%	01/10/26	Redeemable at the end of 3650 days from the date of allotment
Sr J FY 16-17	₹ 25 Lakh each	28/09/16	75.81	8.43%	28/09/26	Redeemable at the end of 3652 days from the date of allotment
Sr G FY 16-17	₹ 25 Lakh each	13/07/16	15.94	8.77%	13/07/26	Redeemable at the end of 3652 days from the date of allotment
Sr F FY17 OPT 2	₹ 25 Lakh each	23/06/16	112.06	8.80%	23/06/26	Redeemable 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
Sr E FY17 OPT 2	₹ 25 Lakh each	17/06/16	53.45	8.80%	17/06/26	Redeemable at the end of 3652 days from the date of allotment
Sr D FY17 OPT 3	₹ 25 Lakh each	10/06/16	10.71	8.75%	10/06/26	Redeemable at the end of 3652 days from the date of allotment
Sr B FY17 OPT 3	₹ 25 Lakh each	06/05/16	21.56	8.67%	06/05/26	Redeemable at the end of 3652 days from the date of allotment
Sr H FY 15-16	₹ 25 Lakh each	29/03/16	298.35	8.72%	27/03/26	Redeemable at the end of 3650 days from the date of allotment
Sr G FY16 OPT 3	₹ 25 Lakh each	22/03/16	89.98	8.75%	20/03/26	Redeemable at the end of 3650 days from the date of allotment
Sr E FY16 Opt 3	₹ 25 Lakh each	24/02/16	135.76	8.73%	24/02/26	Redeemable at the end of 3653 days from the date of allotment
Sr D FY16 Opt 3	₹ 25 Lakh each	07/01/16	155.99	8.63%	07/01/26	Redeemable at the end of 3653 days from the date of allotment
Sr C FY16 Opt 3	₹ 25 Lakh each	04/12/15	15.41	8.55%	04/12/25	Redeemable at the end of 3653 days from the date of allotment
Sr E FY 18-19	₹ 10 Lakh each	23/07/18	15.93	9.05%	23/07/25	Redeemable at the end of 2557 days from the date of allotment
MLD SR E 19-20	₹ 10 Lakh each	25/02/20	297.79	8.70%	25/03/25	Redeemable at the end of 1855 days from the date of allotment
MLD SR D 19-20	₹ 10 Lakh each	31/01/20	58.54	8.17%	28/02/25	Redeemable at the end of 1855 days from the date of allotment
Sr B FY15 Opt I	₹ 25 Lakh each	28/01/15	101.35	8.49%	28/01/25	Redeemable at the end of 3653 days from the date of allotment
Sr D FY 18-19	₹ 10 Lakh each	06/07/18	170.93	9.30%	05/07/24	Redeemable at the end of 2191 days from the date of allotment
SrC FY19 Opt II	₹ 10 Lakh each	26/06/18	265.28	9.30%	26/06/24	Redeemable at the end of 2192 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr I FY18 Opt 2	₹ 25 Lakh each	14/06/17	26.60	8.07%	14/06/24	Redeemable at the end of 2557 days from the date of allotment
Sr J FY18 Opt 2	₹ 25 Lakh each	16/06/17	53.18	8.07%	14/06/24	Redeemable at the end of 2555 days from the date of allotment
Sr A FY15 Op 3	₹ 25 Lakh each	10/06/14	102.45	9.70%	10/06/24	Redeemable at the end of 3653 days from the date of allotment
Sr H FY18 Opt 2	₹ 25 Lakh each	08/06/17	106.57	8.08%	10/06/24	Redeemable at the end of 2559 days from the date of allotment
Sr G FY18 Opt 1	₹ 25 Lakh each	31/05/17	37.35	8.07%	31/05/24	Redeemable at the end of 2557 days from the date of allotment
Sr E FY 17-18	₹ 25 Lakh each	16/05/17	42.83	8.08%	16/05/24	Redeemable at the end of 2557 days from the date of allotment
Sr C FY 17-18	₹ 25 Lakh each	04/05/17	134.16	8.08%	03/05/24	Redeemable at the end of 2556 days from the date of allotment
NCD SR H (18-19	₹ 10 Lakh each	01/02/19	25.36	9.15%	11/03/24	Redeemable at the end of 1865 days from the date of allotment
Sr S FY 16-17	₹ 25 Lakh each	15/12/16	25.59	8.05%	15/12/23	Redeemable at the end of 2556 days from the date of allotment
MLD G18-19	₹ 10 Lakh each	21/09/18	46.50	8.49%	21/11/23	Redeemable at the end of 1887 days from the date of allotment
MLD F18-19	₹ 10 Lakh each	18/09/18	66.22	8.40%	18/10/23	Redeemable at the end of 1856 days from the date of allotment
Sr M FY17 OPT 1	₹ 25 Lakh each	13/10/16	77.87	8.25%	13/10/23	Redeemable at the end of 2556 days from the date of allotment
Sr L FY 16-17	₹ 25 Lakh each	10/10/16	155.88	8.36%	10/10/23	Redeemable at the end of 2556 days from the date of allotment
MLD SR B 20-21	₹ 10 Lakh each	07/07/20	115.66	7.97%	06/10/23	Redeemable at the end of 1186 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
Sr H FY 16-17	₹ 25 Lakh each	01/09/16	26.23	8.45%	01/09/23	Redeemable at the end of 2556 days from the date of allotment
Sr C FY19 Opt I	₹ 10 Lakh each	26/06/18	248.68	9.30%	25/08/23	Redeemable at the end of 1886 days from the date of allotment
Sr B FY 18-19	₹ 10 Lakh each	19/06/18	330.42	9.30%	18/08/23	Redeemable at the end of 1886 days from the date of allotment
Sr A FY 18-19	₹ 10 Lakh each	09/05/18	62.39	8.45%	23/06/23	Redeemable at the end of 1871 days from the date of allotment
Sr N FY 17-18	₹ 25 Lakh each	30/01/18	83.11	8.19%	30/05/23	Redeemable at the end of 1946 days from the date of allotment
Sr N FY18 Re 1	₹ 25 Lakh each	26/02/18	58.68	8.19%	30/05/23	Redeemable at the end of 1919 days from the date of allotment
Sr N FY18 Re 2	₹ 25 Lakh each	27/03/18	25.29	8.19%	30/05/23	Redeemable at the end of 1890 days from the date of allotment
Sr N FY18 Re 3	₹ 25 Lakh each	28/03/18	23.29	8.19%	30/05/23	Redeemable at the end of 1889 days from the date of allotment
SR A 20-21	₹ 10 Lakh each	29/05/20	128.43	8.40%	29/05/23	Redeemable at the end of 1095 days from the date of allotment
Sr B FY17 OPT 2	₹ 25 Lakh each	06/05/16	1.08	8.67%	05/05/23	Redeemable at the end of 2555 days from the date of allotment
Sr G FY16 OPT 2	₹ 25 Lakh each	22/03/16	20.03	8.75%	22/03/23	Redeemable at the end of 2556 days from the date of allotment
Sr M FY18 Opt 2	₹ 25 Lakh each	28/12/17	188.88	8.15%	10/03/23	Redeemable at the end of 1898 days from the date of allotment
Sr E FY16 Opt 2	₹ 25 Lakh each	24/02/16	55.42	8.70%	24/02/23	Redeemable at the end of 2557 days from the date of allotment
Sr L FY 17-18	₹ 25 Lakh each	21/12/17	399.79	8.15%	16/01/23	Redeemable at the end of 1852 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr D FY16 Opt 2	₹ 25 Lakh each	07/01/16	47.93	8.60%	06/01/23	Redeemable at the end of 2556 days from the date of allotment
Sr M FY18 Opt I	₹ 25 Lakh each	21/12/17	515.60	8.15%	28/12/22	Redeemable at the end of 1833 days from the date of allotment
Sr B FY16	₹ 25 Lakh each	09/11/15	155.08	8.65%	09/11/22	Redeemable at the end of 2557 days from the date of allotment
Sr K FY 17-18	₹ 25 Lakh each	06/11/17	216.56	7.85%	07/11/22	Redeemable at the end of 1827 days from the date of allotment
Sr A FY 15-16	₹ 25 Lakh each	11/09/15	26.19	8.67%	09/09/22	Redeemable at the end of 2555 days from the date of allotment
Sr J FY18 Opt I	₹ 25 Lakh each	16/06/17	106.33	8.00%	16/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr I FY18 Opt I	₹ 25 Lakh each	14/06/17	37.23	8.00%	14/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr H FY18 Opt I	₹ 25 Lakh each	08/06/17	95.87	8.01%	08/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr F FY 17-18	₹ 25 Lakh each	22/05/17	26.72	8.00%	01/06/22	Redeemable at the end of 1836 days from the date of allotment
Sr B FY18 Opt 2	₹ 25 Lakh each	24/04/17	43.00	8.00%	24/05/22	Redeemable at the end of 1856 days from the date of allotment
Sr A FY18 Opt 2	₹ 25 Lakh each	13/04/17	80.82	8.02%	13/05/22	Redeemable at the end of 1856 days from the date of allotment
Sr D FY 17-18	₹ 25 Lakh each	11/05/17	58.92	8.00%	11/05/22	Redeemable at the end of 1826 days from the date of allotment
Total			**7,528.49**			

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

14 (i) Secured Redeemable Non Convertible Debentures (privately placed) as at March 31, 2021

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr E FY16 Opt 5	₹ 25 Lakh each	24/02/16	5.00	8.73%	22/02/36	Redeemable at the end of 7303 days from the date of allotment
Sr D FY16 Opt 5	₹ 25 Lakh each	07/01/16	10.18	8.63%	07/01/36	Redeemable at the end of 7305 days from the date of allotment
NCD SRD STRPP 5	₹ 2 Lakh each	25/11/20	10.28	7.95%	23/11/35	Redeemable at the end of 5476 days from the date of allotment
NCD SRC STRPP 5	₹ 2 Lakh each	21/10/20	26.93	8.10%	19/10/35	Redeemable at the end of 5476 days from the date of allotment
NCD SRD STRPP 4	₹ 2 Lakh each	25/11/20	10.28	7.95%	24/11/34	Redeemable at the end of 5112 days from the date of allotment
NCD SRC STRPP 4	₹ 2 Lakh each	21/10/20	26.93	8.10%	20/10/34	Redeemable at the end of 5112 days from the date of allotment
NCDSR I (18-19)	₹ 10 Lakh each	20/02/19	20.02	9.22%	20/02/34	Redeemable at the end of 5479 days from the date of allotment
NCD SRD STRPP 3	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/33	Redeemable at the end of 4748 days from the date of allotment
NCD SRC STRPP 3	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/33	Redeemable at the end of 4748 days from the date of allotment
NCD SRD STRPP 2	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/32	Redeemable at the end of 4383 days from the date of allotment
NCD SRC STRPP 2	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/32	Redeemable at the end of 4383 days from the date of allotment
Sr G FY18 Opt 2	₹ 25 Lakh each	31/05/17	112.07	8.20%	31/05/32	Redeemable at the end of 5479 days from the date of allotment
NCD SRD STRPP 1	₹ 2 Lakh each	25/11/20	10.28	7.95%	25/11/31	Redeemable at the end of 4017 days from the date of allotment
NCD SRC STRPP 1	₹ 2 Lakh each	21/10/20	26.93	8.10%	21/10/31	Redeemable at the end of 4017 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr K FY17 OPT 2	₹ 25 Lakh each	03/10/16	26.00	8.43%	03/10/31	Redeemable at the end of 5478 days from the date of allotment
Sr E FY16 Opt 4	₹ 25 Lakh each	24/02/16	5.01	8.73%	24/02/31	Redeemable at the end of 5479 days from the date of allotment
Sr D FY16 Opt 4	₹ 25 Lakh each	07/01/16	15.28	8.63%	07/01/31	Redeemable at the end of 5479 days from the date of allotment
Sr B FY15 Opt 2	₹ 25 Lakh each	28/01/15	101.23	8.51%	28/01/30	Redeemable at the end of 5479 days from the date of allotment
NCDSR B(19-20)	₹ 10 Lakh each	25/10/19	12.36	8.80%	25/10/29	Redeemable at the end of 3653 days from the date of allotment
NCDSR A(19-20)	₹ 10 Lakh each	24/09/19	701.21	8.42%	24/09/29	Redeemable at the end of 3653 days from the date of allotment
SR C 19-20	₹ 10 Lakh each	08/01/20	15.91	8.75%	08/01/27	Redeemable at the end of 2557 days from the date of allotment
Sr P FY 16-17	₹ 25 Lakh each	15/11/16	25.75	8.15%	13/11/26	Redeemable at the end of 3650 days from the date of allotment
Sr N FY 16-17	₹ 25 Lakh each	20/10/16	134.73	8.30%	20/10/26	Redeemable at the end of 3652 days from the date of allotment
Sr M FY17 OPT 2	₹ 25 Lakh each	13/10/16	77.85	8.30%	13/10/26	Redeemable at the end of 3652 days from the date of allotment
Sr K FY17 OPT 1	₹ 25 Lakh each	03/10/16	106.39	8.43%	01/10/26	Redeemable at the end of 3650 days from the date of allotment
Sr J FY 16-17	₹ 25 Lakh each	28/09/16	75.80	8.43%	28/09/26	Redeemable at the end of 3652 days from the date of allotment
Sr G FY 16-17	₹ 25 Lakh each	13/07/16	15.94	8.77%	13/07/26	Redeemable at the end of 3652 days from the date of allotment
Sr F FY17 OPT 2	₹ 25 Lakh each	23/06/16	112.05	8.80%	23/06/26	Redeemable 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
Sr E FY17 OPT 2	₹ 25 Lakh each	17/06/16	53.44	8.80%	17/06/26	Redeemable at the end of 3652 days from the date of allotment
Sr D FY17 OPT 3	₹ 25 Lakh each	10/06/16	10.71	8.75%	10/06/26	Redeemable at the end of 3652 days from the date of allotment
Sr B FY17 OPT 3	₹ 25 Lakh each	06/05/16	21.56	8.67%	06/05/26	Redeemable at the end of 3652 days from the date of allotment
Sr H FY 15-16	₹ 25 Lakh each	29/03/16	297.89	8.72%	27/03/26	Redeemable at the end of 3650 days from the date of allotment
Sr G FY16 OPT 3	₹ 25 Lakh each	22/03/16	89.92	8.75%	20/03/26	Redeemable at the end of 3650 days from the date of allotment
Sr E FY16 Opt 3	₹ 25 Lakh each	24/02/16	135.66	8.73%	24/02/26	Redeemable at the end of 3653 days from the date of allotment
Sr D FY16 Opt 3	₹ 25 Lakh each	07/01/16	155.98	8.63%	07/01/26	Redeemable at the end of 3653 days from the date of allotment
Sr C FY16 Opt 3	₹ 25 Lakh each	04/12/15	15.41	8.55%	04/12/25	Redeemable at the end of 3653 days from the date of allotment
Sr E FY 18-19	₹ 10 Lakh each	23/07/18	15.93	9.05%	23/07/25	Redeemable at the end of 2557 days from the date of allotment
MLD SR E 19-20	₹ 10 Lakh each	25/02/20	273.90	8.70%	25/03/25	Redeemable at the end of 1855 days from the date of allotment
MLD SR D 19-20	₹ 10 Lakh each	31/01/20	53.80	8.17%	28/02/25	Redeemable at the end of 1855 days from the date of allotment
Sr B FY15 Opt I	₹ 25 Lakh each	28/01/15	101.31	8.49%	28/01/25	Redeemable at the end of 3653 days from the date of allotment
Sr D FY 18-19	₹ 10 Lakh each	06/07/18	170.92	9.30%	05/07/24	Redeemable at the end of 2191 days from the date of allotment
SrC FY19 Opt II	₹ 10 Lakh each	26/06/18	265.27	9.30%	26/06/24	Redeemable at the end of 2192 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr I FY18 Opt 2	₹ 25 Lakh each	14/06/17	26.60	8.07%	14/06/24	Redeemable at the end of 2557 days from the date of allotment
Sr J FY18 Opt 2	₹ 25 Lakh each	16/06/17	53.18	8.07%	14/06/24	Redeemable at the end of 2555 days from the date of allotment
Sr A FY15 Op 3	₹ 25 Lakh each	10/06/14	102.45	9.70%	10/06/24	Redeemable at the end of 3653 days from the date of allotment
Sr H FY18 Opt 2	₹ 25 Lakh each	08/06/17	106.57	8.08%	10/06/24	Redeemable at the end of 2559 days from the date of allotment
Sr G FY18 Opt 1	₹ 25 Lakh each	31/05/17	37.35	8.07%	31/05/24	Redeemable at the end of 2557 days from the date of allotment
Sr E FY 17-18	₹ 25 Lakh each	16/05/17	42.83	8.08%	16/05/24	Redeemable at the end of 2557 days from the date of allotment
Sr C FY 17-18	₹ 25 Lakh each	04/05/17	134.14	8.08%	03/05/24	Redeemable at the end of 2556 days from the date of allotment
NCD SR H (18-19	₹ 10 Lakh each	01/02/19	25.36	9.15%	11/03/24	Redeemable at the end of 1865 days from the date of allotment
Sr S FY 16-17	₹ 25 Lakh each	15/12/16	25.58	8.05%	15/12/23	Redeemable at the end of 2556 days from the date of allotment
MLD G18-19	₹ 10 Lakh each	21/09/18	42.73	8.49%	21/11/23	Redeemable at the end of 1887 days from the date of allotment
MLD F18-19	₹ 10 Lakh each	18/09/18	60.85	8.40%	18/10/23	Redeemable at the end of 1856 days from the date of allotment
Sr M FY17 OPT 1	₹ 25 Lakh each	13/10/16	77.86	8.25%	13/10/23	Redeemable at the end of 2556 days from the date of allotment
Sr L FY 16-17	₹ 25 Lakh each	10/10/16	155.83	8.36%	10/10/23	Redeemable at the end of 2556 days from the date of allotment
MLD SR B 20-21	₹ 10 Lakh each	07/07/20	107.12	7.97%	06/10/23	Redeemable at the end of 1186 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
Sr H FY 16-17	₹ 25 Lakh each	01/09/16	26.22	8.45%	01/09/23	Redeemable at the end of 2556 days from the date of allotment
Sr C FY19 Opt I	₹ 10 Lakh each	26/06/18	248.66	9.30%	25/08/23	Redeemable at the end of 1886 days from the date of allotment
Sr B FY 18-19	₹ 10 Lakh each	19/06/18	330.39	9.30%	18/08/23	Redeemable at the end of 1886 days from the date of allotment
Sr A FY 18-19	₹ 10 Lakh each	09/05/18	62.39	8.45%	23/06/23	Redeemable at the end of 1871 days from the date of allotment
Sr N FY 17-18	₹ 25 Lakh each	30/01/18	83.10	8.19%	30/05/23	Redeemable at the end of 1946 days from the date of allotment
Sr N FY18 Re 1	₹ 25 Lakh each	26/02/18	58.77	8.19%	30/05/23	Redeemable at the end of 1919 days from the date of allotment
Sr N FY18 Re 2	₹ 25 Lakh each	27/03/18	25.33	8.19%	30/05/23	Redeemable at the end of 1890 days from the date of allotment
Sr N FY18 Re 3	₹ 25 Lakh each	28/03/18	23.31	8.19%	30/05/23	Redeemable at the end of 1889 days from the date of allotment
SR A 20-21	₹ 10 Lakh each	29/05/20	128.39	8.40%	29/05/23	Redeemable at the end of 1095 days from the date of allotment
Sr B FY17 OPT 2	₹ 25 Lakh each	06/05/16	1.08	8.67%	05/05/23	Redeemable at the end of 2555 days from the date of allotment
Sr G FY16 OPT 2	₹ 25 Lakh each	22/03/16	20.02	8.75%	22/03/23	Redeemable at the end of 2556 days from the date of allotment
Sr M FY18 Opt 2	₹ 25 Lakh each	28/12/17	188.87	8.15%	10/03/23	Redeemable at the end of 1898 days from the date of allotment
Sr E FY16 Opt 2	₹ 25 Lakh each	24/02/16	55.35	8.70%	24/02/23	Redeemable at the end of 2557 days from the date of allotment
Sr L FY 17-18	₹ 25 Lakh each	21/12/17	399.75	8.15%	16/01/23	Redeemable at the end of 1852 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr D FY16 Opt 2	₹ 25 Lakh each	07/01/16	47.92	8.60%	06/01/23	Redeemable at the end of 2556 days from the date of allotment
Sr M FY18 Opt I	₹ 25 Lakh each	21/12/17	515.60	8.15%	28/12/22	Redeemable at the end of 1833 days from the date of allotment
Sr B FY16	₹ 25 Lakh each	09/11/15	155.08	8.65%	09/11/22	Redeemable at the end of 2557 days from the date of allotment
Sr K FY 17-18	₹ 25 Lakh each	06/11/17	216.50	7.85%	07/11/22	Redeemable at the end of 1827 days from the date of allotment
Sr A FY 15-16	₹ 25 Lakh each	11/09/15	26.20	8.67%	09/09/22	Redeemable at the end of 2555 days from the date of allotment
Sr J FY18 Opt I	₹ 25 Lakh each	16/06/17	106.32	8.00%	16/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr I FY18 Opt I	₹ 25 Lakh each	14/06/17	37.23	8.00%	14/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr H FY18 Opt I	₹ 25 Lakh each	08/06/17	95.86	8.01%	08/06/22	Redeemable at the end of 1826 days from the date of allotment
Sr F FY 17-18	₹ 25 Lakh each	22/05/17	26.72	8.00%	01/06/22	Redeemable at the end of 1836 days from the date of allotment
Sr B FY18 Opt 2	₹ 25 Lakh each	24/04/17	43.00	8.00%	24/05/22	Redeemable at the end of 1856 days from the date of allotment
Sr A FY18 Opt 2	₹ 25 Lakh each	13/04/17	80.81	8.02%	13/05/22	Redeemable at the end of 1856 days from the date of allotment
Sr D FY 17-18	₹ 25 Lakh each	11/05/17	58.92	8.00%	11/05/22	Redeemable at the end of 1826 days from the date of allotment
Sr U FY 16-17	₹ 25 Lakh each	17/01/17	14.22	7.95%	17/02/22	Redeemable at the end of 1857 days from the date of allotment
Sr T FY 16-17	₹ 25 Lakh each	13/01/17	15.25	7.95%	11/02/22	Redeemable at the end of 1855 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
Sr V FY 16-17	₹ 25 Lakh each	10/02/17	36.38	7.89%	10/02/22	Redeemable at the end of 1826 days from the date of allotment
Sr R FY 16-17	₹ 25 Lakh each	29/11/16	51.31	7.85%	29/12/21	Redeemable at the end of 1856 days from the date of allotment
Sr Q FY 16-17	₹ 25 Lakh each	28/11/16	51.31	7.85%	28/12/21	Redeemable at the end of 1856 days from the date of allotment
Sr O FY 16-17	₹ 25 Lakh each	08/11/16	128.94	8.05%	08/12/21	Redeemable at the end of 1856 days from the date of allotment
Sr I FY 16-17	₹ 25 Lakh each	14/09/16	38.69	8.39%	14/09/21	Redeemable at the end of 1826 days from the date of allotment
Sr A FY15 Opt 2	₹ 25 Lakh each	10/06/14	86.27	9.70%	10/06/21	Redeemable at the end of 2557 days from the date of allotment
Sr D FY17 OPT 1	₹ 25 Lakh each	10/06/16	133.79	8.70%	10/06/21	Redeemable at the end of 1826 days from the date of allotment
Sr C FY17 OPT 1	₹ 25 Lakh each	12/05/16	5.38	8.65%	12/05/21	Redeemable at the end of 1826 days from the date of allotment
Sr B FY17 OPT 1	₹ 25 Lakh each	06/05/16	34.50	8.65%	06/05/21	Redeemable at the end of 1826 days from the date of allotment
Sr G FY16 OPT 1	₹ 25 Lakh each	22/03/16	40.09	8.75%	22/04/21	Redeemable at the end of 1857 days from the date of allotment
Sr A FY 16-17	₹ 25 Lakh each	12/04/16	27.10	8.70%	12/04/21	Redeemable at the end of 1826 days from the date of allotment
Total			**8,144.00**			

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

Notes forming part of the financial statements for the year ended March 31, 2022

15 Subordinated liabilities

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
Cumulative non convertible redeemable preference share (CPRS)	285.91	322.68
Total	**285.91**	**322.68**
Subordinated liabilities in India	285.91	322.68
Total	**285.91**	**322.68**

Terms/rights attached to shares

Cumulative Non Convertible Redeemable Preference Shares ("CRPS")

i. The CRPS do not have voting rights other than in respect of matters directly affecting the rights attached to the CRPS. In the event 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. On winding up or redemption, CRPS holders enjoy preferential rights vis-a-vis equity shareholders, for redemption of capital paid up and shall include any unpaid Dividends and any fixed premium (if applicable).

ii. During the year ended March 31, 2022, the Company has paid and accrued dividend of ₹ 12.09 crore and paid and accrued redemption premium of ₹ 9.81 crore on CRPS of ₹ 100 each fully paid (previous year paid and accrued dividend of ₹ 15.94 crs and paid and accrued redemption premium of ₹ 11.03 crore).

iii. Details for CRPS:

a. Details relating to ISIN INE235P04024:

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 redeemed in annual tranches of ₹ 33.10 crore for tranches 1 & 2 and ₹ 34.10 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

b. Details relating to ISIN INE235P04040:

The CRPS are redeemable in three annual tranches beginning from 29-August-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 redeemed in annual tranches of ₹ 1.65 crore for tranches 1 & 2 and ₹ 1.70 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

c. Details relating to ISIN INE235P04057:

The face value of the Preference Shares is ₹ 10 lakhs each, and the date of allotment was May 23, 2019. The CRPS are redeemable in three annual tranches beginning from 23-May-2025 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 redeemed in annual tranches of ₹ 21.38 crore for tranches 1 & 2 and ₹ 22.03 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

d. Details relating to ISIN INE235P04065:

The face value of the Preference Shares is ₹ 10 lakhs each, and the date of allotment was December 27, 2019. The CRPS are redeemable in three annual tranches beginning from 27-December-2025 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 redeemed in annual tranches of ₹ 49.50 crore for tranches 1 & 2 and ₹ 51.00 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5.25% subject to the provisions of the applicable laws and regulations.

There is no borrowing from the bank and financials institution during the year.

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for expenses	1.39	1.69
Total	**1.39**	**1.69**

17 Current tax liabilities (net)

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax)	28.77	95.93
Total	**28.77**	**95.93**

18 Provisions

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Compensated absences	0.20	0.27
Gratuity	0.72	0.73
Total	**0.92**	**1.00**

19 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	1.74	0.65
Total	**1.74**	**0.65**

20 Equity share capital

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Authorised				
Equity shares of ₹ 10 each	1,000,000,000	1,000.00	1,000,000,000	1,000.00
	1,000,000,000	**1,000.00**	**1,000,000,000**	**1,000.00**
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid	490,180,214	490.18	490,180,214	490.18
	490,180,214	**490.18**	**490,180,214**	**490.18**

Notes forming part of the financial statements for the year ended March 31, 2022

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity shares at the beginning of the year	490,180,214	490.18	490,180,214	490.18
Add: Shares issued during the year	–	–	–	–
Equity shares at the end of the year	**490,180,214**	**490.18**	**490,180,214**	**490.18**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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.	490,180,214	490.18	490,180,214	490.18

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid held by				
L&T Infrastructure Finance Company Limited	–	–	237,036,157	48.36
L&T Finance Limited	375,689,110	76.64	138,652,953	28.28
L&T Finance Holdings Limited	114,491,100	23.36	114,491,100	23.36

Amalgamation of L&T Infrastructure Finance Company Limited ("LTIFC"), L&T Housing Finance Limited ("LTHFC") and L&T Finance Limited ("LTFL"):

Pursuant to order of National Company Law Tribunal Benches, Mumbai and Kolkata dated March 15, 2021 and March 19, 2021 respectively, the scheme of amalgamation for merger of LTIFC and LTHFC with LTFL became effective from April 12, 2021 with appointed date being April 01, 2020. Prior to the merger, LTIFC was the sponsor of the Company (erstwhile L&T Infra Debt Fund Limited). Consequent to the merger of the sponsor (i.e., LTIFC with LTFL), the Company is no longer eligible to be regarded as IDF-NBFC. The Company is taking steps to convert itself to an NBFC – Investment and Credit Company (NBFC-ICC).

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.

(e) Details of Shares held by Promoters:

Particulars	As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the Year
Equity Shares of ₹ 10 each fully paid held by			
L&T Finance Limited	375,689,110	76.64	48.36
L&T Finance Holdings Limited	114,491,100	23.36	–

21 Other equity

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account	133.83	133.83
Capital Redemption Reserves	33.10	–
Reserve u/s 45 1C of RBI Act 1934	148.79	147.97
Reserve u/s 36(1)(viii) of Income tax Act, 1961	10.93	–
Impairment reserve	23.42	23.42
Retained earnings	500.13	540.21
Total	**850.20**	**845.43**

21.1 Securities premium account

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	133.83	133.83
Addition during the year	–	–
Balance at end of year	**133.83**	**133.83**

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

21.2 Reserve u/s 45 IC of RBI Act

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	147.97	135.32
Addition during the year	0.82	12.65
Balance at end of year	**148.79**	**147.97**

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.

Notes forming part of the financial statements for the year ended March 31, 2022

21.3 Retained earnings

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	540.21	503.26
Addition during the year	4.11	63.23
Remeasurement of defined benefit plan (net tax)	0.04	0.28
Change in fair value of debt instruments classified at fair value through other comprehensive income	0.62	(1.95)
Transfer to impairment reserve	–	(11.95)
Capital Redemption Reserves	(33.10)	–
Reserve u/s 36(1)(viii) of Income tax Act, 1961	(10.93)	–
Transfer to reserve u s 45 IC of RBI Act	(0.82)	(12.65)
Balance at end of year	**500.13**	**540.21**

Retained earnings represent the amount of accumulated earnings of the Company.

21.4 Impairment reserve

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	23.42	11.47
Addition during the year	–	11.95
Balance at end of year	**23.42**	**23.42**

As per RBI circular RBI/2019-20/170 dated 13th March, 2020, NBFCs are required to hold expected credit loss allowances in accordance with the provisions of IndAS 109. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where the expected credit loss allowance computed under IndAS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the shortfall from their retained earnings to a separate 'Impairment Reserve', also refer Note 51(25).

21.5 Capital Redemption Reserves

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	–	–
Addition during the year	33.10	–
Balance at end of year	**33.10**	**–**

In respect of redemption of preference share capital from distributable profit, an amount which is equal to the nominal value of the redeemed preference share capital is carried to such reserve account.

21.6 Reserve u/s 36(1)(viii) of Income tax Act, 1961

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	–	–
Addition during the year	10.93	–
Balance at end of year	**10.93**	**–**

In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) is carried to such reserve account.

22 Interest income

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) On financial assets measured at amortised cost		
Interest on loans	628.99	854.62
Interest on deposits with Bank/Bonds	70.82	24.79
Subtotal (a)	**699.81**	**879.41**
(b) On financial assets measured at fair value through other comprehensive income		
Interest income on bonds	6.96	0.96
Subtotal (b)	**6.96**	**0.96**
(b) On financial assets measured at fair value through profit & loss		
Interest income on commercial paper	4.25	–
Subtotal (c)	**4.25**	**–**
Total (a+b+c)	**711.02**	**880.37**

23 Fees and commission income

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advisory fees	11.70	4.88
Total	**11.70**	**4.88**

Notes forming part of the financial statements for the year ended March 31, 2022

24 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Net gain on financial instruments classified at fair value through profit or loss		
(i) On trading portfolio		
- Investments		
Gain on sale of investments	7.71	8.04
Fair value changes on investments	(1.48)	(3.63)
Total net gain on fair value changes	**6.23**	**4.41**
(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income		
- Gain/(Loss) on sale of Investments	(0.02)	–
Total net gain/(loss) on fair value changes (A+B)	**6.21**	**4.41**
(C) Fair value changes:		
- Realised	7.69	8.04
- Unrealised	(1.48)	(3.63)
Total net gain on fair value changes	**6.21**	**4.41**

25 Net gain on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on sale of loans at amortised cost	–	2.11
Total	**–**	**2.11**

26 Other income

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on income tax refund	2.25	1.85
Total	**2.25**	**1.85**

27 Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on debt securities	637.31	677.11
Interest on subordinated liabilities	21.91	27.10
Ancillary borrowing costs	3.43	1.22
Other interest expense		
Interest cost on gratuity	0.03	0.07
Interest cost on compensated absences	0.01	0.02
Total	**662.69**	**705.52**

28 Impairment/(Reversal of impairment) on financial instruments

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans		
On financial instruments measured at:		
Amortised cost	31.83	(1.38)
Total	**31.83**	**(1.38)**

29 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	8.10	8.96
Contribution provident and pension fund	0.33	0.38
Contribution to gratuity fund	0.13	0.20
Expenses on employee stock option scheme	1.42	2.12
Staff welfare expenses	0.25	0.10
Total	**10.23**	**11.76**

30 Depreciation, amortization and impairment

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amortisation	0.08	0.03
Total	**0.08**	**0.03**

Notes forming part of the financial statements for the year ended March 31, 2022

31 Other expenses

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent, rates and taxes	1.97	1.52
Property maintenance and other charges	0.42	0.34
Director's fees	0.16	0.11
Auditors' remuneration (Refer note below)	0.24	0.17
Legal and professional charges	0.49	0.70
Guarantee fees	1.24	1.31
Travelling and conveyance	0.04	0.01
Corporate social responsibility expenses	3.36	3.29
Management fees	6.80	6.93
Commission to non executive directors	0.26	0.19
Brand license fee	0.22	3.54
Stamping charges	–	0.02
Miscellaneous expenses	0.15	0.40
Total	**15.35**	**18.53**

Note (i): Auditors' remuneration comprises the following

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statuory audit fees	0.07	0.07
Limited review fees	0.06	0.06
Tax audit fees	0.01	0.01
Other service	0.10	0.03
Total	**0.24**	**0.17**

32 Tax expense

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax expense (Refer Note 50)	15.44	–
Deferred Tax expense (Refer Note 50)	(8.55)	–
Provision for tax related to earlier years	–	95.93
Total	**6.89**	**95.93**

33 Disclosure pursuant to Ind AS 108 Operating Segment

The Company's business is to provide finance for infrastructure projects. All other activities revolve around the Infrastructure 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.

34 Contingent liabilities and commitments

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities:		
a) Other money for which the Company is contingently liable;		
Liability towards Letter of Credit (net of margin money)		
- Liability towards letter of comfort	–	–
a) Other money for which the Company is contingently liable;		
Liability towards Letter of Credit (net of margin money)"		
- Income Tax matter in dispute	4.69	–
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.13	–

35 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.

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

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 3.36 crore (previous year: ₹ 3.29 crore)

The amount recognised as expense in the statement of profit and loss on CSR related activities is ₹ 3.36 crore (previous year: ₹ 3.29 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, 2022	For the year ended March 31, 2021
1	Adoption of Climate Resilience Agriculture practices and Integrated Water Resource Management in Latur, Solapur & Osmanabad districts, Maharashtra	–	0.32
2	Interventions of Digital Financial Literacy & Entrepreneurship Development in Balangir & Boudh districts in Odisha (Balangir & Boudh – 118 villages)	–	0.17
3	Interventions of Digital Financial Literacy & Entrepreneurship Development in Osmanabad, Solapur and Pune districts in Mahrashtra (Digital Sakhi MH -Osmanabad, Pune & Solapur - 43 villages)	–	0.60

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Sr. No.	CSR project or programme	For the year ended March 31, 2022	For the year ended March 31, 2021
4	Adoption of Climate Resilience Agriculture practices and Integrated Water Resource Management in Aurangabad, Jalna abd Buldhana districts, Maharashtra (Aurangabad, Jalna & Buldhana - 60 villages)	–	1.49
5	Contribution towards implementation of Road safety initiative in Mumbai	–	–
6	Providing nutritional support to communties affected due to pandemic lockdown in Nagpur, MH	0.30	0.60
7	Contribution towards Maharashtra and Karnataka Flood project 2019-20	–	–
8	Providing immediate relief and support to the communities affected by floods in Bihar and Assam	–	0.08
9	Covid Relief (Employer Contribution)	–	0.03
10	Interventions of Digital Financial Literacy & Entrepreneurship Development in East Medinipur districts in West Bengal (East Medinipur – 133 villages)	3.06	–
	Total	**3.36**	**3.29**

37 Disclosures pursuant to Ind AS 116 "Leases"

Ind AS 116 provides a recognition exemption to lessees in regard to short term leases (a lease which has a lease term of not more than twelve months on the date of commencement) according to which the lease payments in those cases are recognized as expense over the lease term.

38 Basic and diluted Earnings per Share (EPS) computed in accordance with Ind AS 33 "Earnings per Share"

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share		
Profit after tax (₹ Crore)	4.11	63.23
Net profit attributable to Equity share holders	4.11	63.23
Weighted average number of equity shares outstanding	490,180,214	490,180,214
Basic EPS per share (₹)	0.08	1.29
Diluted earnings per share		
Profit after tax (₹ Crore)	4.11	63.23
Weighted average number of equity shares outstanding	490,180,214	490,180,214
Diluted EPS per share (₹)	0.08	1.29
Face value per share (₹)	10.00	10.00

36 Expenditure in foreign currencies

(₹ in crore)

Nature of expense	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous expenses	0.01	0.06

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

(i) Defined Contribution plans :

The Company's state governed provident fund scheme is a 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 thereon 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 ₹ 0.33 Crores (previous year ₹ 0.38 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 favourable 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, 2022	As at March 31, 2021
A) Present Value of Defined Benefit Obligation		
- Wholly funded		
- Wholly unfunded	0.72	0.73
	0.72	0.73
Less : Fair Value of plan assets	–	–
Liabilities	0.72	0.73
Assets	–	–
Net liability/(asset)	0.72	0.73
Net liability/(asset) - current	0.20	0.17
Net liability/(asset) - non-current	0.52	0.56

Notes forming part of the financial statements for the year ended March 31, 2022

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

(₹ in crore)

Particulars	Gratuity Plan As at March 31, 2022	Gratuity Plan As at March 31, 2021
1 Current Service Cost	0.13	0.20
2 Interest Cost	0.03	0.07
3 Interest Income on Plan Assets	–	–
4 Actuarial losses/(gains) - others	(0.05)	(0.28)
5 Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	–	–
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)	**0.11**	**(0.01)**
i Amount included in "employee benefits expenses"	0.13	0.20
ii Amount included in as part of "finance cost"	0.03	0.07
iii Amount included as part of "Other Comprehensive income"	(0.05)	(0.28)
Total (i + ii + iii)	**0.11**	**(0.01)**

(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, 2022	Gratuity Plan As at March 31, 2021
Opening balance of the present value of defined benefit obligation	0.73	1.05
Add : Current Service Cost	0.13	0.20
Add : Interest Cost	0.03	0.07
Add : Actuarial losses/(gains)	–	–
i) Actuarial (gains)/losses arising from changes in financial assumptions	(0.02)	0.05
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	(0.27)
iii) Actuarial (gains)/losses arising from changes inexperience adjustments	(0.03)	(0.05)
Less : Benefits paid	(0.04)	(0.05)
Add : Past service cost	–	–
Add : Liability assumed/(settled)*	(0.08)	(0.27)
Add/(less) : Translation adjustments	–	–
Closing balance of the present value of defined benefit obligation	**0.72**	**0.73**

*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, 2022	As at March 31, 2021
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	0.04	0.05
Add/(less) : Contribution by plan participants	–	–
Less : Benefits paid	(0.04)	(0.05)
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, 2022	As at March 31, 2021
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:

(₹ in crore)

Particulars		Gratuity Plan	
		As at March 31, 2022	As at March 31, 2021
1	Discount rate (per annum)	5.80%	5.20%
2	Salary escalation rate (per annum)	9.00%	9.00%

(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.

Notes forming part of the financial statements for the year ended March 31, 2022

(g) Attrition Rate:

The attrition rate varies from 0% to 33% (previous year: 0% to 33%) 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	
		2021-22	2020-21	2021-22	2020-21
1	Discount rate (per annum)	(0.03)	(0.03)	0.03	0.03
2	Salary escalation rate (per annum)	0.03	0.03	(0.03)	(0.03)

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

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

A. Ultimate Holding Company

1. Larsen & Toubro Limited
2. L&T Finance Holdings Limited

B. Holding Company

3. L&T Finance Limited

C. Fellow Subsidiary Companies

4. L&T Infrastructure Finance Company Limited (Upto March 31, 2021)
5. L&T Financial Consultants Limited

D. Key Management Personnel

6. Mr. Shiva Rajaraman
7. Mr. Thomas Mathew T.
8. Ms. Nishi Vasudeva

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Purchase of loan accounts from**		
	L&T Infrastructure Finance Company Limited	–	369.97
	L&T Finance Limited	–	34.66
2	**Rent paid to**		
	L&T Financial Consultants Limited	1.59	1.28
3	**Brand license fees**		
	Larsen & Toubro Limited	0.21	3.34
4	**Management fee paid to**		
	L&T Finance Holdings Limited	0.73	0.90
	L&T Finance Limited	5.50	5.46
5	**Interest income on purchase of loan accounts from**		
	L&T Infrastructure Finance Company Limited	–	1.28
	L&T Finance Limited	–	0.14
6	**Other expenses paid to**		
	Larsen & Toubro Limited	0.02	0.02
	L&T Financial Consultants Limited	0.39	0.31
7	**Security deposit given to**		
	L&T Financial Consultants Limited	0.28	0.18
8	**ESOP cost**		
	L&T Finance Holdings Limited	1.42	2.12

9 **Compensation paid to key managerial personnel**

Name of Key Management Personnel	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Short-Term employee benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Other Long Term Benefits	Total
Mr Shiva Rajaraman**	3.58	–	3.58	1.88	–	1.88
Mr. Thomas Mathew T.	0.17	–	0.17	0.14	–	0.14
Ms. Nishi Vasudeva	0.22	–	0.22	0.18	–	0.18

Notes forming part of the financial statements for the year ended March 31, 2022

(c) Amount due to/from related parties:

(₹ in crore)

Sr. No.	Nature of transactions	As at March 31, 2022	As at March 31, 2021
1	**Accounts Payable**		
	Larsen & Toubro Limited	0.05	–
	L&T Finance Holdings Limited	–	0.70
	L&T Finance Limited	1.50	–
2	**Accounts Receivable**		
	L&T Finance Limited	–	***
	Larsen & Toubro Limited	–	0.01
3	**Rent Deposits**		
	L&T Financial Consultants Limited	0.92	0.64
4	**Brand License Fees Payable**		
	Larsen & Toubro Limited	0.22	3.54

* 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/-

42 Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

1 Disaggregation of revenue for the year ended March 31, 2022 - Following table covers the revenue segregation in to Operating segments and Geographical areas:

(₹ in crore)

Particulars	Revenue from contracts with customers	Total as per P&L for the year ended March 31, 2022
Segment	**Domestic**	**Total**
Advisory Fee Income	11.70	11.70
Total	**11.70**	**11.70**
Revenue Recognised based on performance obligations satisfied over a period of time	–	–
Revenue Recognised based on performance obligations satisfied at a point in time	11.70	11.70

Disaggregation of revenue for the year ended March 31, 2021 - Following table covers the revenue segregation in to Operating segments and Geographical areas:

(₹ in crore)

Particulars	Revenue from contracts with customers	Total as per P&L for the year ended March 31, 2021
Segment	**Domestic**	**Total**
Management Fee Income	4.88	4.88
Total	**4.88**	**4.88**
Revenue Recognised based on performance obligations satisfied over a period of time	–	–
Revenue Recognised based on performance obligations satisfied at a point in time	4.88	4.88

2 **Reconciliation of contracted price with revenue during the year :**

(₹ in crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue recognised in statement of profit & loss	11.70	4.88
Contracted prices	11.70	4.88

3 **Movement of trade receivables**

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	–	–
Revenue recognised during the year	11.70	4.88
Invoices raised during the year for point in time sale	11.70	4.88
Amount recovered	2.38	–
Closing Balance	9.32	–

4 **The Company has not recognised any assets as on March 31, 2021 and March 31, 2022 from the costs to obtain or fulfil a contract with a customer.**

42.1 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 the Risk Management Committee (RMC) ensure that the management takes into 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 risk factors. Certain risks are also recognized 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 minimized. 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 are the following:

- Credit risk
- Market risk
- Capital 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.

As a lending non-banking financial company, providing loans and loan commitments to borrowers, credit risks arise if borrowers do not meet their obligations vis-a-vis the Company. Credit risks may also arise from active financial positions (Cash and Cash equivalents). Credit risk could also arise from credit enhancements provided.

Credit risk is the single largest risk for the Company's business. Management therefore carefully plans and manages credit risk. Credit-worthiness is assessed and documented prior to entering into any contracts relating to lending, based on information from the prospective borrower and independently obtained market information. Management continuously 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 credit risk.

An independent risk management function oversees the risk management framework, which periodically presents an overview of credit risk of the portfolio to the RMC.

Loans and advances (incl. loan commitments and guarantees)

The estimation of credit risk is a complex process, as the risk varies with changes in market conditions, expected project cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and 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.

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. Borrower and loan specific information collected at the time of application (such as past cash flows of borrower and its components, financial position of counterparties, regional economic trends etc.) and judgment based on market intelligence on the sector and the specific borrower is used in assigning the rating. Ratings provides a consistent and common scale for measurement of components of credit risk of a loan asset including the PD across products and sectors. The 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.

The Company's internal ratings for borrowers were benchmarked against the cumulative default rates for 1 year and 3 year periods of CRISIL (PD% at notch level) 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

The Company prepares its financial statements in accordance with the IND AS framework.

As per RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning {IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP {including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax, to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

ECL allowances recognized in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgment and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" {the "Base Case" scenario) and two "less likely outcome" scenarios {the "Upside" and "Downside" scenarios). Probability weights are assigned to each scenario. The Base Case scenario is based on the Company outlook of inter alia GDP growth, inflation and interest rates for India and as relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical and other relevant changes and are updated during the year. Given the uncertainties arising from the COVID 19 pandemic and destabilization caused to heightened geopolitical risk, the ECL allowance as of March 31, 2022, is measured based on the Downside scenario.

Management oversees the estimation of ECL including:

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

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 summarized 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 1.5 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, it is then moved to 'Stage 3'. (See note 1.5 for a description of how the Company defines credit-impaired and default).

PD was determined based on the internal credit rating assigned to the borrower as explained above. The Exposure at Default (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 and verified market intelligence. This will determine the updated internal credit rating and PD. The internal ratings-based PD (at notch level) has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods of CRISIL.

Notes forming part of the financial statements for the year ended March 31, 2022

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, charge on bank & escrow accounts, cash (or equivalent) collateral, charge on contracts & rights thereof, hypothecation of movable assets and mortgage of immovable assets, pledge of shares; guarantees, etc.

To the extent possible and relevant, the Company uses market data for valuing collateral/ security. Collateral/ security which do not have readily determinable market values are valued using suitable models/ methodologies based on market practices.

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, have similar ownership/ decision makers 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 an established diversified borrower base as at 3i5t March, 2022. 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 and also by setting up limits on relevant liquidity stock ratios. Actual liquidity gaps against the Gap limits are reported every month to the Asset Liability Management Committee (ALCO) which provides oversight and strategic direction for the prudent asset liabilities management. As a prudent practice, the Company has been maintaining positive cumulative liquidity gaps in the current market scenario. A Contingency Funding Plan has also been put into practice by the company for responding to severe disruptions which might affect the ability to fund some or all activities in a timely manner and at a reasonable cost.

In line with broad regulatory direction, rating covenants and internal assessments, the Company continues to maintain liquidity buffer in the form of High Quality Liquidity Assets which provides adequate cushion. The Company also periodically undertakes liquidity stress testing under various liquidity stress scenarios. To effectively manage the fallout of the COVID-19 pandemic related RBI measures on its funding and liquidity, the Company has been continuously maintaining adequate level of liquidity buffer as a safeguard against any likely disruption in fund-raising and market liquidity.

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee {RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly intervals. Further, the Board of Directors also approves constitution of Asset Liability Committee {ALCO), which functions as the strategic decision-making body for the asset liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/ limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

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 primarily 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 Company level are also measured every month and captured in the Risk Dashboard.

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

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

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
I	**Measured at fair value through Profit or Loss (FVTPL):**		
	(i) Investment in mutual funds	102.45	100.13
	(ii) Investment in commercial paper	1,576.15	–
	Sub-total (I)	**1,678.60**	**100.13**
II	**Measured at amortised cost:**		
	(i) Loans	4,940.38	8,435.99
	(ii) Trade receivables	9.32	–
	(iii) Other receivables	–	0.01
	(iv) Cash and cash equivalents and other bank balances	1,649.78	1,234.76
	(v) Other financial assets	1.17	0.89
	Sub-total (II)	**6,600.65**	**9,671.65**
III	**Measured at fair value through other comprehensive income (FVTOCI):**		
	(i) Investment in bonds/Debentures	829.47	59.09
	Sub-total (III)	**829.47**	**59.09**
	Total (I+II+III)	**9,108.72**	**9,830.87**

Notes forming part of the financial statements for the year ended March 31, 2022

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

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
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) Debt securities	7,528.49	8,144.00
	(ii) Subordinated Liabilities	285.91	322.68
	(iii) Trade & other payable	3.47	5.57
	(iv) Others	1.39	1.69
	Sub-total (II)	**7,819.26**	**8,473.95**
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)	**7,819.26**	**8,473.95**

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

(₹ in crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Loans	4,940.38	4,940.38	8,435.99	8,435.99
Total financial assets	**4,940.38**	**4,940.38**	**8,435.99**	**8,435.99**
Financial liabilities				
Debt securities	7,528.49	7,930.46	8,144.00	8,701.20
Subordinated liabilities	285.91	304.52	322.68	309.66
Total financial liabilities	**7,814.40**	**8,234.98**	**8,466.68**	**9,010.86**

Note: Carrying amounts of cash and cash equivalents , trade & other receivable, other payable and other financial assets & liabilities as at 31 March 2022 and 31 March 2021 approximate the fair value because of their short term nature.

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

(₹ in crore)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Payable	3.47	–	3.47	5.57	–	5.57
Borrowings, debt securities and subordinated liabilities	2,643.40	7,160.40	9,803.80	1313.49	9,803.83	11,117.32
Other financial liabilities	1.39	–	1.39	1.69	–	1.69

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

(₹ in crore)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	102.45	–	–	102.45
Commercial Paper	–	1,576.15	–	1,576.15
Investments in bonds	–	829.47	–	829.47
Total financial assets	**102.45**	**2,405.62**	**–**	**2,508.07**

(₹ in crore)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	100.13	–	–	100.13
Investments in bonds	–	59.09	–	59.09
Total financial assets	**100.13**	**59.09**	**–**	**159.22**

(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, 2022	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	–	–	4,940.38	4,940.38	Discounted cashflow approach
Total financial assets	**–**	**–**	**4,940.38**	**4,940.38**	
Financial Liabilities					
Debt securities	–	–	7,930.46	7,930.46	Discounted cashflow approach
Subordinated liabilities	–	–	304.52	304.52	
Total financial liabilities	**–**	**–**	**8,234.98**	**8,234.98**	

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

As at March 31, 2021	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	–	–	8,435.99	8,435.99	Discounted cashflow approach
Total financial assets	**–**	**–**	**8,435.99**	**8,435.99**	
Financial Liabilities					
Debt securities	–	–	8,701.20	8,701.20	Discounted cashflow approach
Subordinated liabilities	–	–	309.66	309.66	
Total financial liabilities	**–**	**–**	**9,010.86**	**9,010.86**	

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

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

(i) Maturity profile of assets and liabilities

(₹ in crore)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	534.91	–	534.91	1,234.76	–	1,234.76
Bank balance other than (a) above	1,114.87	–	1,114.87	–	–	–
Loans	379.41	4,560.97	4,940.38	608.80	7,827.19	8,435.99
Investments	2,411.02	97.04	2,508.07	100.13	59.09	159.22
Trade Receivables	9.32	–	9.32	–	–	–
Other Receivable	–	–	–	0.01	–	0.01
Other financial assets	–	1.17	1.17	–	0.89	0.89
Non-Financial Assets						–
Current tax assets (Net)	–	72.54	72.54	–	73.45	73.45
Deferred tax assets	–	8.33	8.33	–	–	–
Property, plant and equipment	–	–	–	–	–	–
Intangible assets under development	0.02	–	0.02	–	–	–
Other intangible assets	–	0.26	0.26	–	0.05	0.05
Other non-financial assets	0.89	0.31	1.20	1.73	1.04	2.77
Total	**4,450.44**	**4,740.62**	**9,191.07**	**1,945.43**	**7,961.71**	**9,907.14**

(₹ in crore)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Debt Securities	2,257.27	5,271.22	7,528.49	912.62	7,231.38	8,144.00
Borrowings (Other than debt securities)	–	–	–	–	–	–
Subordinated liabilities	68.45	217.46	285.91	69.61	253.07	322.68
Trade Payables	3.47	–	3.47	5.57	–	5.57
Other Payables	–	–	–	–	–	–
Other financial liabilities	1.39	–	1.39	1.69	–	1.69
Non-Financial Liabilities						
Provisions	0.28	0.64	0.92	0.44	0.56	1.00
Other non-financial liabilities	1.74	–	1.74	0.65	–	0.65
Current tax liabilities	28.77	–	28.77	95.93	–	95.93
Total	**2,361.37**	**5,489.33**	**7,850.69**	**1,086.51**	**7,485.01**	**8,571.52**

(j) Expected credit loss - Loans:

(₹ in crore)

Particulars		As at March 31, 2022			As at March 31, 2021		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	4,605.09	18.43	4,586.66	8,221.60	32.69	8,188.91
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	400.77	47.05	353.72	248.04	0.96	247.08
	Financial assets for which credit risk has increased significantly and credit-impaired	–	–	–	–	–	–
Total		**5,005.86**	**65.48**	**4,940.38**	**8,469.64**	**33.65**	**8,435.99**

Notes forming part of the financial statements for the year ended March 31, 2022

(k) Reconciliation of gross carrying amount - Loans:

(₹ in crore)

Sr. No.	Particulars	Stage 1	Stage 2	Stage 3	Total
I	Gross carrying amount as on March 31, 2020	8,795.71	–	–	8,795.71
	New assets originated or purchased	554.97	–	–	554.97
	Amount written off	–	–	–	–
	Transfers to Stage 1	–	–	–	–
	Transfers to Stage 2	(259.22)	259.22	–	–
	Transfers to Stage 3	–	–	–	–
	Increase/(decrease) in existing financial asset	(869.86)	(11.18)	–	(881.04)
II	Gross carrying amount as on March 31, 2021	8,221.60	248.04	–	8,469.64
	New assets originated or purchased	–	42.25	–	42.25
	Amount written off	–	–	–	–
	Transfers to Stage 1	–	–	–	–
	Transfers to Stage 2	(118.84)	118.84	–	–
	Transfers to Stage 3	–	–	–	–
	Increase/(decrease) in existing financial asset	(3,497.67)	(8.36)	–	(3,506.03)
III	Gross carrying amount as on March 31, 2022	4,605.09	400.77	–	5,005.86

(l) Reconciliation of loss allowance provision - Loans:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2020	35.03	–	–	35.03
New assets originated or purchased	2.29	–	–	2.29
Amount written off	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(1.02)	1.02	–	–
Transfers to Stage 3	–	–	–	–
Impact on year end ECL of Exposure transferred between stages during the year	–	–	–	–
High / Low provision on existing financial assets including recovery	(3.61)	(0.06)		(3.67)
ECL as on March 31, 2021	32.69	0.96	–	33.65
New assets originated or purchased	–	4.23	–	4.23
Amount written off	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(0.58)	0.58	–	–
Transfers to Stage 3	–	–	–	–
Impact on year end ECL of Exposure transferred between stages during the year	–	–	–	–

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
High / Low provision on existing financial assets including recovery	(13.69)	41.29	–	27.60
ECL as on March 31, 2022	18.42	47.05	–	65.48

(m) Market rate risk management

(i) 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, 2022	As at March 31, 2021
Variable rate borrowings	–	–
Fixed rate borrowings	7,438.60	8,105.70
Total borrowings	**7,438.60**	**8,105.70**

As at the end of the reporting period, the Company does not have variable rate borrowings and interest rate swap contracts outstanding

(ii) Sensitivity :

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest rates – increase by 25 basis points *	–	–	–	–
Interest rates – decrease by 25 basis points*	–	–	–	–

There are no variable rate borrowings hence it is NIL.

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

(n) Capital risk management

(i) Risk management

The Company's objectives when managing capital are to

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total 'Equity' (as shown in the balance sheet, including non-controlling interests).

Notes forming part of the financial statements for the year ended March 31, 2022

The Company's gearing ratios were as follows:

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt	7,279.49	7,231.92
Total equity	1,340.38	1,335.61
Net debt to equity ratio	5.43	5.41

(ii) There were no defaults / delay in repayment of loans or payment of interest. Further, there were no breaches of loan agreement during the year which enables the lender to demand accelerated repayment.

(o) Liquidity Risk

Background:

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 31, 2022 is as under:

(i) Funding Concentration based on significant counterparty

Sr. No.	No. of Significant Counterparties	Amount (₹ crore)	% of Total Deposits	% of Total Liabilities
1	18	4,512	N.A.	57%

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) – Not Applicable

(iii) Top 10 borrowings

Amount (₹ crore)	% of Total Borrowings
3,561	48%

Note:

- Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	Amount (₹ crore)	% of Total Liabilities
1	Private Non-Convertible Debentures 7,185 91	4,512	N.A.
2	Preference Shares	254	3%
	Total	**7,439**	**94%**

Note:

- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(v) Stock Ratios:

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	0%
2	Commercial papers as a % of total assets	0%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%
5	Other short-term liabilities as a % of total liabilities	30%
6	Other short-term liabilities as a % of total assets	25%

Note:

- Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).
- Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the assetliability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

(vii) Disclosure on Liquidity Coverage Ratio

Background:

Notes forming part of the financial statements for the year ended March 31, 2022

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024, as per the time-line given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	50%	60%	70%	85%	100%

Further, NBFC are required to publicly disclose the information related to Liquidity Coverage Ratio on a quarterly basis. Accordingly, the disclosure on Liquidity Coverage Ratio of L&T Infra Credit Limited (Formerly known as L& T Infra Debt Fund Limited) for FY2021-22 is as under:

LCR		Q1 FY 2021-22		Q2 FY 2021-22		Q3 FY 2021-22		Q4 FY 2021-22	
(₹ in Crore)		Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)
High Quality Liquid Assets									
1	Total High Quality liquid Assets {HQLA)	71.41	62.69	60.38	51.69	70.63	60.87	103.65	90.03
	Cash in hand & Bank balance	13.30	13.30	2.48	2.48	5.55	5.55	12.82	12.82
	Marketable Securities issued by sovereigns, PSEs or multidevelopment banks with< 20% risk weight	58.11	49.39	57.90	49.21	65.08	55.32	90.83	77.21
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	10.79	12.41	-	-	-	-
4	Secured wholesale funding	92.03	105.84	12.07	13.88	73.37	84.38	21.67	24.92
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	73.70	84.76	31.53	36.26	65.56	75.39	44.35	51.00
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**165.74**	**190.60**	**54.39**	**62.55**	**138.93**	**159.77**	**66.01**	**75.91**

LCR		Q1 FY 2021-22		Q2 FY 2021-22		Q3 FY 2021-22		Q4 FY 2021-22	
(₹ in Crore)		Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	35.86	26.90	42.33	31.75	25.88	19.41	65.14	48.85
11	Other cash inflows 3	1,846.70	1,385.02	2,309.8	1,732.36	3,531. 29	2,648.47	3,009.13	2,256.85
12	**TOTAL CASH INFLOWS**	**1,882.56**	**1,411.92**	**2,352.14**	**1,764.11**	**3,557.17**	**2,667.88**	**3,074.27**	**2,305.70**
			Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value
13	**TOTAL HQLA**		**62.69**		**51.69**		**60.87**		**90.03**
14	**TOTAL NET CASH OUTFLOWS OVER 30 DAYS PERIOD**		**47.65**		**15.64**		**39.94**		**18.98**
15	**LIQUIDITY COVERAGE RATIO (%)[4]**		**132%**		**331%**		**152%**		**474%**

Notes:

1. Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outlfows). Averages are calculated basis simple average of daily observation for FY 2021-22.
2. Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%)
3. Other cash inflows amongst others includes liquidity maintained in the form of Liquid Mutual funds as well as Fixed deposit placed with banks
4. All of the HQLA, cash inflows and outflows are in rupee terms and there is no currency mismatch

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

(₹ in crore)

Particulars	April 1, 2021	Cash flows	Changes in fair values	Other	March 31, 2022
Debt securities	8,144.00	(633.86)	–	18.34	7,528.49
Subordinated debt	322.68	(33.10)	–	(3.67)	285.91
Total liabilities from financing activities	**8,466.68**	**(666.96)**	**–**	**14.67**	**7,814.40**

(₹ in crore)

Particulars	April 1, 2020	Cash flows	Changes in fair values	Other	March 31, 2021
Debt securities	8,218.72	(108.66)	–	33.94	8,144.00
Subordinated debt	356.17	(33.10)	–	(0.39)	322.68
Total liabilities from financing activities	**8,574.89**	**(141.76)**	**–**	**33.55**	**8,466.68**

Notes forming part of the financial statements for the year ended March 31, 2022

45 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	Expense recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	Remaining expenses to be recovered in future periods
(A)	(B)	(C)	(D)	(E) = (B-C)
March 31, 2022	7.97	5.93	1.42	2.04
March 31, 2021	5.49	4.50	2.12	0.99

46 'Estimation of uncertainty relating to Covid-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. However, the going concern assumptions will not get impacted by the ongoing Covid-19 pandemic.

47 Amalgamation of L&T Infrastructure Finance Company Limited ("LTIFC"), L&T Housing Finance Limited ("LTHFC") and L&T Finance Limited ("LTFL"):

Pursuant to order of National Company Law Tribunal Benches, Mumbai and Kolkata dated March 15, 2021 and March 19, 2021 respectively, the scheme of amalgamation for merger of LTIFC and LTHFC with LTFL became effective from April 12, 2021 with appointed date being April 01, 2020. Prior to the merger, LTIFC was the sponsor of the Company (erstwhile L&T Infra Debt Fund Limited). Consequent to the merger of the sponsor (i.e., LTIFC with LTFL), the Company is no longer eligible to be regarded as IDF-NBFC. The Company is taking steps to convert itself to an NBFC – Investment and Credit Company (NBFC-ICC).

48 Disclosure pertaining to declaration of transaction with struckoff companies:

The Company has no transactions and no balances outstanding with the struck off companies as on March 31, 2022.

49 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

a) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as applicable.

b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-2022.

c) There is no proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

d) The details is not applicable to the Company, related to transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and shall also state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

e) The Company is not declared wilful defaulter by any bank or financial Institution or other lender.

f) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

g) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(i) repayable on demand or

(ii) without specifying any terms or period of repayment."

50 Disclosure pursuant to Ind AS 12 "Income taxes"

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

(₹ in crore)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	15.44	–
	Effect of previously unrecognised tax losses and tax offsets used during the current year	–	–
	Tax expense in respect of earlier years	–	–
		15.44	**–**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences (including MAT Credit)	(8.55)	–
	Effect of previously unrecognised tax losses and tax offsets on which deferred tax benefit is recognised		
	Effect of recognition of MAT Credit	–	–
	Effect on deferred tax balances due to the change in income tax rate		
		(8.55)	**–**
	Income tax expense reported in the consolidated statement of profit or loss[(i)+(ii)]	**6.89**	**–**
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	–	–
		–	**–**
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	(0.01)	–
		(0.01)	**–**

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on cash flow hedges other than mark to market	(0.21)	–
		(0.21)	**–**
	(B) Deferred tax expense/(income):		
	Net gain/(loss) on cost of hedging Reserve	–	–
	On Mark-to-Market (MTM) of cash flow hedges	–	–
	On gain/(loss) on fair value of debt securities	–	–
	On foreign currency translation	–	–
		0.00	**–**
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	**(0.22)**	**–**
(c)	Retained earnings:		
	Current income tax	–	–
	Deferred tax	–	–
	Income tax expense reported in retained earnings	–	–
	Total tax expense	6.67	–

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

(₹ in crore)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Profit before tax	11.00	159.16
(b)	Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
(c)	Tax on accounting profit (c)=(a)*(b)	2.78	40.06
(d)	(i) Tax on Income exempt from tax :		
	(A) Dividend income and interest on tax free bonds		
	(B) Long term capital gains exempt from tax		
	(C) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(2.74)	
	(D) Exemption on section 10^47) of the Income Tax Act, 1961		(40.06)
	(ii) Tax on Income which are taxed at different rates		
	(iii) Tax on expense not tax deductible :		
	(A) Corporate Social Responsibility (CSR) expenses	0.85	–
	(B) Expenses in relation to exempt income		–
	(C) Provision for dimunition of investments		
	(D) Dividend / Interest on Prefrence Shares and share issue expense	6.00	
	(E) Ind-AS adjustments (Incremental ESOP Cost and Remeasurement of deposits)		

(₹ in crore)

Sr. No.	Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
	(iv) Effect of origination and reversal of temporry differences		–	–
	(v) Tax effect on impairment and fair valuation losses recognised on which deferred tax asset (DTA) is not recognised		–	–
	(vi) Effect of previously unrecognised tax losses used to reduce tax expense			
	Brought forward losses used against current year income		–	–
	Unabsorbed depreciation used against current year income			
	(vii) Tax effect of losses/temporary differences of current year on which no deferred tax benefit is recognised			
	(viii) Tax effect of reversal of deferred tax assets recognised in earlier year		–	–
	(ix) Effect of previously unrecognised deferred income tax on temporary differences in prior years, now recognised			
	(ix) Effect on deferred tax due to change in Income tax rate			
	(x) Effect of MAT Credit		–	–
	(xi) MAT on book profit		–	–
	(xii) Tax effect on various other Items		–	–
	Total effect of tax adjustments [(i) to (xi)]		**4.11**	**(40.06)**
(e)	Tax expense recognised during the year	**(e)=(c)-(d)**	6.89	0.00
(f)	Effective tax Rate	**(f)=(e)/(a)**	62.63%	0.00%

(c) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in crore)

Particulars	Deferred tax liabilities/ (assets) as at April 01, 2021	Charge/(credit) to Statement of Profit and Loss	Remeasurement of net defined benefit plan	Charge/(credit) to other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2022
Deferred tax (liabilities):					
- Difference between book base and tax base of property, plant & equipement, investment property and intangible assets	–	(0.01)	–	–	(0.01)
- Disputed statutory liabilities paid and claimed as deduction for tax purposes but not debited to Statement of Profit and Loss	–	–	–	–	–
- Fair value of investments (routed through FVTPL and FVTOCI)	–	–	–	(0.21)	(0.21)

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Particulars	Deferred tax liabilities/ (assets) as at April 01, 2021	Charge/(credit) to Statement of Profit and Loss	Remeasurement of net defined benefit plan	Charge/(credit) to other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2022
Current Tax (Under MAT)	–	–	–	–	–
effective portion of gains and loss on hedging instruments in a cash flow hedge	–	–	–	–	–
Unamortised Borrowing Cost	–	–	–	–	–
- Other items giving rise to temporary differences	–	–	–	–	–
Deferred tax (liabilities):	–	(0.01)	–	(0.21)	(0.22)
Offsetting of deferred tax liabilities with deferred tax assets					
Net Deferred tax (liabilities)					
Deferred tax assets:					
- Fair value changes on Investments	–	0.37	–	–	0.37
- Unpaid statutory liabilities	–	–	–	–	–
- Provision on standard assets	–	8.01	–	–	8.01
- Carried forward tax on businss losses	–	–	–	–	–
- Unutilised MAT credit	–	–	–	–	–
- Rent on Leased Asset	–	–	–	–	–
- Items disallowed under Section 43B	–	0.06	–	–	0.06
- Defined benefit obligation	–	–	(0.01)	–	(0.01)
- Provision for Expenses	–	0.13	–	–	0.13
- Unamortised loss on Sale of NPA asset	–	–	–	–	–
- Difference between book base and tax base of property, plant & equipement, investment property and intangible assets	–	–	–	–	–
- Other items giving rise to temporary differences	–	–	–	–	–
Deferred tax assets:	–	8.57	(0.01)	–	8.56
Offsetting of deferred tax assets with deferred tax (liabilities)					
Net Deferred tax assets					
Net deferred tax assets / (liability)	–	8.55	(0.01)	(0.21)	8.33

51 (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.

(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. The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

(3) **Capital**

	Capital to Risk Assets Ratio (CRAR)	**As at March 31, 2022**	**As at March 31, 2021**
(i)	CRAR (%)	31.67%	37.06%
(ii)	CRAR - Tier I Capital (%)	25.69%	29.16%
(iii)	CRAR - Tier II Capital (%)	5.98%	7.91%
(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	–	–
(vi)	Amount of Perpetual Debt Instruments outsatnding at the end of the financial year	–	–

(4) Ratios Analysis as requried by Schedule III of the Companies Act, 2013

	Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**% Variance**
(i)	Capital ratio[1]	31.67%	37.06%	-14.57%[3]
(ii)	Liquidity coverage ratio[2]	217.00%	143.00%	51.75%[4]

Note:

1 Capital ratio = Adjusted net worth/ Risk weighted assets, calculated as per applicable RBI guidelines

2 Liquidity coverage ratio = Stock of high quality liquid assets / Total net cash outflows over the next 30 calendar days

3 Variance is less than 25%. Hence, reasoning not given

4 Mainly on account of increase in HQLA to ₹ 66.20 crore in FY 2021-22 from ₹ 50.86 crore in FY 2020-21.

(5) **Investment**

(₹ in crore)

Sr. No.	**Particulars**	**As at March 31, 2022**	**As at March 31, 2021**
1	Value of Investment		
(i)	Gross value of Investment		
	(a) In India	2,508.07	159.22
	(b) Outside India	–	–
(ii)	Provision for Depreciation		

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	(a) In India	–	–
	(b) Outside India	–	–
(iii)	Net Value of Investment		
	(a) In India	2,508.07	159.22
	(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	–	–

(6) **Derivatives:**

(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, 2022 (Previous year: Nil)

(ii) Exchange traded Interest rate (IR) Derivatives: The company has not traded in Interest rate Derivative during the financial year ended March 31, 2022 (Previous year: Nil)

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

(7) **Securitization:**

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

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

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

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

(8) Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Particulars	1 to 7 Days	8 to 14 Days	Over 14 days to 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	359.77		175.00				1,109.89				1,644.66
Loans	0.57	–	7.97	0.57	66.28	212.05	364.66	806.71	735.78	2,783.21	4,977.80
Investment	–	102.45	198.85	903.62	1,259.79	–	–	–	–	–	2,464.71
Borrowing	–	–	–	170.00	250.00	60.75	1,563.00	2,674.45	1,470.37	1,250.03	7,438.60

The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on March 25, 2022.

(9) **Exposures:**

(i) Exposures to Real Estate Sector:

Category			As at March 31, 2022	As at March 31, 2021
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

(ii) Exposures to Capital Market:

(₹ in crore)

Sr. No.	Category	As at March 31, 2022	As at March 31, 2021
	Direct Exposure		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(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

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in crore)

Sr. No.	Category	As at March 31, 2022	As at March 31, 2021
(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**

(iii) Financing of parent company products: Nil (Previous Year - Nil).

(iv) Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: Nil (Previous Year - Nil)

(v) Unsecured advances: Nil (Previous Year - Nil).

(10) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

(11) Penalties imposed by RBI or other regulators: No Penalties has been imposed by RBI or other regulators during the year (Previous Year- Nil).

(12) Ratings assigned by credit rating agencies and migration during the year:

	As at March 31, 2022			As at March 31, 2021		
	CRISIL	CARE	ICRA	CRISIL	CARE	ICRA
Non Convertible Debentures	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (stable)	AAA (Stable)	AAA (stable)
Term 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)	PP-MLD AAA (Stable)	PP-MLD AAAr (Stable)	PP-MLD AAA (Stable)	PP-MLD AAA (Stable)

(13) **Provisions and contingencies**

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2022	As at March 31, 2021
Provision towards Non Performing Assets	–	–
Provision made towards Income tax	6.89	95.93
Other Provision and Contingencies (with details)	–	–
Provision for Standard Assets	–	–
Impairment on financial instruments	31.83	(1.38)

(14) Drawdown from reserves: No drawdown from reserves during the year (previous year: nil).

(15) (i) Concentration of deposits:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
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.

(ii) Concentration of advances:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Total advances to twenty largest borrowers	3,433.17	4,356.11
2.	Percentage of advances to twenty largest borrowers to total advances of NBFC	68.58%	51.43%

(iii) Concentration of exposures:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Total exposure to twenty largest depositors/ customers	3,433.17	4,356.11
2.	Percentage of exposure to twenty large borrowers/customers to total exposure of NBFC on borrowers/customers.	68.58%	51.43%

(iv) Concentration of Non Performing Assets: (see footnote 1 below)

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Total exposure to top four NPA accounts	Nil	Nil

Notes forming part of the financial statements for the year ended March 31, 2022

(v) Sector wise Non Performing Assets: (see footnote 1 below)

Percentage of Non Performing Assets to total advances in that sector

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Agriculture & Allied activities		
2.	MSME		
3.	Corporate borrowers		
4.	Services	Nil	Nil
5.	Unsecured personal loans		
6.	Auto loans		
7.	Other personal loans		

(16) Non- Performing Assets (see footnote 1 below) : NIL

(17) Overseas Assets: Nil (Previous Year Nil)

(18) Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms): Nil (Previous Year Nil)

(19) Disclosure of Customer Complaints: Nil (Previous Year Nil)

(20) Postponement of revenue recognition: Nil

(21) Disclosures on Flexible Structuring of Existing Loans: Nil

(22) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period): Nil

(23) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period): Nil

(24) Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period): Nil

Footnotes:

1. In terms of RBI Circular on Implementation of Indian Accounting Standards dated March 13, 2020, the regulatory ratios, limits and disclosures are based on Ind AS figures and only impaired assets (Stage 3) are considered as non-performing assets (NPA) for calculation of NPA ratios. Therefore, a loan asset with principal and interest dues outstanding for more than 90 days which has been classified as Stage 2 loan asset in the preparation of financial statements, after taking into consideration qualitative factors including the availability of the liquidity to pay out its obligations to lenders, has not been regarded as an NPA for the above purpose. Had this amount been classified as an NPA, Gross NPA would have been ₹ 119.50 crore and Net Non performing asset would have been ₹ 83.65 crore. However, for determination of Impairment Reserve the asset has been classified as NPA (refer Note 51(25)).

(25) Disclosures on Implementation of Indian Accounting Standards, in terms of RBI circular RBI/2019-20/170/ DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020".

(₹ in crore)

Loss Allowances (Provisions) as required under Ind AS 109						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,605.09	18.42	4,586.66	18.42	–
	Stage 2	252.90	24.82	228.08	23.98	0.84
Subtotal (a)		**4,857.99**	**43.24**	**4,814.75**	**42.40**	**0.84**
Non-Performing Assets (NPA)						
Doubtful - 1 to 3 years	Stage 2	147.87	22.23	125.64	35.85	(13.62)
Subtotal for doubtful (b)		147.87	22.23	125.64	35.85	(13.62)
Loss	Stage 3	–	–	–	–	–
Subtotal for Non-Performing Assets (c)		**–**	**–**	**–**	**–**	**–**
Total (d=(a+b+c))		**5,005.86**	**65.48**	**4,940.38**	**78.25**	**(12.77)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base	Stage 1	–	–	–	–	–
Subtotal (e)		**–**	**–**	**–**	**–**	**–**
Total (d+e)	**Stage 1**	**4,605.09**	**18.42**	**4,586.66**	**18.42**	**–**
	Stage 2	**400.77**	**47.05**	**353.72**	**59.83**	**(12.77)**
	Stage 3	**–**	**–**	**–**	**–**	**–**
Total		**5,005.86**	**65.48**	**4,940.38**	**78.25**	**(12.77)**

(26) Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 ("RBI Circular")

(₹ in crore)

Period	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI Circular	Respective amount where asset classification benefits is extended	Provisions made in terms of paragraph 5 of RBI Circular	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular
FY 2021-22	NIL	NIL	NIL	NA
FY 2020-21	NIL	NIL	NIL	NA

(27) 'Details of resolution plan implemented under the Resolution Framework for Covid-19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05,2021 (Resolution Framework 2.0) as at March 31, 2022 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. March 31, 2022 (E)
Personal Loans	–	–	–	–	–
Corporate persons*	258.12	–	–	26.55	243.00
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	**258.12**	**–**	**–**	**26.55**	**243.00**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**includes restructuring implemented during the quarter ended June 2021 and September 2021 under the Resolution Framework 1.0 and 2.0

(28) Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liability Side:

1. Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:

(₹ in crore)

	Particular	As at March 31, 2022 Amount outstanding	As at March 31, 2022 Amount Overdue	As at March 31, 2021 Amount outstanding	As at March 31, 2021 Amount Overdue
(a)	Debentures :				
	Secured	7,528.49	Nil	8,144.00	Nil
	Unsecured	285.91	Nil	322.68	Nil
	(Other than falling within the meaning of public deposits)				
(b)	Deferred Credits	Nil	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)

	Particular	As at March 31, 2022 Amount outstanding	As at March 31, 2021 Amount outstanding
(a)	Secured	4,940.38	8,435.99
(b)	Unsecured	Nil	Nil

3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities

(₹ in crore)

	Particular	As at March 31, 2022 Amount outstanding	As at March 31, 2021 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)

	Particular	As at March 31, 2022 Amount outstanding	As at March 31, 2021 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	102.45	100.13
	(iv) Government Securities	Nil	Nil
	(v) Others	2,405.62	59.09
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 March 31, 2022 Amount outstanding	As at March 31, 2021 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:

(₹ in crore)

Category	As at March 31, 2022 Amount outstanding	As at March 31, 2021 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)	4,940.38	8,435.99
Total	**4,940.38**	**8,435.99**

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 March 31, 2022		As at March 31, 2021	
	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	2,508.07	2508.07	159.22	159.22
Total	**2,508.07**	**2,508.07**	**159.22**	**159.22**

7. Other information

(₹ in crore)

Sr. No	Particular	As at March 31, 2022	As at March 31, 2021
(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 point xxvii of paragraph 3 of Chapter -II of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.
4. In terms of RBI Circular on Implementation of Indian Accounting Standards dated March 13, 2020, the regulatory ratios, limits and disclosures are based on Ind AS figures and only impaired assets (Stage 3) are considered as non-performing assets (NPA) for calculation of NPA ratios. Therefore, a loan asset with principal and interest dues outstanding for more than 90 days which has been classified as Stage 2 loan asset in the preparation of financial statements, after taking into consideration qualitative factors including the availability of the liquidity to pay out its obligations to lenders, has not been regarded as an NPA for the above purpose. Had this amount been classified as an NPA, Gross NPA would have been ₹ 119.50 crore and Net Non performing asset would have been ₹ 83.65 crore. However, for determination of Impairment Reserve the asset has been classified as NPA (refer Note 51(25)).

52 Previous year figures have been regrouped/reclassified whenever necessary, to make them comparable with the current year figures.

In terms of our report of even date.

For C N K & Associates LLP
Chartered Accountants

For and on behalf of the Board of Directors of
L&T Infra Credit Limited
(Formerly known as L&T Infra Debt Fund Limited)

Hiren Shah
Partner
Membership No : 100052
Firm Registration No : 101961W/W-100036

Dinanath Dubhashi
Director
(DIN : 03545900)

Shiva Rajaraman
Whole-time Director
(DIN : 07570408)

Manish Jethwa
Head Accounts (CFO)

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 27, 2022

Place : Mumbai
Date : April 27, 2022

NOTICE 2021-22

L&T INFRA CREDIT LIMITED

(formerly known as L&T INFRA DEBT FUND LIMITED)

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Registered Office: Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
CIN: L67100MH2013PLC241104; E-mail: investorgrievances@ltfs.com; Website: www.ltfs.com
Phone no: +91 22 6212 5000; Fax: +91 22 6212 5553

Notice of the Ninth Annual General Meeting

NOTICE is hereby given that the Ninth Annual General Meeting ("AGM") of the Members of **L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)** will be held on Monday, July 11, 2022 at 1:00 p.m. at the registered office of the Company at Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statements of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2022.
2. To appoint a director in place of Dr. Rupa Rege Nitsure (DIN: 07503719), who retires by rotation, and being eligible, offers herself for re-appointment.

By order of the Board of Directors
For **L&T Infra Credit Limited**
(formerly known as L&T Infra Debt Fund Limited)

Savita Kodain
Company Secretary
ACS 21240

Date: April 27, 2022
Place: Mumbai

NOTES:

1. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE NINTH ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules 2014, a person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not later than forty eight hours before the commencement of the AGM. Further, the proxy holder shall carry a valid proof of identity at the AGM.
3. Members are requested to intimate change, if any, in their address to the Company at its registered office.
4. Proxy register shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting. Inspection shall be allowed at the registered office on any working day between 9:30 a.m. to 6:00 p.m. from the date of dispatch of the Notice till the date of the Meeting.
5. The Members are requested to bring their copy of the Annual Report at the AGM.
6. Corporate members intending to send their authorised representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote at the AGM.

7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

8. The Members / Proxies should fill the Attendance Slip for attending the AGM.

9. All documents referred to in the Notice, if any, are available for inspection at the registered office on any working day of the Company, between 11:00 a.m. to 1:00 p.m. from the date of dispatch of the Notice up to and including the date of the AGM and at the AGM venue.

10. Additional information of Director seeking re-appointment at the ensuing AGM, as required under Clause 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), is annexed to the Notice.

ADDITIONAL INFORMATION OF DIRECTOR SEEKING RE-APPOINTMENT AT THE NINTH ANNUAL GENERAL MEETING PURSUANT TO SS-2:

Name of the Director	Rupa Rege Nitsure (DIN: 07503719)
Date of Birth / (age)	December 25, 1961 (60 years)
Qualifications	1. M.A. (Economics); 2. M.Phil (Economics); and 3. Ph.D (Macro-Econometric Modelling) from the Gokhale Institute of Politics & Economics, Pune
Date of first appointment on the Board	July 02, 2018
Remuneration **(a) sought to be paid** **(b) last drawn**	N.A.[1]
Experience / Brief Profile	Dr. Rupa Rege Nitsure is the Group Chief Economist of L&T Financial Services since March, 2015, responsible for advising and guiding the L&T Financial Services Management on its outlook related to various macroeconomic and policy issues. She also contributes towards business planning, treasury management and risk planning by providing timely business leads, macro calls and early warning signals. Her key areas of specialisation are Macroeconomics and Financial Intermediation. Prior to joining LTFS, she held the position of Chief Economist & General Manager at Bank of Baroda (2003-2015) and Senior Economist at ICICI (DFI) and ICICI Bank (1989-2003). At Bank of Baroda, she also headed Investor Relations and regularly represented the Bank in several deal and non-deal road-shows in India and abroad. While at the ICICI Bank, she organized an International Conference on "Regulation of Financial Intermediaries in Emerging Markets" involving researchers from the World Bank, IMF, BIS, Indian and US Academia. Subsequently, she co-edited and brought out a book on the "Conference Proceedings" in 2005. She has served on various important Policy-Making Committees appointed by the Government of India / Reserve Bank of India and published several articles in the field of policy-oriented research. To name a select few, she was the Member of the "Standing Advisory Group on Indian Statistical Databases", Reserve Bank of India, during 2004 to 2007. She was the Member of the "Committee for Integration of Banking Structures", Ministry of Finance, Government of India, 2011. She was the Member of the "Expert Committee to Revise and Strengthen the Monetary Policy Framework", Reserve Bank of India (Chaired by Deputy Governor: Dr. Urjit Patel), 2013-14. In her professional career spanning more than three decades, She has richly contributed research articles to academic journals. She is a regular commentator on economic and policy issues in print (business dailies) and electronic media. She had served as the Director on the Board of L&T Investment Management Ltd., L&T FinCorp Ltd. and L&T Infrastructure Debt Fund Ltd. She was on the Indian Banks' Association's (IBA) Monetary Policy Consultative Group and on the Editorial Committee of the IBA journal - Indian Banker.

	She was also on the Academic Council of the School of Economics (Post Graduate Department of Economics), Mumbai University. She is the Honorary Fellow of the Indian School of Political Economy, Pune, is on the Academic Advisory Committee of Vidyalankar School of Information Technology (VSIT), Mumbai and on the Board of Studies for Economics for the Shiv Nadar University at Chennai. Additionally, she is on the Editorial Advisory Board of the Indian Institute of Banking and Finance's (IIBF) Journal Bank Quest. She acted as the Guest Faculty for Bankers' Quotient Academy that was engaged with developing the future leaders for the Indian Banking industry. Since August 2021, she has been a part of the Academic Advisory Council (AAC) of the Reserve Bank of India Academy as an External Expert.
Terms and conditions of appointment / re-appointment	Appointed as a Director liable to retire by rotation.
Directorships held in other companies (excluding foreign companies) as on date	1. L&T Financial Consultants Limited 2. L&T Infra Investment Partners Advisory Private Limited 3. Mudit Cement Private Limited
Memberships of committees across companies (only statutory committees as required to be constituted under the Act considered)	**A. Corporate Social Responsibility Committee** 1. L&T Financial Consultants Limited 2. L&T Infra Investment Partners Advisory Private Limited
List of entities from which the Director has resigned in the past three years.	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.
Shareholding in the Company (Equity) as on March 31, 2022	One share, held jointly with L&T Finance Limited
Relationship with other Directors / Manager / Key Managerial Personnel	None
Number of Board meetings attended during the FY22	All Meetings (i.e., Seven out of Seven Meetings)

[1] *Rupa Rege Nitsure is in the services of L&T Financial Services ("LTFS") and draws remuneration from another company within LTFS. No commission or sitting fees is paid separately for attending the meetings of the Board and / or any Committee of the Company*

By order of the Board of Directors
For **L&T Infra Credit Limited**
(formerly known as L&T Infra Debt Fund Limited)

Savita Kodain
Company Secretary
ACS 21240

Date: April 27, 2022
Place: Mumbai

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Registered Office: Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
CIN: L67100MH2013PLC241104; E-mail: investorgrievances@ltfs.com; Website: www.ltfs.com;
Phone: +91 22 6212 5000; Fax: +91 22 6212 5553

ATTENDANCE SLIP

NINTH ANNUAL GENERAL MEETING – Monday, July 11, 2022 at 1:00 p.m.

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

Folio No.: ....

DP ID & Client ID: ....

Name: ....

Address: ....

....

....

I certify that I am a registered member / proxy for the registered member of the Company.

I hereby record my presence at the Ninth Annual General Meeting of the Company at Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098 on Monday, July 11, 2022 at 1:00 p.m.

....	....	....
First / Sole holder / Proxy	Second holder / Proxy	Third holder / Proxy

L&T Infra Credit Limited

(formerly known as L&T Infra Debt Fund Limited)

Registered Office: Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
CIN: L67100MH2013PLC241104; E-mail: investorgrievances@ltfs.com; Website: www.ltfs.com;
Phone: +91 22 6212 5000; Fax: +91 22 6212 5553

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : ....

Registered address : ....

E-mail ID : ....

Folio No. : ....

DP ID & Client ID : ....

I / We, being the member(s) of .... **shares of the above named company, hereby appoint:**

(1) Name: ....

Address: ....

E-mail ID: ...., or failing him / her

(2) Name: ....

Address: ....

E-mail ID: ...., or failing him / her

(3) Name: ....

Address: ....

E-mail ID: ...., or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Ninth Annual General Meeting of the Company, to be held on Monday, July 11, 2022, at 1:00 p.m. at the registered office of the Company at Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, and at any adjournment thereof in respect of such resolution as are indicated below:

Ordinary Business:

1. Adoption of audited financial statements for the year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. Appointment of a director in place of Dr. Rupa Rege Nitsure (DIN: 07503719), who retires by rotation and being eligible, offers herself for re-appointment.

Signed this .... day .... of 2022

Affix revenue stamp of Re.1

....
Signature of Shareholder

....	....	....
Signature of First / Sole holder / Proxy	Signature of Second holder / Proxy	Signature of Third holder / Proxy

Note:

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.