ANNUAL REPORT 2022-23

L&T INFRA CREDIT LIMITED

L&T Infra Credit Limited

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

Board's Report

Dear Members,

The Directors of your Company present the Tenth Annual Report ("Report") together with the audited financial statements for the financial year ("FY") ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY23 as compared to the previous FY i.e., FY22 is given below:

(₹ in Cr)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	685.47	731.18
Total Expenses	629.80	720.18
Profit before exceptional items and tax	**55.67**	**11.00**
Exceptional items	**237.00**	**–**
Profit/(Loss) before tax	**(181.33)**	**11.00**
Provision for Tax	(34.31)	6.89
Provision for Tax related to earlier year		
Profit after Tax	**(147.02)**	**4.11**
Other Comprehensive Income	(1.92)	0.66
Total Comprehensive Income for the Year	**(148.94)**	**4.77**
Add: Balance brought forward from previous year	500.13	540.21
Balance available for appropriation	351.18	544.98
Appropriations:		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	–	0.82
Reserve u/s 36(1)(viii) of Income tax Act, 1961	8.00	10.93
Impairment Reserve	–	–
Capital Redemption Reserves	35.75	33.10
Surplus in the Statement of Profit and Loss	**307.43**	**500.13**

FINANCIAL PERFORMANCE OF THE COMPANY

Pursuant to receipt of the NBFC-Investment and Credit license on June 24, 2022, towards end of Q1FY2022-23, the Company undertook change in business model in accordance with accounting standards (IND-AS) resulting in reduction in value of infrastructure loan assets arising on account of fair valuation, which was disclosed as an exceptional item in the financial statements.

In light of the above, the Company has reported loss after exceptional items for the FY23. However, the Company has generated operating profits excluding the exceptional item for FY23.

The Company's performance during the year ended March 31, 2023 in comparison with the year ended March 31, 2022, consequent to challenging economic environment and slowdown in several sectors is summarized as follows:

- Income from operations as at March 31, 2023 was ₹ 685.47 Cr and as at March 31, 2022 ₹ 728.93 Cr. Total income as at March 31, 2023 was ₹ 685.47 Cr and as at March 31, 2022 ₹ 731.18 Cr.
- Net loan book size reduced from ₹ 4940.38 Cr as at March 31, 2022 to ₹ 4193.95 Cr as at March 31, 2023.
- Profit before tax was ₹ 11.00 Cr in FY22 and Company had a Loss before Tax of ₹ (181.33) Cr in FY23 due to the reasons as stated above.
- Profit after tax was ₹ 4.11 Cr in FY22 and Company had a Loss after Tax of ₹ (147.02) Cr in FY23 due to the reasons as stated above.
- Net worth of the Company as on March 31, 2023 was ₹ 1342.19 Cr vis-à-vis ₹ 1306.39 Cr as on March 31, 2022.

APPROPRIATIONS

The Company proposes to transfer Nil amount (previous year: ₹ 0.82 Cr) to Special Reserve created u/s 45 – IC of the Reserve Bank of India Act, 1934, transfer NIL amount (previous year: NIL) to Impairment Reserve created as per the RBI Circular No. RBI/2019- 20/170, transfer ₹ 8.00 Cr (previous year: ₹ 10.93 Cr) to Reserve u/s 36(1)(viii) of Income-tax Act, 1961, transfer ₹ 35.75 Cr (previous year: ₹ 33.10 Cr) to Capital Redemption Reserves and retain ₹ 307.43 Cr (previous year: ₹ 500.13 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

During the year under review, with a view to have a single unified operational lending entity within L&T Finance and to reduce the number of non-operating entities, the Board of Directors of the Company at its Meeting held on January 13, 2023, approved the amalgamation of the Company, L&T Finance Limited ("LTFL"), L&T Mutual Fund Trustee Limited ("LTMFTL") (the Company, LTFL, LTMFTL are collectively referred to as "Amalgamating Companies") with L&T Finance Holdings Limited ("Amalgamated Company"/"LTFH") by way of merger by absorption pursuant to a scheme of amalgamation and arrangement under the provisions of Sections 230 - 232 read with Section 52 of the Act and other applicable regulatory requirements (the "Scheme"), resulting in the transfer and vesting of the assets, liabilities and the entire undertaking of the Amalgamating Companies into the Amalgamated Company, followed by the dissolution without winding up of each of the Amalgamating Companies, the consequent cancellation of the equity shares held by the Amalgamated Company in the Amalgamating Companies, certain adjustments to the securities premium account of Amalgamated Company and various other matters consequential to or otherwise integrally connected with the above.

The Scheme is, inter alia, subject to the sanction of the National Company Law Tribunal benches at Mumbai and Kolkata ("NCLT") and requisite approvals of the shareholders and/or creditors of the Company, if so directed by the NCLT, and subject to compliance with applicable laws and receipt of any regulatory or other approvals, if required.

For more information on the affairs of the Company, please refer 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.

The Company had received on June 24, 2022 a Certificate of Registration dated June 22, 2022 from the RBI, under Section 45-IA of the Reserve Bank of India Act, 1934, registering the Company as a NBFC-ICC.

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

Equity:

In view of the losses incurred by the Company as stated above, your Company has not considered the proposal to pay any dividend on equity shares.

Preference:

During the year under review, the Board of Directors declared and paid dividend @ 5% p.a. per share in respect of 648, 1,003 and 50 Cumulative Redeemable Non-Convertible Preference Shares ("CRPS") of the face value of ₹ 10,00,000 each of the Company for FY23, entailing an outflow of ₹ 5.91 Cr, ₹ 1.70 Cr and ₹ 0.34 Cr respectively and dividend @ 5.25% p.a. per share in respect of 1,500 CRPS of the face value of ₹ 10,00,000 each of the Company for FY23, entailing an outflow of ₹ 9.67 Cr.

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	CARE AAA / Stable	ICRA AAA / Stable
Preference shares	CRISIL AAA / Stable	–	–
Long-term Principal Protected Market Linked Debentures	CRISIL PP MLD AAA / 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, the Company has alloted 8,14,50,000 Equity Shares of face value of ₹ 10 each on rights basis at an issue price of ₹ 27 per fully paid-up equity share (including a premium of ₹ 17 per equity share) to LTFL and LTFH.

Further, the Company has repurchased 40, 333 and 848 market linked debentures ("MLDs") issued by the Company under "G" of FY19, Series "D" and Series "E" of FY20 respectively amounting to ₹ 4 Cr, ₹ 33.3 Cr and ₹ 84.8 Cr.

The net borrowings have reduced by ₹ 2,467.38 Cr as at March 31, 2023 as compared to March 31, 2022. The aggregate debt outstanding as on March 31, 2023 was ₹ 5,347.02 Cr.

SHARE CAPITAL

During the year under review, the Company has allotted 8,14,50,000 Equity Shares of face value of ₹ 10 each to the Eligible Equity Shareholders under rights issue at an issue price of ₹ 27 per Equity Share (including premium of ₹ 17 per Equity Share), thereby raising funds aggregating to ₹ 2,19,91,50,000.

During the year under review, 50 CRPS of face value of ₹ 10,00,000/- each which were due for partial redemption with 33% of face value aggregating to ₹ 20,494,650/- (including premium) were duly redeemed by the Company.

Further 1,003 CRPS of face value of ₹ 10,00,000/- each which were due for partial redemption with 34% of face value aggregating to ₹ 500,049,840/- (including premium) were duly redeemed by the Company.

During the year under review, considering the increased effective cost of CRPS pursuant to change in tax laws, the Company had also undertaken early redemption of the outstanding CRPS in order to retire high-cost borrowings. Accordingly, 50, 648 and 1,500 CRPS of face value of ₹ 10,00,000 each amounting to ₹ 4,38,80,574, ₹ 79,27,94,430, ₹ 1,75,02,43,000 respectively (including premium) which were due for redemption were duly redeemed by the Company and as on March 31, 2023, the Company did not have any outstanding CRPS.

Pursuant to the said allotment of equity shares and redemption of CRPS the paid-up share capital of the Company was ₹ 5,71,63,02,140 Cr as at March 31, 2023 as compared to ₹ 7,44,08,22,140 Cr as at March 31, 2022.

As on March 31, 2023, the authorized share capital of the Company was ₹ 20,00,00,00,000 divided into 1,00,00,00,000 Equity Shares of ₹ 10 each and 10,000 Redeemable Cumulative Preference Shares of ₹ 10,00,000.

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 Director. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

During the year under review, Mr. Shiva Rajaraman (DIN: 07570408) stepped down from the position of Whole-Time Director of the Company with effect from May 17, 2022 to devote time to other commitments and Dr. Rupa Rege Nitsure (DIN: 07503719) was appointed as the Whole-Time Director of the Company in accordance with the provisions of Sections 152, 161, 196, 197, 198, 203 and Schedule V of the Act with effect from October 10, 2022 and the said appointment was approved by the Members at the Extra ordinary General Meeting ("EGM") held on January 05, 2023.

Ms. Nishi Vasudeva (DIN: 03016991) was appointed as an Independent Director of the Company at the Fifth Annual General Meeting ("AGM"), held on August 09, 2018 for a term of 5 consecutive years from July 02, 2018 to July 01, 2023. Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an Independent Director can hold the office for a term of up to 5 consecutive years on the Board of a company, but is eligible for re-appointment on passing of a special resolution by the company, based on the report of evaluation of performance for another term of up to 5 consecutive years. No independent director can hold office for more than two consecutive terms.

Further to the aforesaid and based on the recommendation of the Nomination and Remuneration Committee of the Company ("NRC"), the Board at its Meeting held on April 26, 2023 has approved the re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director for a second term of 5 consecutive years from July 02, 2023 to July 01, 2028, subject to the approval of the Members by way of a special resolution.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every 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, Mr. Dinanath Dubhashi (DIN: 03545900), Non-Executive Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself 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/infradetailcredit

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/infradetailcredit

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, Mr. Shiva Rajaraman (DIN: 07570408) stepped down as the Whole-Time Director of the Company with effect from May 17, 2022 and consequently Dr. Rupa Rege Nitsure (DIN: 07503719) was appointed as the Whole-Time Director of the Company with effect from October 10, 2022.

As on March 31, 2023 the Company had the following KMPs:

1) Rupa Rege Nitsure - Whole-Time Director
2) Savita Kodain - Company Secretary
3) Manish Jethwa - Chief Financial Officer

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION / COMPENSATION FOR DIRECTORS, SENIOR MANAGEMENT PERSONNEL, 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, requires the NRC to formulate a policy relating to remuneration of the Directors, Senior Management Personnel ("SMPs") and other employees of the Company and recommend the same for approval of the Board.

Further as per requirements of RBI, the Company being categorized as NBFC-ML, under Scale Based Regulatory Framework, the RBI vide its circular on "Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs" ("RBI Regulations"), as amended from time to time, require all NBFCs except those categorised under Base Layer and Government owned NBFCs to put in place a Board approved compensation policy.

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").

In view of the aforesaid, 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/infradetailcredit.

B) Brief framework of the Policy

The objective of this Policy is:

a) to guide the Board in relation to appointment and removal of Directors.

b) to formulate criteria for evaluation of Independent Directors and the Members of the Board.

c) to evaluate the performance of the Members of the Board including Independent Directors.

d) to determine criteria for payment of remuneration / compensation to Directors, SMPs / KMPs and employees.

e) to recommend to the Board remuneration / compensation payable to the Directors including SMPs, KMPs and employees, if required.

f) to ensure relationship of remuneration / compensation 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, areas of 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 to maintain balance, ensure effective functioning of the Board and ensure orderly succession planning. The Committee ensures that at least one of the Directors on the Board has relevant experience of having worked in a Bank / NBFC.

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

Appointment of a Director is subject to the provisions of the Act and rules thereunder, SEBI Listing Regulations, RBI regulations and other applicable regulations, as the case may be.

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 thereunder,RBI regulations, SEBI Listing Regulations and such other applicable regulations. A person cannot occupy the position as a Managing Director / Whole-Time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment is made earlier than one year before the expiry of term.

D) Evaluation criteria of Directors and SMPs / KMPs / Employees

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

  The Board / NRC carries out evaluation of performance of Independent Directors / Non-Executive Directors every year ending March 31 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 ("KPIs"), 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 KPIs for EDs are approved by the Committee or the Board, pursuant to recommendation of the NRC, if required.

- **SMPs / KMPs (other than Executive Director) / 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) / Management 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 / compensation / 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 EDs / SMPs / KMPs / 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, SMPs / 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, SMPs / 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.

The NRC with respect to SMPs and KMPs, further ensure that:

(i) the compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process;

(ii) the remuneration is reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices; and

(iii) the remuneration/compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

During the year under review, the Policy was amended / updated to carry out the changes required to be incorporated in accordance with requirements pursuant to regulatory changes.

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 / Executive Directors and Chairperson of the Board.

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 received and individual feedback is provided to each Director as per the policy for performance evaluation of the Board / its Committees / Directors / as per the process approved by the NRC / Board.

c) **Chairperson Evaluation:**

- Evaluation as done by the individual directors is submitted 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 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 FY23.

Further, in terms of the regulatory requirements, 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.

REPORTING OF FRAUDS BY AUDITORS

There were no frauds reported by the Auditors of the Company under Section 143(12) of the Act to the Audit Committee ("AC").

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 an NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 are not fully applicable to its activities.

The details of conservation of energy and technology absorption at L&T Finance ("LTF") (i.e. including across all the companies within LTF) are as follows:

a. **Conservation of Energy**

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

- Efficient building envelope achieved by use of flash blocks and double-glazed glass units;
- Ample day light and views for all office spaces ensured;
- Use of treated wastewater for landscape and cooling tower make up water thereby reducing portable water use;
- Use of materials with low content of volatile organic compounds;
- Electric car charging facilities in basement parking area.

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

- Corporate headquarters and 6 branches shifted to Renewable Energy;

- Solar panels incorporated for external lighting in office premises leading to improved air quality.

b. Technology Absorption:

The details pertaining to technology absorption at LTF (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 (previous year also Nil). The expenditure in foreign currency was Nil (previous year ₹ 0.01 Cr) for professional fees, license fees and finance cost.

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

The Company is a subsidiary of LTFL 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, 2023 and of the 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 Finance 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 AC of the Company from time to time.

BOARD MEETINGS

The details of the Board Meetings held during FY23 are disclosed in the Corporate Governance Report appended to this Report.

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 are 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/infradetailcredit.

The Company has a strong commitment towards promoting inclusive social transformation in rural communities through its CSR efforts. The CSR interventions are aligned with the Sustainable Development Goals, which indicates a holistic approach towards social responsibility. The project-based accountability approach with a focus on social impact, scale, and sustainability reflects the Company's commitment to creating shared value for all stakeholders.

The Company has updated its CSR policy by revising the Vision and Mission statement which is aligned with Company's Lakshya 2026 and indicates a proactive approach towards adapting to changing business environments.

Overall, the Company's CSR efforts are well-aligned with its business objectives, regulatory requirements, and social responsibility principles.

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 given, investments made, guarantees given and securities provided, if any, 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 https://www.ltfs.com/infradetailcredit. 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 AC 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, 2023.

  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.

Prior approval of the AC and the shareholders is not required for a transaction to which the listed subsidiary of the Company 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 transactions between the following 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.

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY23 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 are 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, ESG risk, Model risk, Reputation & Strategic 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.

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

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal 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/infradetailcredit.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by the RBI / any other regulators during the year under review.

RBI REGULATIONS

Pursuant to the RBI Scale Based Regulations: A Revised Regulatory Framework for NBFCs which is effective October 1, 2022, the Company has been identified as NBFC- Middle Layer.

The Company has complied with the applicable regulations of RBI as on March 31, 2023.

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 regulator except as required in connection with the amalgamation stated earlier in this Report.

ACKNOWLEDGEMENT

The Directors express their sincere gratitude and appreciation to all those who have contributed to the success of the Company during the past year. It is through the collective effort and dedication of many individuals and organizations that we have achieved our goals and milestones.

We express our sincere gratitude to the 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.

We would also like to thank our valued customers for their trust and continued support. Our shareholders and investors deserve special recognition for their confidence in our vision and for their ongoing partnership.

Lastly we extend our deepest appreciation to our employees, whose hard work, commitment, and innovative ideas have been instrumental in driving our growth and success. Their unwavering dedication and professionalism have played a significant role in overcoming challenges and seizing opportunities.

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	**Rupa Rege Nitsure**
Director	Whole-Time Director
DIN: 03545900	DIN: 07503719

Place: Mumbai
Date: April 26, 2023

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023, 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, 2023 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; (Not Applicable for the period under review)

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; (Not Applicable for the period under review)**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **presently the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable for the period under review)**

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; **(Not Applicable for the period under review)**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 presently the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable for the period under review)** 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; **Not Applicable for the period under review**

(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, Circulars, 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).**
- **Non-Convertible Redeemable Preference Shares (NCRPS) listed on BSE Limited (BSE);**
- **Non-Convertible Debentures (NCD) listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);**

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

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

The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors/members present.

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

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

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

- Issue and allotment of 8,14,50,000 fully paid-up Equity Shares of face value of ₹ 10 each for cash at price of ₹ 27 per Equity Share (including a premium of ₹ 17 per Equity Share) aggregating to ₹ 2,19,91,50,000/- on rights basis.

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

- Redemption of Non-Convertible Debentures ("NCDs") during the FY2022-23 aggregating to ₹ 2,130.10 Crores, issued on a private placement basis.
- Redemption of Cumulative Non-Convertible Redeemable Preference Shares ("CRPS") during the FY2022-23 aggregating to ₹ 253.90 Crores.

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

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

The Board at its Meetings held on January 13, 2023 had approved the proposal of the scheme of amalgamation of L&T Finance Limited ("LTF"/ "Amalgamating Company 1"), the Company ("LTICL"/ "Amalgamating Company 2") and L&T Mutual Fund Trustee Limited ("LTMFTL"/ "Amalgamating Company 3") (collectively referred to as "Amalgamating Companies") with L&T Finance Holdings Limited ("LTFH"/ "Amalgamated Company") by way of merger by absorption, pursuant to the scheme of amalgamation and arrangement under the provisions of Sections 230 to 232 read with section 52 of the Companies Act, 2013 ("Act") and other regulatory requirements ("the scheme").

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

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

- The Company had received a Certificate of Registration ("CoR") dated June 22, 2022 bearing no. N-13.02055 from the Reserve Bank of India, under Section 45-IA of the Reserve Bank of India Act, 1934, registering the Company as a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC).
- Pursuant to the Scale Based Regulations: A Revised Regulatory Framework for NBFCs ("SBR Framework") which is effective October 1, 2022, The Company has been identified as NBFC- Middle Layer ("NBFC-ML").

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117E000142215

Place: Mumbai
Date: April 19, 2023

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: F011117E000142215

Place: Mumbai
Date: April 19, 2023

Annual Report on Corporate Social Responsibility ("CSR")

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

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

1) Brief outline on CSR policy of the Company

CSR Vision:

Financial and digital transformation of rural communities and creating opportunities for sustainable livelihoods for them.

CSR Mission:

We strive to revitalize and create sustainable livelihoods and financial ecosystem of and for marginalized farmers, rural women and youth.

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 Finance, 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/infradetailcredit

4) **The executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable –**

Not applicable.

5) a) **Average net profit of the company as per Section 135(5) :** ₹ 1,27,22,03,707.03

b) **Two percent of average net profit of the company as per Section 135(5):** ₹ 2,54,44,074

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

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

e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 2,54,44,074

6) a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 2,42,32,451

b) **Amount spent in Administrative Overheads:** ₹ 12,11,623

c) **Amount spent on Impact Assessment, if applicable:** Nil

d) **Total amount spent for the financial year (8a+8b+8c):** ₹ 2,54,44,074

e) **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
2,54,44,074	–	–	–	–	–

f) **Excess amount for set off, if any -**

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per Section 135(5)	2,54,44,074
ii.	Total amount spent for the financial year	2,54,44,074
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

7) **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of Section 135 (in ₹)	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 year (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY2021-22	Nil	Nil	N.A.	Nil	N.A.	Nil	
2	FY2020-21	Nil	Nil	N.A.	Nil	N.A.	Nil	
3	FY2019-20	Nil	Nil	N.A.	Nil	N.A.	Nil	
	TOTAL	**Nil**	**Nil**	**–**	**Nil**	**–**	**Nil**	

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: ◯ Yes ● No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 – Not applicable

Dinanath Dubhashi
Chairperson
CSR and ESG Committee
DIN: 03545900

Rupa Rege Nitsure
Whole-Time Director
DIN: 07503719

Place: Mumbai
Date: April 26, 2023

CORPORATE GOVERNANCE REPORT

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

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

At L&T Finance ("LTF"), we believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values and built on the foundation of assurance. LTF believe that effective governance is essential for achieving long-term success and creating value for its shareholders and stakeholders. Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to our core values viz.- Pride, Integrity, Discipline and Ambition. Our philosophy encompasses Transparency, Integrity and Ethics, Accountability, Stakeholder Engagement, Board Effectiveness and, Compliance and Risk Management as key elements.

By adhering to our corporate governance philosophy, we strive to build trust, foster sustainable growth, and create long-term value for all our stakeholders. The Board of Directors ("Board") helps to ensure that we have appropriate governance in place, both to support our operations and protect our stakeholders' interest.

The Board continuously evaluate and refine the governance practices to ensure that they align with best practices and evolving expectations. 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 Board of Directors plays a crucial role in providing strategic guidance and help build governance structure to drive the overall success and growth of the Company. Comprising a diverse group of highly experienced professionals, the Board brings together a wealth of knowledge, expertise, and industry insights.

Our esteemed Board members are selected based on their extensive backgrounds in various sectors and their ability to provide valuable perspectives and leadership. They possess a deep understanding of our industry landscape, market dynamics, and emerging trends, which enables them to make informed decisions in the best interest of the Company and its stakeholders.

As stewards of corporate governance, the Board ensures that the Company operates with integrity, transparency, and adherence to legal and ethical standards. They oversee the formulation and implementation of effective policies, risk management strategies, and long-term strategic plans. Through their collective wisdom and experience, they provide guidance to the executive management team, offering valuable insights and oversight to steer the organization towards sustainable growth.

At LTF, leadership, vision, and commitment of the Board of Directors are instrumental in guiding our organization towards achieving its goals, driving innovation, and creating sustainable value for all the stakeholders.

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 four Directors comprising two Independent Directors (including one woman Independent Director), one Non-Executive Director and one Whole-Time Director. Ms. Nishi Vasudeva (DIN: 03016991) 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. Shiva Rajaraman (DIN: 07570408), stepped down from the position of Whole-Time Director of the Company with effect from May 17, 2022 to devote time to other commitments and Dr. Rupa Rege Nitsure (DIN: 07503719) was appointed as the Whole-Time Director of the Company in accordance with the provisions of Sections 152, 161, 196, 197, 198, 203 and Schedule V of the Act with effect from October 10, 2022 and the said appointment was approved by the Members at the Extra ordinary General Meeting ("EGM") held on January 05, 2023.

The Board based on the recommendation of the Nomination and Remuneration Committee ("NRC"), approved the re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director on the Board of the Company for a second term of 5 consecutive years in accordance with the provisions of Section 149 and Section 152 of the Act with effect from July 2, 2023 to July 01, 2028, subject to the approval of the Members by way of a special resolution.

A well composed Board of Directors is diverse and brings together individuals with a range of expertise, skills and background. The composition of Board of your Company is commensurate with the size of the Company, complexity and nature of various underlying businesses, and represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the businesses of the Company.

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, no Whole-Time Director/ Managing Director of the Company is 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 and the Board meetings (including Committee meetings) serve as a forum for Board/ Committee members to come together and deliberate on critical matters related to the organization's strategy, operations, financial performance, and governance. These meetings of the Company as well as its subsidiaries are held at regular intervals, 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 matters requiring the approval of the Board / Committees to enable inclusion of the same in the agenda for the Board / Committee meetings. The Board members receive detailed agendas including relevant materials, such as reports, financial statements, and other necessary documents, well in advance of the meetings enabling them to review and prepare for discussions. During the meeting, the board engages in structured discussions, allowing each member to share insights, ask questions, and express their viewpoints.

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). The Board members interact with Senior Management (including Chief Executives) of the various operating companies within L&T Finance frequently at the Board Meetings.

Further, presentations are made on business operations to the Board by the Senior Management covering business strategy and updates on business, macro economic development, IT and data analytics. 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.

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 in accordance with the regulatory requirements.

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 26, 2022.

4. Meetings & Attendance:

During the financial year ended March 31, 2023, 6 (Six) Board Meetings were held on the following dates - April 27, 2022, July 13, 2022, October 18, 2022, January 11, 2023, January 13, 2023 and March 17, 2023. 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 four out of six Meetings viz; April 27, 2022, July 13, 2022, October 18, 2022 and January 11, 2023, during the financial year 2022-23 were held through electronic mode (i.e., video conference). Remaining two Meetings were held physically viz; January 13, 2023, was held at 2nd floor, 2A Board Room, Landmark Building, A Wing, Off. Andheri Kurla Road, Near Western Express Highway Metro, Andheri East, Mumbai – 400093 and March 17, 2023, was held at 8th floor, Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.

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, 2023 are as follows:

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

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

Notes:

(1) *Excludes Directorship in foreign company and Section - 8 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 the Whole-Time Director of the Company with effect from October 10, 2022.*

(5) *Ceased to be the Whole-Time Director of the Company with effect from May 17, 2022.*

The details pertaining to the directorships held by a Director in listed companies other than the Company as on March 31, 2023 is as follows:

Name of the Director	Name of the listed entity[1]	Nature of Directorship
Nishi Vasudeva	1. Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited) 2. HCL Technologies Limited	Independent Director 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	–	–

(1) *Only equity listed companies are considered.*

5. Information to the Board:

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

- Annual revenue budgets and capital expenditure plans of the Company.
- Quarterly results of the Company.
- Minutes of the meetings of the Board of Directors and Committees of the Board.
- 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.

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	✓			✓	✓	✓	✓	✓	✓	✓	> 41 years
Thomas Mathew T.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 42 years
Dinanath Dubhashi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 32 years
Rupa Rege Nitsure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 20 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 NRC 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:

To ensure the long-term sustainability and continued success of your Company, the Company has a mechanism in place for ensuring orderly succession for appointments to the Board and to Senior Management by identification of talent and further development process, to build a pipeline of talent to meet future leadership needs. The NRC is responsible for overseeing the succession planning for the Board and Senior Management Personnel as per the NRC policy of the Company.

10. Familiarization programme:

Your Company has designed a familiarization program to introduce/ induct all new Independent Directors. This program plays a vital role in enabling the Board Members to understand the organization, its operations, culture, governance practices and also their roles, responsibilities, and expectations, thereby facilitating their effective contribution to the Board's work.

Your Company provides its directors with training opportunities related to its business, both during the induction process and periodically (including during Board Meetings). The Board conducts a dedicated meeting annually to discuss the strategy and budget of the Company and its subsidiaries.

The Board members hold meetings to exchange perspectives and insights, enabling the senior management to benefit from the Directors' experience and enhance your Company's operations. During FY23, 100% of the Board of Directors has undergone dedicated training on ESG and Info Sec, the emerging topics in the current scenario.

Systems and resources are made available to the members of the Board. Additionally, regular field visits i.e., visits to the branches and meeting centres, 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 the others.

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

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

Board level committees are essential for effective governance and efficient decision making within a Company. Board level committees provide a structured approach to address specific areas of operations, governance, allowing Board Members to focus on other issues in more depth. By delegating certain responsibilities to committees, the Board can leverage the expertise and specialized knowledge of committee members, leading to better informed decisions. Establishing Board level committees also ensures a checks and balances system within the Company, with committees independently reviewing and evaluating key aspects of operations and decision making. Overall, Board level committees enhance governance practices, strengthen board effectiveness, and contribute to the long-term success of the Company. The Board is regularly briefed about the deliberations, including summary of discussions and minutes of the committee 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. Recommendation the appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing, 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. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
5. Reviewing, 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. Reviewing and monitoring 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. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing, 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. Reviewing, 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. Looking 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. Reviewing functioning of the Whistle Blower Mechanism/Vigil Mechanism of the Company;
18. Approval of the appointment of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
19. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores 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. Considering and commenting 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:

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 27, 2022, July 13, 2022, October 18, 2022, January 11, 2023 and January 13, 2023. 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. Recommending to the Board appointment of Chief Compliance Officer in compliance with RBI Regulations;
4. Ensuring 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.
5. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
6. Devising a policy on diversity of board of directors;
7. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition:

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 3 (three) times during the year on April 26, 2022, April 28, 2022 and October 18, 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.	3	3
Nishi Vasudeva	3	3
Dinanath Dubhashi	3	3

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 LTF draw remuneration from LTF 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/infra-credit. 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, 2023:

a) Remuneration to Executive Director(s)

The details of remuneration paid to Mr. Shiva Rajaraman (DIN: 07570408) and Dr. Rupa Rege Nitsure (DIN: 07503719) Whole-Time Director are as follows:

(₹ in Lakhs)

Sr. No.	Name	Salary and Perquisites[1]	Variable Remuneration[2] (up to)	Retirement Benefits	Total
1.	Shiva Rajaraman[3]	62.94	8.64	1.74	73.32
2.	Rupa Rege Nitsure[4]	44.99	66.13	3.25	114.37

(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.

(3) Mr. Shiva Rajaraman (DIN: 07570408) ceased to be the Whole-Time Director of the Company with effect from May 17, 2022.

(4) Dr. Rupa Rege Nitsure (DIN: 07503719) appointed as the Whole-Time Director of the Company with effect from October 10, 2022.

(4) Draws remuneration from LTF.

- *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 severance pay is payable on termination of appointment.*
- *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, subject to the limit not exceeding 1% p.a. of the net profits of the Company.

In addition to the commission, the Company pays sitting fees of ₹ 50,000 per Board and Independent Directors meeting, ₹ 50,000 per AC and NRC 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
Thomas Mathew T.	3.5	4.25	11	18.75
Nishi Vasudeva	3.5	6	15.55	25.05

[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, 2023 are as follows:

Name of the Director	No. of Equity Shares	No. of Preference Shares
Dinanath Dubhashi*	1	-
Rupa Rege Nitsure*	1	-

**Held jointly with L&T Finance Limited*

3. Corporate Social Responsibility ("CSR") and ESG Committee Terms of reference:

The role of CSR and ESG includes the following:

1. Formulation of the 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:

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 26, 2022 and all the members of the CSR and ESG Committee had attended the meeting.

4. Stakeholders Relationship Committee ("SRC") 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. Reviewing of measures taken for effective exercise of voting rights by shareholders;
3. Reviewing 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. Reviewing 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:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
Nishi Vasudeva	Member	ID
Rupa Rege Nitsure	Member	WTD

Meetings and Attendance:

The SRC met once during the year on October 18, 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

Ms. Savita Kodain, Company Secretary of the Company, is the Compliance Officer / Investor Relations Officer, who deals with matters pertaining to Shareholders' grievances.

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:

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

Meetings and Attendance:

No meeting was held during the year.

6. Asset Liability Management Committee ("ALCO") Terms of reference:

The role of the ALCO includes the following:

1. Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
2. 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;
3. 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
4. Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.

Composition:

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
Vipul Chandra (Representative of L&T)	Member
Group Chief Economist	Member

Meeting details:

The Committee met 13 times during the year on April 22, 2022, May 17, 2022, June 17, 2022, July 04, 2022, July 28, 2022, August 22, 2022, September 21, 2022, October 14, 2022, November 24, 2022, December 22, 2022, January 24, 2023, February 17, 2023 and March 24, 2023.

7. Risk Management Committee ("RMC") Terms of reference:

The role of the RMC includes the following:

1. Monitoring 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. Formulating 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. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

4. Monitoring 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. Keeping the Board informed about the nature and content of its discussions, recommendations and actions to be taken; and

7. Reviewing of appointment, removal and terms of remuneration of the Chief Risk Officer.

Composition:

Name of the Director	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)	Member	ID
R. Govindan (Representative of L&T)	Member	–
Whole-Time Director	Member	WTD
Chief Risk Officer	Member	-

Meetings and Attendance:

The Committee met four times during the year on June 29, 2022, September 27, 2022, December 23, 2022 and March 16, 2023. The attendance of members at the meetings was as follows:

Name of the Director	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)	4	3
R. Govindan (Representative of L&T)	4	4
Whole-Time Director	2	2
Chief Risk Officer	4	4

8. IT Strategy Committee ("ITC"):

As a part of good corporate governance, the Board of Directors of the Company constituted an ITC on a voluntary basis.

Terms of Reference:

The role of ITC includes the following:

1. Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. 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;

5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about

exposure towards IT risks and controls; and

6. Instituting an effective governance mechanism and risk management processes for all outsourced IT operations.

Composition:

Name of the Director	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 four times during the year on June 29, 2022, September 16, 2022, December 23, 2022 and March 23, 2023. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Nishi Vasudeva (Independent Director)	4	3
MD & CEO - L&T Finance Holdings Limited	4	4
Chief Information Officer	4	4
Chief Technology Officer	4	4
Whole-Time Director	2	1
Chief Risk Officer	4	4
Chief Information Security Officer	4	4

D. OTHER INFORMATION:

1. Training of Directors:

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

2. Information to Directors:

The Directors have access to the information within the Company, which inter alia, includes items as mentioned in point no. B5 (i.e. Information to the Board) 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 and even outside the meetings.

3. Statutory Auditors:

Mr. Hiren Shah, Partner of M/s. CNK & Associates LLP, Chartered Accountants, Statutory Auditors of the Company have signed the Audit Report for FY23.

4. 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/infra-credit. 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.

Rupa Rege Nitsure
Whole-Time Director

Date: April 26, 2023
Place: Mumbai

5. Vigil Mechanism Framework/ Whistle-Blower Mechanism:

The Company has formulated a vigil mechanism framework for Directors, employees and service providers (agency, vendor, contractor or any outsourced partner) ("collectively known as stakeholders") to report their concerns. The objective of the framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the stakeholders can raise actual or suspected violations. The Vigil Mechanism Policy empowers all levels of employees including top management and service providers to raise voice against actual / suspected violations. The implementation of the framework is monitored through the Whistle-blower Investigation 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 Whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Whistle-blower Investigation Committee and management maintain the anonymity of the whistle blower at all times.

The details of establishment of such mechanism have been disclosed on the website of the Company at *https://www.ltfs.com*.

As on March 31, 2023, 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
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
2021-22	July 11, 2022	01:00 P.M.	Plot No. 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East) Mumbai 400098

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

Year	Date	Resolution
2019-20	July 28, 2020	Reaffirming/ratifying the resolution for issuance of non-convertible debentures during FY2020-21.
2020-21	July 28, 2021	Nil
2021-22	July 11, 2022	Nil

Other Disclosures:

- The Company being a high value debt listed entity, Regulation 16 to Regulation 27 of the SEBI Listing Regulations are applicable to the Company on a 'comply or explain' basis until March 31, 2023.

  During the year, the Company has entered into a material related party transaction with L&T Finance Limited (Holding Company). The transaction was in the ordinary course of business and at arm's length basis in the interest of the Company and have no potential conflict with the interests of the Company. In terms of Regulation 23 of SEBI Listing Regulations, shareholder's approval for the said transaction was a legal improbability and hence the transaction was approved by the Board of Directors. Accordingly as per SEBI Listing Regulation, the same was explained in the Corporate Governance Report filed with the stock exchanges during FY2022-23.

  Apart from the aforesaid, 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:

  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 vide letter dated December 10, 2021, as it was inadvertently missed out 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), as applicable 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 mentioned in the Board's Report.
- Commodity price risks and commodity hedging activities are not applicable.
- 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.
- Ms. Krupa Joisar, 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.
- During FY23, total consolidated fees of ₹ 0.21 crore (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 FY23 and FY22.
- 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.
- There were no loans and advances in the nature of loans to firms / companies in which directors are interested in.
- The Company does not have any material subsidiaries.

Means of Communication:

- Quarterly Results are communicated through Newspaper Advertisements in prominent national and regional daily like Free Press Journal.
- The financial results are also displayed on the website of the Company at https://www.ltfs.com/infra-credit.
- The Annual Report is circulated to all the Members, Statutory Auditors, Secretarial Auditor, Directors and such other persons who are entitled to receive the Annual Report.
- Management Discussion and Analysis forms a part of the Annual Report and is sent to the Members of the Company.

General Shareholders' Information

Annual General Meeting	Friday, July 28, 2023 at 1:00 p.m. at the registered office of the Company
Financial Year	April 1, 2022 to March 31, 2023.
Dividend Payment	N.A.
Listing on Stock Exchanges (Equity Shares)	N.A.
Listing of Preference Shares	N.A
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)	N.A.
Stock Code (NCDs)	As on March 31, 2023, the Company has 63 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, 2023:

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

Categories of the Shareholders as on March 31, 2023:

Category	No. of Shares	%
Promoters	57,16,30,214	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	**57,16,30,214**	**100.00**

Dematerialization of shares and liquidity:

Being a Debt Listed Company, shares are not required to be traded on the Stock Exchanges. The Company's shares are not listed and traded on any stock exchange. However, the Company's equity share capital are dematerialized as on March 31, 2023 except the shares held by individual nominee shareholders. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity shares is INE235P07AC5.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on March 31, 2023.
Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
Plant Locations	As the Company is engaged in the business of Non-Banking Financial Services, this section is not applicable.
Address for correspondence	**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
Name and Address of the Compliance Officer	**Ms. Savita Kodain,** Company Secretary and Compliance Officer L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India. Phone: +91 22 6212 5000 Fax: +91 22 6212 5553 E-mail: igrc@ltfs.com

Securities Dealing Code

L&T Finance Holdings Limited ("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 within the Company and being the subsidiary of the LTFH, and debt listed Company the Company has adopted 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 securities 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. Kavita Shetty, 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 27, 2022 had appointed Ms. Krupa Joisar & Associates, Practicing Company Secretary as the Secretarial Auditor of the Company for FY2022-23.

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 2528 0081
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 for the year ended March 31, 2023 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,

Rupa Rege Nitsure
Whole-Time Director

Manish Jethwa
Chief Financial Officer

Place: Mumbai
Date: April 26, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

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, 2023, 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.

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, 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, 2023.

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: F011117E000197974

Date: April 26, 2023
Place: Mumbai

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 2022-23 and Financial Year 2023-24, 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 and 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, 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, 2023 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	Designation	Date of Appointment in the Company*	Date of Cessation in the Company*
1.	Mr. Thomas Mathew Thumpeparambil	00130282	Independent Director	16/10/2014	–
2.	Ms. Nishi Vasudeva	03016991	Independent Director	02/07/2018	–
3.	Mr. Dinanath Mohandas Dubhashi	03545900	Non-Executive Director	29/04/2016	–
4.	Dr. Rupa Rege Nitsure	07503719	Whole Time Director	27/04/2016	–
5.	Mr. Shiva Rajaraman	07570408	Whole Time Director	27/02/2020	17/05/2022

**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: F011117E000142325

Place: Mumbai
Date: April 19, 2023

MACRO-ECONOMIC REVIEW

In the face of a challenging global environment, those who are agile and adaptable can still find opportunities to succeed. Despite concerns over a potential slowdown in advanced economies, persistent inflation, and recent banking sector turmoil in the US and Europe, the potential for growth and success remains high for those who are willing to take calculated risks and pursue innovation.

With a flexible and forward-thinking mindset, individuals and organisations can not only weather the current uncertainty but also emerge stronger and more resilient in the face of future challenges. Nevertheless, the Indian economy is better placed in this challenging environment than its peers. While the global economy is expected to slow down or even enter a recession in 2023, India has shown resilience and is emerging stronger than anticipated from the pandemic years. The economy has been steadily gaining momentum since the second quarter of the current financial year.

As per the provisional estimate of the National Statistical Office, the economy grew at a decent pace of 7.2% in FY23. This contrasts with the 9.1% growth in the previous fiscal year, which benefited from a favourable statistical base. With all major sectors being above the pre-pandemic level, the recovery from the pandemic shock has been fairly broad-based. During FY23, the Gross Value Added (GVA), a measure of aggregate supply, grew by 7%.

Overall GVA growth has been driven by services (9.5%), agriculture & allied activities (4.0%) whereas the industrial sector (4.4%) posted deceleration amidst intensified input cost pressures from last year. Capital spending saw a sharp recovery, most driven by Government spending on infrastructure. Both private consumption and Government consumption grew at a slower rate than the previous year. While the growth in exports as well as imports has decelerated from last year, the growth in imports outpaced that of exports in FY23.

Consumer price inflation remained high, and core inflation continues to remain sticky. The Consumer Price Index (CPI) based inflation averaged 6.65% during FY23 versus 5.51% last year. With its inflation-targeting mandate, the Reserve Bank of India (RBI) raised the policy rate by 250 basis points to 6.5% cumulatively in FY23. However, input cost inflation, as reflected in the Wholesale Price Index (WPI) based inflation, indicated significant moderation during the second half of FY23. The WPI-based inflation averaged 9.4% in FY23, which was lower than the average of 13% last fiscal year. The decline in input cost pressures was found to be greater for the industrial sector than for the farm sector.

India recorded a Current Account Deficit (CAD) of 2.7% of Gross Domestic Product (GDP) in 9M-FY23 compared to 1.1% in 9M-FY22. This was on the back of a sharp increase in merchandise trade deficit. During FY23, the merchandise trade deficit of India widened to USD 266.78 Bn, 40% higher over the last year. Following aggressive rate hikes by the US Federal Reserve, risk-off sentiments were accentuated amongst foreign investors. Foreign Portfolio Investment (FPI) outflows from the Indian markets amounted to almost USD 5.5 Bn in FY23. As a result, the rupee depreciated by nearly 8% to ₹ 8 2.22 per dollar as of March 31, 2023, over March 2022 (₹ 75.81 per dollar). On the positive side, India maintained sufficient forex reserves at USD 578.5 Bn (March 31, 2023) to finance the CAD and intervene in the forex market to manage volatility in the rupee.

The central government met its fiscal deficit target of 6.4% of the GDP supported by higher nominal GDP growth, robust tax collections and subsidy rationalisation. The Government's push towards infrastructure creation led to a CAPEX growth of 24% (y-o-y) in FY23.

The financial conditions turned tighter during the second half of FY23 following monetary policy tightening and healthy credit offtake. Liquidity in the banking system turned into a deficit intermittently due to transient factors like advance tax outflows, GST outflows, State bond auctions, among others. However, RBI injected liquidity regularly through variable repo auctions to protect the positive credit sentiment. Higher government spending too supported liquidity creation during FY23.

OUTLOOK FOR FY24

Global growth is forecasted to slow from 3.4% in 2022 to 2.8% in 2023 as per International Monetary Fund's (IMF) World Economic Outlook, April 2023. A sustained inflation in many economies, rising interest rates and negative global spillover effects from the war in Ukraine is expected to dampen trade growth in the calendar year 2023. This is reflected in the lower global trade growth forecast by the World Trade Organisation at 1% in 2023 from 3.5% in 2022.

Due to potential global economic slowdown, persistent inflationary pressures and reduced external demand, India's GDP growth in FY24 may be slower. While there are some positive factors such as continued government investment, reduced corporate debt, a low level of stressed assets in the banking sector, the Production-Linked Incentive (PLI) scheme, and the possibility of stable global commodity prices, they may not be enough to push GDP growth beyond 6% in FY24.

Most of the projections for India's economic growth for FY24 hover near 6.0% as compared to 7.0% in FY23. On the positive side, consumer inflation is expected to moderate in FY24 partly due to the lagged impact of the RBI's aggressive monetary tightening throughout FY23 and partly on account of a favourable statistical base. CRISIL ratings expects CPI- based inflation to average 5% in FY24 due to lower commodity prices, expectations of softer food prices, cooling domestic demand and base effect. There are higher chances that relatively lower inflation and lower-than-expected gross market borrowings announced by the Central Government will somewhat lower the cost of borrowings during FY24.

Relatively softer global commodity prices, especially the prices of energy products and a healthy growth momentum in the services exports may lower the CAD to 2.0-2.5% of GDP in FY24. The lower CAD and India's relatively better economic performance than other emerging market economies will support the rupee during FY24.

Institute	India's FY24 Growth Projections from International Agencies
IMF	5.9%
World Bank	6.3%
OECD	6%
United Nations	6.7% (CY2024)
RBI	6.5%
Fitch	6.0%
Moody	6.5% (FY2024)
S&P	6.0%

POSSIBLE THREATS

a. Global Risks

i. Global Slowdown

As India's growth cycles are linked to those of advanced countries through the trade and financing channels, a sharper-than- expected slowdown/recession in advanced economies due to the monetary tightening or the ongoing banking troubles can create a downside to India's economic growth outlook.

ii. High Global Debt

High global leverage amid rising interest rates and slowing growth creates conditions for financial stress. If the public and private sectors are forced to deleverage simultaneously, growth prospects will suffer for emerging market economies like India.

iii. Geopolitics

A further spike in geopolitical tensions, which already remain elevated, can cause sharp spikes in global crude and commodity prices, disrupt the supply chains and trade further, increase fiscal spending and create a downside risk to India's growth.

b. Domestic Risks

i. Possibility of El Nino

The potential occurrence of El Nino conditions could hurt the prospects of crop output and rural demand and put upward pressure on food inflation. If inflation rises above the RBI's tolerance level, a delay in taking a 'pause' and tighter monetary conditions could impact growth negatively.

ii. Climate Risks

Climate change has begun to play out in the form of rising global temperatures and increased frequency of extreme weather events like droughts, cyclones, heat waves, and flooding. According to Cross Dependency Initiative, which specialises in climate risk analytics for companies, banks, and regions, the vast majority (80%) of 50 provinces facing the highest climate risk to their physical infrastructure by 2050 are in China, the US, and India. These developments may have implications for India's food security.

FINANCIAL RATIOS

The company has incurred loss of ₹ 147.02 Cr as at March 31, 2023 against profit of ₹ 4.11 Cr as at March 31, 2022 on account of one time impact of change in business model in wholesale segment amounting to ₹ 237.00 Cr which is presented as "Exceptional item" in Profit & Loss account for the year ended March 31, 2023.

BUSINESS PERFORMANCE

Your Company is in the process of reducing the wholesale book through accelerated sell-down. In this regard, your Company, during the year, ceased incremental fresh sanctions in Infrastructure Finance. Disbursements made were towards committed sanction lines.

Consequently, the wholesale book (includes defocused) reduced from ₹ 5,005.86 Cr in FY22 to ₹ 4,450.63 Cr in FY23.

With the accelerated sell-down, your Company is confident of achieving the Lakshya objective before the stipulated timeline of FY26.

HUMAN RESOURCES

As a financial services provider, people are the greatest assets and the core strength of your Company's business. Your Company has consistently been agile and improved its human resource practices to match the dynamic workplace. As of March 31, 2023, your Company employed 8 employees.

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.

YOUR COMPANY HAS A FOCUSED APPROACH TO KEEPING EMPLOYEES MOTIVATED AND ENGAGED:

COMMUNICATING PURPOSE

Lakshya 2026 town halls were conducted pan India for regional and area level leaders to align them to the organisation priorities. Townhalls helped spread positivity across the organisation and instilled a self-belief amongst the employees that Lakshya 2026 is achievable.

Engaging Employees

L&T Finance ("LTF") launched 'WhatsApp Connect' for all its employees. Currently, at LTF over 25,000 employees are connected through WhatsApp and receive important product and employee benefits updates, among others, through the channel. The channel has become an effective source of information dissemination in a large distributed retail setup.

LTF also organised a Stepathon challenge for its Mumbai-based employees. The objective of the Stepathon challenge was to promote a healthy, active lifestyle among its employees while simultaneously encouraging teamwork. As a part of the challenge, 670 employees, who were divided into 67 teams, competed to take the highest steps during the 60 days of the competition. The top two teams with the highest number of steps were honoured and those who lost maximum weight during this period were felicitated. Weekly winners were also recognised for taking the highest number each week during the challenge.

Rewarding Performance

Every measurable effort/milestone achieved by an employee deserves utmost appreciation and respect. It is imperative that the top performers exemplify LTF culture, live its values, and draw inspiration from them. Therefore, to felicitate the exemplars of these values, LTF has institutionalised STAR Awards, one of the biggest annual recognition platforms. This year, the STAR Awards programme was conducted in person after conducting it through virtual modes for last 3 years. The event honoured 203 employees for their stellar contribution, encouraging them to perform extraordinarily.

Additionally, initiatives such as the Wall of Fame continued to recognise the outstanding and exceptional contributions of the employees throughout the year.

Together, these practices serve to acknowledge your Company's gratitude to its biggest assets – its people – for their unstinted support and contributions.

Caring for Employees

LTF organised vaccination drives for its employees to enable prevention from the Covid-19 virus amid rising concerns. With 75% of the LTF people in frontline roles (directly interacting with customers), the focus on health and safety is always critical.

A total of 11,283 booster doses were administered between November 2022 to January 2023.

RISK MANAGEMENT

Risk management implies controlling potential future events that may adversely impact 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 the Company is cognizant of the prominent role it plays in its 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, fraud risk, cyber risk and operational risk are some of the risks that your Company is exposed to. With this as the backdrop, your Company has in place a Board-approved Risk Management Framework. This framework encompasses a 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 regarding a better understanding of the nature and extent of any vulnerabilities, quantifies the impact and develops plausible business-as-usual mitigating actions.

Your Company's Risk Management function periodically onboards an external independent firm. This firm helps your Company review its approach to risk and ensures alignment with the best market practices. 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. Moreover, your Company has taken cognisance of the newer emerging risks such as reputational, sustainability, and climate-related risks and has developed a framework to address these risks.

In line with the requirements of scale-based regulations prescribed by the Reserve Bank of India, your Company has put in place Internal Capital Adequacy Assessment Policy (ICAAP) which outlines all the risks, risk mitigants, and capital requirements for present and future time periods. Under ICAAP framework, your Company has developed qualitative and quantitative templates to measure and manage various risks like Credit, Market, Liquidity, Interest rate, Operational, Strategic, Compliance, Reputational and Concentration Risk. Another initiative undertaken to align the Risk Management framework with Lakshya 2026 goals was to refresh and recalibrate the Risk appetite statement of your Company which clearly defines and covers Company-wide qualitative and quantitative statements on Aggregate Risk level and types of risks being monitored at the entity level. It is further cascaded through individual/group limits to different business lines across various parameters, including products, sectors, geographies and, counter-parties. The Risk Management Committee and Risk Management Department of your Company are continuously monitoring these limits.

Credit Risk

Your Company is exposed to various kinds of risks, including operational, liquidity and market. However, credit risk is the single largest risk for your Company's business. Therefore, your Company carefully and efficiently manages its exposure to this risk. To demonstrate strength in credit risk management, a new-age portfolio management framework has been implemented as part of our Lakshya 2026 journey. The focus is on strengthening underwriting capabilities for existing as well as new-to- credit customers by investing further in building geo- agnostic underwriting capabilities. Thus, improving digital and analytical capabilities wherein your Company is able to arrive at decision by considering multiple variables and increase use of scorecards and bureau in credit decisioning. All these initiatives enable us to reduce credit costs, improve efficiency, maintain consistency, and, more importantly allow your Company to build scale cost- effectively. Your Company also has an effective review mechanism in place. It uses state-of-the-art Early Warning Signals to recognise potentially weak credit while stressing on maintaining 'Zero DPD' (Days Past Due indicates the number of days 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 a difficult lending environment. To strengthen risk management, it is also important to improve asset quality. The steps your Company has taken to build a new-age credit portfolio management framework, stringent adherence to the prudent risk norms and diligently following the institutionalised processes have led to improved asset quality.

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 the 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'. As part of the Covid response, your Company had undertaken an arithmetic modeling on the plausible conduct of the debtors' behavior to build incremental provisions and strengthen the balance sheet. As on March 31, 2023, your Company carried ₹ 1,171 Cr of macro-prudential and other additional non-GS3 provisions to shield against any challenges arising due to the after-effect of the pandemic.

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 to ensure robust continuance of processes and systems. In order to strengthen the Operational Risk framework in the view of Lakshya 2026, the team at LTF has undertaken a project as a part of which of 450+ SOPs, 100+ process flows, 600+ risk control metrics and 100+ key risk indicators have been reviewed to strengthen compliance with regulation and build process resilience. Framework to ensure adherence to these SOPs by employees on an ongoing basis is also being developed. With increased focus on digitalising the lending process and building autonomous journeys, a need was felt to put in place a group that will critically review any changes to systems and processes and work towards standardising the processes and systems across multiple products. Hence, your Company has put in place a Process Approval Group. This initiative enables your Company to get better control over various journeys while providing a best-in-class customer experience.

Market/liquidity risk

Your Company protects itself against market or liquidity risk with the help of its prudent approach. It 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 a positive interest rate sensitivity gap over a one-year horizon. This acts as a mitigant against interest rate risk in the balance sheet. Regular liquidity and interest rate stress testing is also conducted, thus helping LTF to manage and regulate its response to the evolving market conditions related to liquidity and interest rate changes.

Fraud risk

Your Company manages fraud risk by focusing on preventing frauds, ensuring early detection, proactive communication and awareness building on recurrent frauds and how to mitigate them. The Company has built multifaceted digital controls in all product journeys to verify information/documents through API-based authentication and rule-based assessment methodology to flag outliers and take decisions before onboarding any customer. Further, past patterns are studied to continuously refine this rule- based assessment methodology. To ensure 360-degree monitoring across various processes, the Company uses analytical capabilities to define triggers and accordingly initiate thematic checks for pinpoint verification and early detection. The Company has also focused on building employee awareness of recurrent fraud trends through structured risk awareness campaigns and on-ground training to inculcate process discipline.

LTF has launched a risk awareness mascot "Sachet Kumar" to educate customers and employees on fraud trends and how to stay protected from the same. Sachet Kumar with its latest campaign "Jaankar Baniye Savdhaan Rahiye" is committed to encourage people to practise secure financial transactions and digital safety habits. It will motivate people to stay vigilant by keeping them informed about the modus operandi of fraudsters and share tips to mitigate digital and other fraud attempts.

IT Security risk

As your Company digitalises lending, it is facing an increased risk of cyber-attacks. To prevent ransomware attacks, your Company has put in place 100% security patching. It carries out real-time simulations of cyber-attacks and regular offsite backups as well. It has implemented denial of service protection to prevent DDOS attacks. In addition, your Company also carries out detailed security assessments of all internet-facing applications. To ensure the your Company is not subjected to supply chain attacks, it has a Zero Trust model in place which carries out security assessment of all the 3rd party vendors before onboarding and thereafter as well. The Company has also taken various steps to manage internal risks like conducting cyber security awareness training, quarterly phishing drills, blocking access of USB and unauthorised applications, implemented two factor authentication and scanning of email attachment. Your Company is looking to deploy detection tech to pre-empt attacks before the breach and further enhance customer data security layers to safeguard against emerging threats in this space.

Regulatory risk

Keeping in line with the highest standards of compliance practices, your Company has undertaken projects to strengthen the compliance with guidelines on Fair Practices code, Outsourcing guidelines, and Customer grievances. The areas of review include the process and methodology of solving customer grievances and outsourcing arrangements.

ESG

An early adopter of Environmental, Social and Governance (ESG), your Company has committed to creating long-term stakeholder value by embedding sustainability practices across its businesses and operations. Your Company is amongst the few who have embedded and included ESG as one of the cornerstones of business strategy - Lakshya 2026. LTF has achieved significant milestones through its ESG journey during FY23.

LTF has achieved 30% emission reduction as compared to last financial year in alignment with its commitment to achieve Carbon Neutrality by FY35 and is Water Positive.

EsG-enabled Policy Ecosystem

The ESG Policy adopted by your Company has been a guiding framework to incorporate ESG considerations into operations and business, and mitigate material impacts and risks. In addition, your Company has Environment policy, Health & Safety policy, Diversity, Inclusion & Equity policy, Human Rights policy; and Data Privacy policy which are reviewed by the CSR & ESG Board Committee.

With an intent to encourage ESG consciousness amongst its value chain partners, your Company has not only implemented the Third-Party Code of Conduct and strengthened the contractual obligations, but also conducted a survey with a few value chain partners on ESG readiness and practices.

Integrating ESG in Operations

During FY23, your Company continued to integrate ESG in its operations. It also identified 'emissions' and 'water', two critical environmental issues, as areas of immediate ESG action.

Commitment towards social well-being

Your Company continues to demonstrate a deep commitment to well-being of its stakeholders through various measures. To address the 'S' of ESG, your Company prioritised actions promoting key stakeholders' well-being. For example, products, services, and key business activities have been designed to meet the needs and expectations of customers. By focusing on continued transparency and engagement, your Company has enhanced its customer base and nurtured higher customer loyalty and strong brand recall. The rural businesses of LTF have significantly powered the agenda of financial inclusion and empowerment across the country.

Employee well-being has always been one of the top-most priorities of your Company as covered in detail in the Human Resources section of this report.

During FY23, your Company worked towards the 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 a focus on ESG aspects in FY21. It has also established a practice of focused discussions on ESG performance in Board meetings and has a process in place to provide ESG updates to the Board at the quarterly Board meetings. In order to measure the effectiveness of the Board and the CSR & ESG Committee on ESG- related parameters, your Company has included ESG considerations in the Board's annual evaluation, assessing their contribution towards ESG initiatives. Additionally, senior leaders' performance is evaluated against ESG- related KPIs. Your Company has also conducted an internal audit of the ESG process and automated ESG data to strengthen reporting. These measures demonstrate your Company's commitment to monitoring and improving its ESG performance.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

LTF believes that its business is responsible for operating sustainably and ethically. This means considering the impact of its operations on the environment, its employees, customers, and the communities that it operates within.

Your Company's commitment to CSR goes beyond compliance with legal and regulatory requirements. The Company recognises that its actions can have a far-reaching impact on society and that it has a duty to contribute to positive social and environmental outcomes.

One of the key ways that your Company demonstrates its commitment to CSR is through its partnerships with NGOs and community organisations. By working together, the Company leverages its resources and expertise to address social and environmental challenges in a more effective and impactful way.

For your Company, Corporate Social Responsibility (CSR) is not just a charitable activity, but an integral part of business strategy. To stay relevant in a rapidly changing world, LTF has redefined its' CSR vision and mission and aligned it with Lakshya 2026 core business targets and the Sustainable Development Goals (SDGs).

The CSR thrust areas identified are based on a combination of factors including the business's strengths and priorities, the community's needs, and the national development goals. The three CSR thrust areas that have been identified are:

Digital Financial Inclusion

Focuses on promoting financial inclusion by leveraging digital technologies to provide access to financial services to underserved communities in rural areas, especially women. The goal is to empower rural communities/individuals with the tools and resources needed to manage their finances, build savings, and bridge the digital and financial divide to improve their overall financial well-being.

Disaster Management:

This area focuses on building resilience in communities by preparing for and responding to disasters, such as natural disasters or pandemics. The goal is to help communities recover from disasters and build the capacity to better prepare for and respond to future crises.

Other Initiatives:

This thrust area encompasses a range of initiatives to promote environmental sustainability, road safety, healthcare, and other social issues. The goal is to address critical social challenges and positively impact the communities in which the business operates.

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 31,2023, 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, 2023, and its loss, 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.

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 the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters	Auditor's Response
Valuation of Financial Assets comprising Loans and Advances Pursuant to the change in Business model of the Company, the Company has revised its measurement principles for Loans and Advances granted by the Company from Amortised Cost to Fair Valuation through Profit and Loss in terms of Ind AS 109. The Company accordingly reclassified its Loans and Advances prospectively wef 1st October 2022 and thereafter to fair value through Profit and Loss (FVTPL). The impact of the same has been disclosed as an exceptional item in the Financial Statements The fair valuation for such Loans and Advances has been carried out by the management in accordance with Ind AS 113. The key estimates and judgements involved in the fair valuation assessment of the Loans and Advances include:	**Our Audit procedures included:** Obtaining an understanding of the Company's rationale for reclassification of loans and advances and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors. Performing end to end process walkthroughs to identify the key systems, applications and controls used in the fair valuation processes; Reviewing the fair valuation reports of an Independent valuer, provided by the management; Evaluation of the reasonableness of the assumptions considered for the fair valuation by the Management considering the factors such as expected cash flows, discount rates used, adjustments with respect to marketability;

Key Audit Matters	Auditor's Response
• Forecast cash flows including assumptions on growth rates • Discount rates • Marketability The accounting for Loans and Advances granted by the Company is a Key Audit Matter as the determination of recoverable value for fair valuation involves significant management judgement and estimates.	Evaluating and confirming the disclosure of impact of reclassification of Loans as exceptional items in terms of Guidance Note on Schedule III Div III, considering the same to be non-recurring nature and in order to assist users in understanding the financial performance of the Company; Reviewing the adjustments and disclosures made by the Company in the financial statements.

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 prescribed 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 controls 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) prescribed 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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/or in any person or entity ("Intermediaries"), 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 (a) and (b) above 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.

e) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

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 directors 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

UDIN: 23100052BGVTTY3944
Place: Mumbai
Date: April 26, 2023

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, 2023]

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 48(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. During the year, the Company has granted loans to Companies. The Company has not granted any loans or advances in the nature of loans to firms, Limited Liability Partnerships, or other Parties. The Company has not made investment in, provided any guarantee or security 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) Based on our verification and the Information and explanations provided to us by the Management of the Company, the terms and conditions of grant of loans are not prima facie prejudicial to the interest of the Company. The Company has not made investment in, provided any guarantee or security to companies, firms, Limited Liability Partnerships, or other Parties during the year;

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;

[For the purpose of the above disclosure, the Company has considered modified repayment schedule and terms of Interest pursuant to the resolution plan approved by NCLAT in case of one borrower]

d) In respect of the loans granted by the Company, there are no amounts overdue for more than ninety days;

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, 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) There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes;

viii. As disclosed by the management in note 48(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 48(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 complied with the provisions of Section 62 of the Act with respect to the Rights issue of shares made by the Company during the year. In our opinion and according to the information and explanations given to us by the Management, the funds raised from the aforesaid Rights issue have been utilised for the purpose for which they were raised;

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) As informed by the management, 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, during the previous year, 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 had applied to Reserve Bank of India ("RBI") on June 11, 2021 for conversion of its status from IDF – NBFC to Investment Credit Company NBFC (NBFC-ICC). The Company received the Certificate of Registration as NBFC-ICC on June 22, 2022;

b) The Company has not conducted any Non-Banking financial or Housing Finance Activities without a valid certificate of registration (CoR) from RBI as per The Reserve Bank of India Act, 1934;

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 is one 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. There has been no resignation of Statutory Auditors during the year;

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";

As disclosed by management in note 39 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

UDIN: 23100052BGVTTY3944
Place: Mumbai
Date: April 26, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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, 2023 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 respects, 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, 2023, 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

UDIN: 23100052BGVTTY3944
Place: Mumbai
Date: April 26, 2023

L&T Infra Credit Limited

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

Balance Sheet as at March 31, 2023

(₹ In crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	2	1,178.10	534.91
(b) Bank balance other than (a) above	3	632.68	1,114.87
(c) Receivables	4		
(i) Trade receivables		–	9.32
(ii) Other receivables		38.88	–
(d) Loans	5	4,193.95	4,940.38
(e) Investments	6	558.63	2,508.07
(f) Other financial assets	7	0.66	1.17
2 Non-financial assets			
(a) Current tax assets (net)	8	99.76	72.54
(b) Deferred tax assets (net)	9	59.16	8.33
(c) Intangible assets under development	10	0.09	0.02
(d) Other intangible assets	11	0.16	0.26
(e) Other non-financial assets	12	0.61	1.20
Total Assets		**6,762.68**	**9,191.07**
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		1.52	3.47
(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	5,347.02	7,528.49
(d) Subordinated liabilities	15	–	285.91
(e) Other financial liabilities	16	1.41	1.39
2 Non-financial liabilities			
(a) Current tax liabilities (net)	17	–	28.77
(b) Provisions	18	0.37	0.92
(c) Other non-financial liabilities	19	1.02	1.74
3 Equity			
(a) Equity share capital	20	571.63	490.18
(b) Other equity	21	839.71	850.20
Total Liabilities and Equity		**6,762.68**	**9,191.07**
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2-53		

In terms of our report of even date.
For C N K & Associates LLP
Chartered Accountants
Firm Registration No : 101961W / W-100036

Hiren Shah
Partner
Membership No : 100052

Place : Mumbai
Date : April 26, 2023

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)

Rupa Rege Nitsure
Whole-Time Director
(DIN : 07503719)

Manish Jethwa
Chief Financial Officer

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 26, 2023

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, 2023

(₹ in crore)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
(i) Interest income	22	641.13	711.02
(ii) Fees and commission income	23	1.24	11.70
(iii) Net gain on fair value changes	24	43.10	6.21
(I) Total revenue from operations		**685.47**	**728.93**
(II) Other income	25	**–**	**2.25**
(III) Total income (I + II)		**685.47**	**731.18**
Expenses			
(i) Finance costs	26	601.04	662.69
(ii) Impairment on financial instruments	27	12.77	31.83
(iii) Net loss on derecognition of financial instruments under amortised cost category	28	0.03	-
(iv) Employee benefits expenses	29	5.62	10.23
(v) Depreciation, amortization and impairment	30	0.12	0.08
(vi) Other expenses	31	10.22	15.35
(IV) Total expenses		**629.80**	**720.18**
(V) Profit before exceptional items and tax (III - IV)		**55.67**	**11.00**
(VI) Exceptional items (refer note 52)		237.00	-
(VII) Profit/(Loss) before tax (V-VI)		**(181.33)**	**11.00**
(VIII) Tax expense			
Current Tax	32	15.87	15.44
Deferred tax	32	(50.18)	(8.55)
(IX) Net Profit/(Loss) after tax for the year (VII-VIII)		**(147.02)**	**4.11**
(X) Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the net defined benefit Plans		0.12	0.05
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.03)	(0.01)
Subtotal (A)		**0.09**	**0.04**
B. (i) Items that will be reclassified to profit or loss			
(a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(2.68)	0.83
(ii) Income tax relating to items that will be reclassified to profit or loss		0.67	(0.21)
Subtotal (B)		**(2.01)**	**0.62**
Total Other comprehensive income for the year (A+B)		**(1.92)**	**0.66**
(XI) Total comprehensive income for the year (IX + X)		**(148.94)**	**4.77**
(XII) Earnings per equity share			
(1) Basic (₹)	37	(2.89)	0.08
(2) Diluted (₹)	37	(2.89)	0.08
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2-53		

In terms of our report of even date.
For C N K & Associates LLP
Chartered Accountants
Firm Registration No : 101961W / W-100036

Hiren Shah
Partner
Membership No : 100052

Place : Mumbai
Date : April 26, 2023

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)

Rupa Rege Nitsure
Whole-Time Director
(DIN : 07503719)

Manish Jethwa
Chief Financial Officer

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 26, 2023

L&T Infra Credit Limited

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

Cash Flow Statement for the year ended March 31, 2023

(₹ in crore)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities:**		
	Profit before tax	(181.33)	11.00
	Adjustments for :		
	Depreciation and Amortisation expense	0.12	0.08
	Exceptional items	237.00	–
	Impairment on financial instruments	12.77	31.83
	Provision for gratuity	0.09	0.13
	Net loss on derecognition of financial instruments under amortised cost category	0.03	–
	Net gain on fair value changes of financial instruments	(43.10)	(6.21)
	Operating profit before working capital changes	**25.58**	**36.83**
	Changes in working capital:		
	Other financial assets	0.51	(0.28)
	Other non financial assets	0.59	1.57
	Trade and other receivables	(29.56)	(9.31)
	Trade payable	(1.95)	(2.10)
	Other financial liabilities	(83.52)	14.38
	Provision	(0.61)	(0.25)
	Other non financial liabilities	(0.72)	1.09
	Cash (used in) / generated from operations	**(89.68)**	**41.93**
	Net income tax paid	(71.87)	(81.25)
	Loans disbursed (net of repayments)	523.85	3,463.78
	Net cash generated from operating activities (A)	**362.30**	**3,424.46**
B	**Cash flow from investing activities**		
	Proceed from sale / (purchase) of short term investments	2,152.71	(2,342.17)
	Purchase of long term investments	(190.00)	–
	Expenditure on other intangible assets and intangible assets under development	(0.09)	(0.31)
	Change in bank balances not available for immediate use	482.19	(1,114.87)
	Net cash generated from / (used in) investing activities (B)	**2,444.81**	**(3,457.35)**

L&T Infra Credit Limited

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

Cash Flow Statement for the year ended March 31, 2023

(₹ in crore)

Particulars			For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow from financing activities**			
	Proceeds from issue of equity shares		219.92	–
	Repayment of borrowings		(2,383.84)	(666.96)
	Net cash used in financing activities (C)		**(2,163.92)**	**(666.96)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)		**643.19**	**(699.85)**
	Cash and cash equivalents at beginning of the year		**534.91**	**1,234.76**
	Cash and cash equivalents at end of the year		**1,178.10**	**534.91**
	Net (decrease)/increase in cash and cash equivalents		**643.19**	**(699.85)**
Significant accounting policies		1		
See accompanying notes forming part of the financial statements		2-53		

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 generated from operating activity is determined after adjusting the following :

Interest received	672.75	746.70
Interest / Dividend paid	683.07	672.80

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
Firm Registration No : 101961W / W-100036

Hiren Shah
Partner
Membership No : 100052

Place : Mumbai
Date : April 26, 2023

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)

Rupa Rege Nitsure
Whole-Time Director
(DIN : 07503719)

Manish Jethwa
Chief Financial Officer

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 26, 2023

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, 2023

A. Equity share capital

(₹ in crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	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
Add: Shares issued during the year	81,450,000	81.45	–	–
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**571,630,214**	**571.63**	**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, 2021	**133.83**	**–**	**147.97**	**–**	**23.42**	**540.21**	**845.43**
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)	–	–	–	–	–	0.62	0.62
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**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**

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, 2023

(₹ 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, 2022	**133.83**	**33.10**	**148.79**	**10.93**	**23.42**	**500.13**	**850.20**
Profit /(loss) for the year	–	–	–	–	–	(147.03)	(147.03)
Securities premium on Issue of equity shares	138.46	–	–	–	–	–	138.46
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	–	–	–	–	–	0.09	0.09
Other Comprehensive income for the year (net of tax)	–	–	–	–	–	(2.01)	(2.01)
Total comprehensive income for the year	**272.29**	**33.10**	**148.79**	**10.93**	**23.42**	**351.18**	**839.71**
Transfer from retained earnings	–	35.75	–	8.00	–	(43.75)	–
Balance as at March 31, 2023	**272.29**	**68.85**	**148.79**	**18.93**	**23.42**	**307.43**	**839.71**

Significant accounting policies 1

See accompanying notes forming part of the financial statements 2-53

In terms of our report of even date.

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

Hiren Shah
Partner
Membership No : 100052

Place : Mumbai
Date : April 26, 2023

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)

Rupa Rege Nitsure
Whole-Time Director
(DIN : 07503719)

Manish Jethwa
Chief Financial Officer

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 26, 2023

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 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 NBFC-IDF. The Company has received the certification of registration dated June 22, 2022 as NBFC – ICC from the Reserve Bank of India.

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 year, 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. 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. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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

(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 are recognised in the statement of Profit and Loss account. Interest income on financial assets held at FVTPL are part of interest income.

Notes forming part of the financial statements for the year ended March 31, 2023

(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.

1.10. 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.

1.11. 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.

1.12. 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.

1.13. 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.

1.14. 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.

1.15. 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. 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.

1.16. 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.

1.17. 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.

1.18. 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.

1.19. 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.

1.20. 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.

1.21. 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.

1.22. 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.

1.23. 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.

1.24. 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.

1.25. Earnings per share:

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

1.26. Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the financial statements.

1.27. Changes in Indian Accounting standards issued but not effective:

The Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023 (G.S.R. 242 (E)). These amendments would be applicable from annual reporting periods beginning on or after 1 April 2023.

Ind AS 101 - First-time Adoption of Indian Accounting Standards

Ind AS 102 - Share-based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments: Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

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

1.28. 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.

Notes forming part of the financial statements for the year ended March 31, 2023

2 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with schedule banks	270.71	17.58
Fixed deposits with banks (maturity less than 3 months)*	907.39	517.33
Total	**1,178.10**	**534.91**

3 Bank balance other than above

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks maturity more than 3 months but less than 12 months*	632.68	1,114.87
Total	**632.68**	**1,114.87**

Note : * Out of the total mentioned above ₹ 1401.82 crs (P.Y. 1624.24 crs) was assigned against the security of Non Convertible Debenture issued.

4 Receivables

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
(i) Receivables - Credit impaired	6.49	9.32
Less : Impairment loss allowance	(6.49)	–
Total trade receivables (i)	**–**	**9.32**
Other receivables		
(ii) Receivables from related parties (refer note 41)	38.88	–
Total other receivables (ii)	**38.88**	**–**
Total receivables (i+ii)	**38.88**	**9.32**

(₹ in crore)

Particulars	As at March 31, 2023						
	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	–	38.88	–	–	–	–	38.88
- Significant Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–		6.49	–	–	6.49
Disputed							
- Considered good	–	–	–	–	–	–	–
- Significant Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Gross trade receivables	–	38.88	–	6.49	–	–	45.37
Less : Allowance for Doubtful debts	–	–		(6.49)	–	–	(6.49)
Total trade receivables (net of allowance for doubtful debts)	**–**	**38.88**	**–**	**–**	**–**	**–**	**38.88**

(₹ 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
- Significant Increase in credit risk	–	–	–	–	–	–	–
- Credit impaired	–	–	–	–	–	–	–
Disputed							
- Considered good	–	–	–	–	–	–	–
- Significant 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**

5 Loans

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Term loans		
(i) At amortised cost		
- Term loans	–	2,449.61
- Debenture	–	2,556.25
Less: Impairment loss allowance	–	(65.48)
(ii) At Fair Value Through Profit & Loss		
- Term loans (Refer Note 52)	4,005.75	–
- Debenture (Refer Note 52)	444.88	–
Less: Impact of fair value change	(256.68)	–
Total	**4,193.95**	**4,940.38**
(B) Loans in India		
(i) At amortised cost		
- Secured by tangible assets	–	5,005.86
- Unsecured	–	–
Less: Impairment loss allowance	–	(65.48)
(ii) At Fair Value Through Profit & Loss		
- Secured by tangible assets	4,450.63	–
- Unsecured	–	–
Less: Impact of fair value change	(256.68)	–
Total	**4,193.95**	**4,940.38**

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

Notes forming part of the financial statements for the year ended March 31, 2023

6 Investments

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Investments in India		
(i) At fair value through profit or loss (refer note 6(i))		
Mutual funds - (Quoted)	190.12	102.45
Commercial Paper - (Unquoted)*	–	1,576.15
Security Receipts - (Unquoted)	190.00	–
(ii) At fair value through Other Comprehensive Income (refer note 6(i))		
Investments in bonds - (Quoted)*	93.60	829.47
Treasury Bills - (Quoted)	84.91	–
Total	**558.63**	**2,508.07**

Note : * Out of the total mentioned above, ₹ NIL (PY ₹ 1769.00 crore) was assigned against the security of Non Convertible Debenture issued.

6 (i) Details of Mutual Fund Investment:

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	–	–	–	–	346,367	100.96
ICICI Prudential Liquid Fund - DP- Growth	–	1,201,261	40.03	–	47,135	1.49
Axis Liquid Fund - Direct Plan - Growth Option	–	200,038	50.03	–	–	–
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	–	1,378,028	50.03	–	–	–
Kotak Liquid Fund - DP-Growth	–	109,996	50.03	–	–	–
Total		**2,889,323**	**190.12**		**393,502**	**102.45**

Details of Investments in Bonds :

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face Value (₹)	Quantity (No.)	Net carrying value	Face Value (₹)	Quantity (No.)	Net carrying value
Investment carried at fair value through other comprehensive income (A)						
Investments in government securities						
National Highways Authority of India						
7.70% NHAI Sept 2029	1,000,000	64	66.97	1,000,000	64	69.38
8.27% NHAIMar29	1,000,000	15	15.56	1,000,000	15	16.87
8.36% NHAIMay29	1,000,000	10	11.07	1,000,000	10	10.79
182 DTB 06/04/2023	100	1	24.98	–	–	–
182 DTB 06/04/2023	100	1	59.94	–	–	–
Total		**91**	**178.51**	**–**	**89**	**97.04**
Non Convertible Debentures						
7.00% HDFC LTD	–	–	–	1,000,000	390	415.48
8.54% Bajaj Finance Limited	–	–	–	1,000,000	25	26.75
8.50% LIC Housing Finance Limited	–	–	–	1,000,000	100	107.24
8.05% HDFC Limited	–	–	–	1,000,000	25	25.20
Sundaram Finance Limited	–	–	–	1,000,000	60	61.10
		–	**–**	**–**	**600**	**635.79**
Public Sector Unit				–	–	–
7.93% NTPC limited 22	–	–	–	1,000,000	40	43.02
7.85% NBARD 22	–	–	–	1,000,000	50	53.62
Total	**–**	**–**	**–**		**90**	**96.64**
Total			**178.51**			**829.47**

Notes forming part of the financial statements for the year ended March 31, 2023

Details of Security Receipt: (₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face Value (₹)	Quantity (No.)	Net carrying value	Face Value (₹)	Quantity (No.)	Net carrying value
Investment carried at Fair Value through Profit & Loss						
CFMARC Trust-104	1,000	79,050	7.91	–	–	–
ARCIL-CPS-65-I Trust	1,000	1,870,000	182.10	–	–	–
Total			**190.00**			**–**

Details of Investments in Commercial Paper : (₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	515	510.36
LIC Housing Finance Limited	–	–	–	1,000,000	575	570.92
HDFC Limited	–	–	–	1,000,000	500	494.87
Total			**–**			**1,576.15**

7 Other financials assets

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit (refer note 41)	0.61	1.17
Advances to others	0.05	–
Total	**0.66**	**1.17**

8 Current tax assets (Net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance taxes and TDS (net of provision for tax)	99.76	72.54
Total	**99.76**	**72.54**

9 Deferred tax assets (Net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (Refer Note 49)	59.16	8.33
Total	**59.16**	**8.33**

10 Intangible assets under development

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development (refer note 10(i))	0.09	0.02
Total	**0.09**	**0.02**

10(i) Intangible assets under development

(i) Intangible assets under development aging schedule as at 31st March 2023

(₹ in crore)

Intangible assets under development	Amount in Intangible asset under development for a period of 31 March 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.09	–	–	–	0.09
Projects temporarily suspended	–	–	–	–	–

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

(ii) Intangible assets under development aging schedule for 31st March 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 assset under development is not overdue or has exceeded its cost compared to its original plan.

Notes forming part of the financial statements for the year ended March 31, 2023

11 Other intangible assets

(₹ in crore)

Description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	Opening as at April 1, 2022	Additions during the year	Disposal during the year	Closing as at March 31, 2023	Up to April 1, 2022	Charge during the year	Disposal during the year	Up to March 31, 2023	As at March 31, 2023	As at March 31, 2022
Intangible										
Computer Software	0.40	0.02	–	0.42	0.14	0.12	–	0.26	0.16	0.26
Total	**0.40**	**0.02**	**–**	**0.42**	**0.14**	**0.12**	**–**	**0.26**	**0.16**	**0.26**

* 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, 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.

12 Other non-financials Assets

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	0.30	0.89
GST credit receivable	0.31	0.31
Total	**0.61**	**1.20**

13 Payables

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade payables		
Micro enterprises and small enterprises	–	–
Others than micro and small enterprises		
Due to others	1.51	1.70
Due to related parties (refer note 41)	0.01	1.77
Total trade payables (i)	**1.52**	**3.47**
(ii) Other payables		
Micro enterprises and small enterprises	–	–
Others than micro and small enterprises	–	–
Total other payables (ii)	**–**	**–**
Total payables (i+ii)	**1.52**	**3.47**

(₹ in crore)

Particulars	As at March 31, 2023						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	1.51	–	0.01	–	–	–	1.52
Disputed							
- MSME	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–
Total trade payable	**1.51**	**–**	**0.01**	**–**	**–**	**–**	**1.52**

(₹ 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**

Notes forming part of the financial statements for the year ended March 31, 2023

14 Debt securities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Redeemable non-convertible debentures (Secured) (Refer Note 14(i))	5,347.02	7,528.49
Total	**5,347.02**	**7,528.49**
Debt securities in India	5,347.02	7,528.49
Total	**5,347.02**	**7,528.49**

14 (i) Secured Redeemable Non Convertible Debentures (privately placed) as at March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr B FY17 OPT 2	₹ 25 Lakh each	06-May-16	1.08	8.67%	05-May-23	Redeemable at par at the end of 2555 days from the date of allotment
SR A 20-21	₹ 10 Lakh each	29-May-20	128.47	8.40%	29-May-23	Redeemable at par at the end of 1095 days from the date of allotment
Sr N FY 17-18	₹ 25 Lakh each	30-Jan-18	83.12	8.19%	30-May-23	Redeemable at par at the end of 1946 days from the date of allotment
Sr N FY18 Re 1	₹ 25 Lakh each	26-Feb-18	58.78	8.19%	30-May-23	Redeemable at par at the end of 1919 days from the date of allotment
Sr N FY18 Re 2	₹ 25 Lakh each	27-Mar-18	25.34	8.19%	30-May-23	Redeemable at par at the end of 1890 days from the date of allotment
Sr N FY18 Re 3	₹ 25 Lakh each	28-Mar-18	23.31	8.19%	30-May-23	Redeemable at par at the end of 1889 days from the date of allotment
Sr A FY 18-19	₹ 10 Lakh each	09-May-18	62.39	8.45%	23-Jun-23	Redeemable at par at the end of 1871 days from the date of allotment
Sr B FY 18-19	₹ 10 Lakh each	19-Jun-18	330.44	9.30%	18-Aug-23	Redeemable at par at the end of 1886 days from the date of allotment
Sr C FY19 Opt I	₹ 10 Lakh each	26-Jun-18	248.70	9.30%	25-Aug-23	Redeemable at par at the end of 1886 days from the date of allotment
Sr H FY 16-17	₹ 25 Lakh each	01-Sep-16	26.23	8.45%	01-Sep-23	Redeemable at par at the end of 2556 days from the date of allotment
MLD SR B 20-21	₹ 10 Lakh each	07-Jul-20	124.88	7.97%	06-Oct-23	Redeemable at par 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 L FY 16-17	₹ 25 Lakh each	10-Oct-16	155.93	8.36%	10-Oct-23	Redeemable at par at the end of 2556 days from the date of allotment
Sr M FY17 OPT 1	₹ 25 Lakh each	13-Oct-16	77.88	8.25%	13-Oct-23	Redeemable at par at the end of 2556 days from the date of allotment
MLD F18-19	₹ 10 Lakh each	18-Sep-18	72.02	8.40%	18-Oct-23	Redeemable at par at the end of 1856 days from the date of allotment
MLD G18-19	₹ 10 Lakh each	21-Sep-18	44.80	8.49%	21-Nov-23	Redeemable at par at the end of 1887 days from the date of allotment
Sr S FY 16-17	₹ 25 Lakh each	15-Dec-16	25.59	8.05%	15-Dec-23	Redeemable at par at the end of 2556 days from the date of allotment
NCD SR H (18-19	₹ 10 Lakh each	01-Feb-19	25.37	9.15%	11-Mar-24	Redeemable at par at the end of 1865 days from the date of allotment
Sr C FY 17-18	₹ 25 Lakh each	04-May-17	134.17	8.08%	03-May-24	Redeemable at par at the end of 2556 days from the date of allotment
Sr E FY 17-18	₹ 25 Lakh each	16-May-17	42.83	8.08%	16-May-24	Redeemable at par at the end of 2557 days from the date of allotment
Sr G FY18 Opt 1	₹ 25 Lakh each	31-May-17	37.36	8.07%	31-May-24	Redeemable at par at the end of 2557 days from the date of allotment
Sr A FY15 Op 3	₹ 25 Lakh each	10-Jun-14	102.45	9.70%	10-Jun-24	Redeemable at par at the end of 3653 days from the date of allotment
Sr H FY18 Opt 2	₹ 25 Lakh each	08-Jun-17	106.57	8.08%	10-Jun-24	Redeemable at par at the end of 2559 days from the date of allotment
Sr I FY18 Opt 2	₹ 25 Lakh each	14-Jun-17	26.60	8.07%	14-Jun-24	Redeemable at par at the end of 2557 days from the date of allotment
Sr J FY18 Opt 2	₹ 25 Lakh each	16-Jun-17	53.19	8.07%	14-Jun-24	Redeemable at par at the end of 2555 days from the date of allotment
SrC FY19 Opt II	₹ 10 Lakh each	26-Jun-18	265.29	9.30%	26-Jun-24	Redeemable at par at the end of 2192 days from the date of allotment
Sr D FY 18-19	₹ 10 Lakh each	06-Jul-18	170.95	9.30%	05-Jul-24	Redeemable at par at the end of 2191 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr B FY15 Opt I	₹ 25 Lakh each	28-Jan-15	101.34	8.49%	28-Jan-25	Redeemable at par at the end of 3653 days from the date of allotment
MLD SR D 19-20	₹ 10 Lakh each	31-Jan-20	20.93	8.17%	28-Feb-25	Redeemable at par at the end of 1855 days from the date of allotment
MLD SR E 19-20	₹ 10 Lakh each	25-Feb-20	213.91	8.70%	25-Mar-25	Redeemable at par at the end of 1855 days from the date of allotment
Sr E FY 18-19	₹ 10 Lakh each	23-Jul-18	15.93	9.05%	23-Jul-25	Redeemable at par at the end of 2557 days from the date of allotment
Sr C FY16 Opt 3	₹ 25 Lakh each	04-Dec-15	15.41	8.55%	04-Dec-25	Redeemable at par at the end of 3653 days from the date of allotment
Sr D FY16 Opt 3	₹ 25 Lakh each	07-Jan-16	155.93	8.63%	07-Jan-26	Redeemable at par at the end of 3653 days from the date of allotment
Sr E FY16 Opt 3	₹ 25 Lakh each	24-Feb-16	135.86	8.73%	24-Feb-26	Redeemable at par at the end of 3653 days from the date of allotment
Sr G FY16 OPT 3	₹ 25 Lakh each	22-Mar-16	90.04	8.75%	20-Mar-26	Redeemable at par at the end of 3650 days from the date of allotment
Sr H FY 15-16	₹ 25 Lakh each	29-Mar-16	298.82	8.72%	27-Mar-26	Redeemable at par at the end of 3650 days from the date of allotment
Sr B FY17 OPT 3	₹ 25 Lakh each	06-May-16	21.56	8.67%	06-May-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr D FY17 OPT 3	₹ 25 Lakh each	10-Jun-16	10.71	8.75%	10-Jun-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr E FY17 OPT 2	₹ 25 Lakh each	17-Jun-16	53.45	8.80%	17-Jun-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr F FY17 OPT 2	₹ 25 Lakh each	23-Jun-16	112.08	8.80%	23-Jun-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr G FY 16-17	₹ 25 Lakh each	13-Jul-16	15.94	8.77%	13-Jul-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr J FY 16-17	₹ 25 Lakh each	28-Sep-16	75.82	8.43%	28-Sep-26	Redeemable at par at the end of 3652 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr K FY17 OPT 1	₹ 25 Lakh each	03-Oct-16	106.46	8.43%	01-Oct-26	Redeemable at par at the end of 3650 days from the date of allotment
Sr M FY17 OPT 2	₹ 25 Lakh each	13-Oct-16	77.87	8.30%	13-Oct-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr N FY 16-17	₹ 25 Lakh each	20-Oct-16	134.76	8.30%	20-Oct-26	Redeemable at par at the end of 3652 days from the date of allotment
Sr P FY 16-17	₹ 25 Lakh each	15-Nov-16	25.76	8.15%	13-Nov-26	Redeemable at par at the end of 3650 days from the date of allotment
SR C 19-20	₹ 10 Lakh each	08-Jan-20	15.91	8.75%	08-Jan-27	Redeemable at par at the end of 2557 days from the date of allotment
NCDSR A(19-20)	₹ 10 Lakh each	24-Sep-19	701.29	8.42%	24-Sep-29	Redeemable at par at the end of 3653 days from the date of allotment
NCDSR B(19-20)	₹ 10 Lakh each	25-Oct-19	12.41	8.80%	25-Oct-29	Redeemable at par at the end of 3653 days from the date of allotment
Sr B FY15 Opt 2	₹ 25 Lakh each	28-Jan-15	101.23	8.51%	28-Jan-30	Redeemable at par at the end of 5479 days from the date of allotment
Sr D FY16 Opt 4	₹ 25 Lakh each	07-Jan-16	15.28	8.63%	07-Jan-31	Redeemable at par at the end of 5479 days from the date of allotment
Sr E FY16 Opt 4	₹ 25 Lakh each	24-Feb-16	5.02	8.73%	24-Feb-31	Redeemable at par at the end of 5479 days from the date of allotment
Sr K FY17 OPT 2	₹ 25 Lakh each	03-Oct-16	26.02	8.43%	03-Oct-31	Redeemable at par at the end of 5478 days from the date of allotment
NCD SRC STRPP 1	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-31	Redeemable at par at the end of 4017 days from the date of allotment
NCD SRD STRPP 1	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-31	Redeemable at par at the end of 4017 days from the date of allotment
Sr G FY18 Opt 2	₹ 25 Lakh each	31-May-17	112.09	8.20%	31-May-32	Redeemable at par at the end of 5479 days from the date of allotment
NCD SRC STRPP 2	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-32	Redeemable at par at the end of 4383 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
NCD SRD STRPP 2	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-32	Redeemable at par at the end of 4383 days from the date of allotment
NCD SRC STRPP 3	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-33	Redeemable at par at the end of 4748 days from the date of allotment
NCD SRD STRPP 3	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-33	Redeemable at par at the end of 4748 days from the date of allotment
NCDSR I (18-19)	₹ 10 Lakh each	20-Feb-19	20.20	9.22%	20-Feb-34	Redeemable at par at the end of 5479 days from the date of allotment
NCD SRC STRPP 4	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	20-Oct-34	Redeemable at par at the end of 5112 days from the date of allotment
NCD SRD STRPP 4	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	24-Nov-34	Redeemable at par at the end of 5112 days from the date of allotment
NCD SRC STRPP 5	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	19-Oct-35	Redeemable at par at the end of 5476 days from the date of allotment
NCD SRD STRPP 5	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	23-Nov-35	Redeemable at par at the end of 5476 days from the date of allotment
Sr D FY16 Opt 5	₹ 25 Lakh each	07-Jan-16	10.18	8.63%	07-Jan-36	Redeemable at par at the end of 7305 days from the date of allotment
Sr E FY16 Opt 5	₹ 25 Lakh each	24-Feb-16	5.01	8.73%	22-Feb-36	Redeemable at par at the end of 7303 days from the date of allotment
Total			**5,347.02**			

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

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 D FY 17-18	₹ 25 Lakh each	11-May-17	58.92	8.00%	11-May-22	Redeemable at the end of 1826 days from the date of allotment
Sr A FY18 Opt 2	₹ 25 Lakh each	13-Apr-17	80.82	8.02%	13-May-22	Redeemable at the end of 1856 days from the date of allotment
Sr B FY18 Opt 2	₹ 25 Lakh each	24-Apr-17	43.00	8.00%	24-May-22	Redeemable at the end of 1856 days from the date of allotment

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr F FY 17-18	₹ 25 Lakh each	22-May-17	26.72	8.00%	01-Jun-22	Redeemable at the end of 1836 days from the date of allotment
Sr H FY18 Opt I	₹ 25 Lakh each	08-Jun-17	95.87	8.01%	08-Jun-22	Redeemable at the end of 1826 days from the date of allotment
Sr I FY18 Opt I	₹ 25 Lakh each	14-Jun-17	37.23	8.00%	14-Jun-22	Redeemable at the end of 1826 days from the date of allotment
Sr J FY18 Opt I	₹ 25 Lakh each	16-Jun-17	106.33	8.00%	16-Jun-22	Redeemable at the end of 1826 days from the date of allotment
Sr A FY 15-16	₹ 25 Lakh each	11-Sep-15	26.19	8.67%	09-Sep-22	Redeemable at the end of 2555 days from the date of allotment
Sr K FY 17-18	₹ 25 Lakh each	06-Nov-17	216.56	7.85%	07-Nov-22	Redeemable at the end of 1827 days from the date of allotment
Sr B FY16	₹ 25 Lakh each	09-Nov-15	155.08	8.65%	09-Nov-22	Redeemable at the end of 2557 days from the date of allotment
Sr M FY18 Opt I	₹ 25 Lakh each	21-Dec-17	515.60	8.15%	28-Dec-22	Redeemable at the end of 1833 days from the date of allotment
Sr D FY16 Opt 2	₹ 25 Lakh each	07-Jan-16	47.93	8.60%	06-Jan-23	Redeemable at the end of 2556 days from the date of allotment
Sr L FY 17-18	₹ 25 Lakh each	21-Dec-17	399.79	8.15%	16-Jan-23	Redeemable at the end of 1852 days from the date of allotment
Sr E FY16 Opt 2	₹ 25 Lakh each	24-Feb-16	55.42	8.70%	24-Feb-23	Redeemable at the end of 2557 days from the date of allotment
Sr M FY18 Opt 2	₹ 25 Lakh each	28-Dec-17	188.88	8.15%	10-Mar-23	Redeemable at the end of 1898 days from the date of allotment
Sr G FY16 OPT 2	₹ 25 Lakh each	22-Mar-16	20.03	8.75%	22-Mar-23	Redeemable at the end of 2556 days from the date of allotment
Sr B FY17 OPT 2	₹ 25 Lakh each	06-May-16	1.08	8.67%	05-May-23	Redeemable at the end of 2555 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
SR A 20-21	₹ 10 Lakh each	29-May-20	128.43	8.40%	29-May-23	Redeemable at the end of 1095 days from the date of allotment
Sr N FY 17-18	₹ 25 Lakh each	30-Jan-18	83.11	8.19%	30-May-23	Redeemable at the end of 1946 days from the date of allotment
Sr N FY18 Re 1	₹ 25 Lakh each	26-Feb-18	58.68	8.19%	30-May-23	Redeemable at the end of 1919 days from the date of allotment
Sr N FY18 Re 2	₹ 25 Lakh each	27-Mar-18	25.29	8.19%	30-May-23	Redeemable at the end of 1890 days from the date of allotment
Sr N FY18 Re 3	₹ 25 Lakh each	28-Mar-18	23.29	8.19%	30-May-23	Redeemable at the end of 1889 days from the date of allotment
Sr A FY 18-19	₹ 10 Lakh each	09-May-18	62.39	8.45%	23-Jun-23	Redeemable at the end of 1871 days from the date of allotment
Sr B FY 18-19	₹ 10 Lakh each	19-Jun-18	330.42	9.30%	18-Aug-23	Redeemable at the end of 1886 days from the date of allotment
Sr C FY19 Opt I	₹ 10 Lakh each	26-Jun-18	248.68	9.30%	25-Aug-23	Redeemable at the end of 1886 days from the date of allotment
Sr H FY 16-17	₹ 25 Lakh each	01-Sep-16	26.23	8.45%	01-Sep-23	Redeemable at the end of 2556 days from the date of allotment
MLD SR B 20-21	₹ 10 Lakh each	07-Jul-20	115.66	7.97%	06-Oct-23	Redeemable at the end of 1186 days from the date of allotment
Sr L FY 16-17	₹ 25 Lakh each	10-Oct-16	155.88	8.36%	10-Oct-23	Redeemable at the end of 2556 days from the date of allotment
Sr M FY17 OPT 1	₹ 25 Lakh each	13-Oct-16	77.87	8.25%	13-Oct-23	Redeemable at the end of 2556 days from the date of allotment
MLD F18-19	₹ 10 Lakh each	18-Sep-18	66.22	8.40%	18-Oct-23	Redeemable at the end of 1856 days from the date of allotment
MLD G18-19	₹ 10 Lakh each	21-Sep-18	46.50	8.49%	21-Nov-23	Redeemable at the end of 1887 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 S FY 16-17	₹ 25 Lakh each	15-Dec-16	25.59	8.05%	15-Dec-23	Redeemable at the end of 2556 days from the date of allotment
NCD SR H (18-19	₹ 10 Lakh each	01-Feb-19	25.36	9.15%	11-Mar-24	Redeemable at the end of 1865 days from the date of allotment
Sr C FY 17-18	₹ 25 Lakh each	04-May-17	134.16	8.08%	03-May-24	Redeemable at the end of 2556 days from the date of allotment
Sr E FY 17-18	₹ 25 Lakh each	16-May-17	42.83	8.08%	16-May-24	Redeemable at the end of 2557 days from the date of allotment
Sr G FY18 Opt 1	₹ 25 Lakh each	31-May-17	37.35	8.07%	31-May-24	Redeemable at the end of 2557 days from the date of allotment
Sr A FY15 Op 3	₹ 25 Lakh each	10-Jun-14	102.45	9.70%	10-Jun-24	Redeemable at the end of 3653 days from the date of allotment
Sr H FY18 Opt 2	₹ 25 Lakh each	08-Jun-17	106.57	8.08%	10-Jun-24	Redeemable at the end of 2559 days from the date of allotment
Sr I FY18 Opt 2	₹ 25 Lakh each	14-Jun-17	26.60	8.07%	14-Jun-24	Redeemable at the end of 2557 days from the date of allotment
Sr J FY18 Opt 2	₹ 25 Lakh each	16-Jun-17	53.18	8.07%	14-Jun-24	Redeemable at the end of 2555 days from the date of allotment
SrC FY19 Opt II	₹ 10 Lakh each	26-Jun-18	265.28	9.30%	26-Jun-24	Redeemable at the end of 2192 days from the date of allotment
Sr D FY 18-19	₹ 10 Lakh each	06-Jul-18	170.93	9.30%	05-Jul-24	Redeemable at the end of 2191 days from the date of allotment
Sr B FY15 Opt I	₹ 25 Lakh each	28-Jan-15	101.35	8.49%	28-Jan-25	Redeemable at the end of 3653 days from the date of allotment
MLD SR D 19-20	₹ 10 Lakh each	31-Jan-20	58.54	8.17%	28-Feb-25	Redeemable at the end of 1855 days from the date of allotment
MLD SR E 19-20	₹ 10 Lakh each	25-Feb-20	297.79	8.70%	25-Mar-25	Redeemable at the end of 1855 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
Sr E FY 18-19	₹ 10 Lakh each	23-Jul-18	15.93	9.05%	23-Jul-25	Redeemable at the end of 2557 days from the date of allotment
Sr C FY16 Opt 3	₹ 25 Lakh each	04-Dec-15	15.41	8.55%	04-Dec-25	Redeemable at the end of 3653 days from the date of allotment
Sr D FY16 Opt 3	₹ 25 Lakh each	07-Jan-16	155.99	8.63%	07-Jan-26	Redeemable at the end of 3653 days from the date of allotment
Sr E FY16 Opt 3	₹ 25 Lakh each	24-Feb-16	135.76	8.73%	24-Feb-26	Redeemable at the end of 3653 days from the date of allotment
Sr G FY16 OPT 3	₹ 25 Lakh each	22-Mar-16	89.98	8.75%	20-Mar-26	Redeemable at the end of 3650 days from the date of allotment
Sr H FY 15-16	₹ 25 Lakh each	29-Mar-16	298.35	8.72%	27-Mar-26	Redeemable at the end of 3650 days from the date of allotment
Sr B FY17 OPT 3	₹ 25 Lakh each	06-May-16	21.56	8.67%	06-May-26	Redeemable at the end of 3652 days from the date of allotment
Sr D FY17 OPT 3	₹ 25 Lakh each	10-Jun-16	10.71	8.75%	10-Jun-26	Redeemable at the end of 3652 days from the date of allotment
Sr E FY17 OPT 2	₹ 25 Lakh each	17-Jun-16	53.45	8.80%	17-Jun-26	Redeemable at the end of 3652 days from the date of allotment
Sr F FY17 OPT 2	₹ 25 Lakh each	23-Jun-16	112.06	8.80%	23-Jun-26	Redeemable at the end of 3652 days from the date of allotment
Sr G FY 16-17	₹ 25 Lakh each	13-Jul-16	15.94	8.77%	13-Jul-26	Redeemable at the end of 3652 days from the date of allotment
Sr J FY 16-17	₹ 25 Lakh each	28-Sep-16	75.81	8.43%	28-Sep-26	Redeemable at the end of 3652 days from the date of allotment
Sr K FY17 OPT 1	₹ 25 Lakh each	03-Oct-16	106.42	8.43%	01-Oct-26	Redeemable at the end of 3650 days from the date of allotment
Sr M FY17 OPT 2	₹ 25 Lakh each	13-Oct-16	77.86	8.30%	13-Oct-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 N FY 16-17	₹ 25 Lakh each	20-Oct-16	134.75	8.30%	20-Oct-26	Redeemable at the end of 3652 days from the date of allotment
Sr P FY 16-17	₹ 25 Lakh each	15-Nov-16	25.76	8.15%	13-Nov-26	Redeemable at the end of 3650 days from the date of allotment
SR C 19-20	₹ 10 Lakh each	08-Jan-20	15.91	8.75%	08-Jan-27	Redeemable at the end of 2557 days from the date of allotment
NCDSR A(19-20)	₹ 10 Lakh each	24-Sep-19	701.29	8.42%	24-Sep-29	Redeemable at the end of 3653 days from the date of allotment
NCDSR B(19-20)	₹ 10 Lakh each	25-Oct-19	12.41	8.80%	25-Oct-29	Redeemable at the end of 3653 days from the date of allotment
Sr B FY15 Opt 2	₹ 25 Lakh each	28-Jan-15	101.25	8.51%	28-Jan-30	Redeemable at the end of 5479 days from the date of allotment
Sr D FY16 Opt 4	₹ 25 Lakh each	07-Jan-16	15.28	8.63%	07-Jan-31	Redeemable at the end of 5479 days from the date of allotment
Sr E FY16 Opt 4	₹ 25 Lakh each	24-Feb-16	5.01	8.73%	24-Feb-31	Redeemable at the end of 5479 days from the date of allotment
Sr K FY17 OPT 2	₹ 25 Lakh each	03-Oct-16	26.01	8.43%	03-Oct-31	Redeemable at the end of 5478 days from the date of allotment
NCD SRC STRPP 1	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-31	Redeemable at the end of 4017 days from the date of allotment
NCD SRD STRPP 1	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-31	Redeemable at the end of 4017 days from the date of allotment
Sr G FY18 Opt 2	₹ 25 Lakh each	31-May-17	112.08	8.20%	31-May-32	Redeemable at the end of 5479 days from the date of allotment
NCD SRC STRPP 2	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-32	Redeemable at the end of 4383 days from the date of allotment
NCD SRD STRPP 2	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-32	Redeemable at the end of 4383 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2023

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest rate %p.a.	Date of redemption	Redeemable Terms
NCD SRC STRPP 3	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	21-Oct-33	Redeemable at the end of 4748 days from the date of allotment
NCD SRD STRPP 3	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	25-Nov-33	Redeemable at the end of 4748 days from the date of allotment
NCDSR I (18-19)	₹ 10 Lakh each	20-Feb-19	20.20	9.22%	20-Feb-34	Redeemable at the end of 5479 days from the date of allotment
NCD SRC STRPP 4	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	20-Oct-34	Redeemable at the end of 5112 days from the date of allotment
NCD SRD STRPP 4	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	24-Nov-34	Redeemable at the end of 5112 days from the date of allotment
NCD SRC STRPP 5	₹ 2 Lakh each	21-Oct-20	26.93	8.10%	19-Oct-35	Redeemable at the end of 5476 days from the date of allotment
NCD SRD STRPP 5	₹ 2 Lakh each	25-Nov-20	10.28	7.95%	23-Nov-35	Redeemable at the end of 5476 days from the date of allotment
Sr D FY16 Opt 5	₹ 25 Lakh each	07-Jan-16	10.18	8.63%	07-Jan-36	Redeemable at the end of 7305 days from the date of allotment
Sr E FY16 Opt 5	₹ 25 Lakh each	24-Feb-16	5.00	8.73%	22-Feb-36	Redeemable at the end of 7303 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 of specific receivables.

15 Subordinated liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Cumulative non convertible redeemable preference share (CPRS)	–	285.91
Total	**–**	**285.91**
Subordinated liabilities in India	–	285.91
Total	**–**	**285.91**

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. 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.

Notes forming part of the financial statements for the year ended March 31, 2023

iii. During the year ended March 31, 2023, the Company has fully redemeed CRPS of ₹ 100 each fully paid amounting to ₹ 253.90 crore and paid dividend of ₹ 17.62 crore (PY ₹ 12.09 crore) and redemption premium of ₹ 56.84 crore (PY ₹ 9.81 crore).

16 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for expenses	1.41	1.39
Total	**1.41**	**1.39**

17 Current tax liabilities (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax)	–	28.77
Total	**–**	**28.77**

18 Provisions

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Compensated absences	0.07	0.20
Gratuity (refer note 40)	0.30	0.72
Total	**0.37**	**0.92**

19 Other non-financial liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	1.02	1.74
Total	**1.02**	**1.74**

20 Equity share capital

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	571,630,214	571.63	490,180,214	490.18
	571,630,214	**571.63**	**490,180,214**	**490.18**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	81,450,000	81.45	–	–
Equity shares at the end of the year	**571,630,214**	**571.63**	**490,180,214**	**490.18**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Ultimate Holding company) and L&T Finance Limited (Holdings company) directly or through its beneficially nominees.	571,630,214	571.63	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, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
<u>Equity Shares of ₹ 10 each fully paid held by</u>				
L&T Finance Limited	438,112,390	76.64	375,689,110	76.64
L&T Finance Holdings Limited	133,517,820	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 NBFC-IDF. The Company has received the certification of registration dated June 22, 2022 as NBFC – ICC from the Reserve Bank of India."

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.

The Company has issued and alloted 8,14,50,000 equity shares have a par value of ₹ 10 per share through right issue to the existing shareholders and said shares shall rank pari passu in all respects with the existing equity shares.

Notes forming part of the financial statements for the year ended March 31, 2023

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, 2023		
	No. of Shares	% of total shares	% Change during the Year
Equity Shares of ₹ 10 each fully paid held by			
L&T Finance Limited	438,112,390	76.64	–
L&T Finance Holdings Limited	133,517,820	23.36	–

21 Other equity

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium account (refer note 21.1)	272.29	133.83
Reserve u/s 45 1C of RBI Act 1934 (refer note 21.2)	148.79	148.79
Retained earnings (refer note 21.3)	307.43	500.13
Impairment reserve (refer note 21.4)	23.42	23.42
Capital Redemption Reserves (refer note 21.5)	68.85	33.10
Reserve u/s 36(1)(viii) of Income tax Act, 1961 (refer note 21.6)	18.93	10.93
Total	**839.71**	**850.20**

21.1 Securities premium account

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	133.83	133.83
Addition during the year	138.46	–
Balance at end of year	**272.29**	**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, 2023	As at March 31, 2022
Balance at beginning of year	148.79	147.97
Addition during the year	-	0.82
Balance at end of year	**148.79**	**148.79**

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. (Refer not 50(1))

21.3 Retained earnings

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	500.13	540.21
Addition during the year	(147.02)	4.11
Remeasurement of defined benefit plan (net tax)	0.09	0.04
Change in fair value of debt instruments classified at fair value through other comprehensive income	(2.01)	0.62
Capital Redemption Reserves	(35.75)	(33.10)
Reserve u/s 36(1)(viii) of Income tax Act, 1961	(8.00)	(10.93)
Transfer to reserve u s 45 IC of RBI Act	–	(0.82)
Balance at end of year	**307.43**	**500.13**

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

21.4 Impairment reserve

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	23.42	23.42
Addition during the year	–	–
Balance at end of year	**23.42**	**23.42**

As per the RBI circular RBI/2019-20/170 dated March 13, 2020, where the guidelines require NBFCs to hold impairment allowances as required by Ind AS. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). A comparison, as prescribed, between provisions required under IRACP and impairment allowances made under Ind AS 109 is required to be disclosed by NBFCs in the notes to their financial statements to provide a benchmark to their Boards, RBI supervisors and other stakeholders, on the adequacy of provisioning for credit losses. Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

21.5 Capital Redemption Reserves

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	33.10	–
Addition during the year	35.75	33.10
Balance at end of year	**68.85**	**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.

Notes forming part of the financial statements for the year ended March 31, 2023

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

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	10.93	–
Addition during the year	8.00	10.93
Balance at end of year	**18.93**	**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, 2023	For the year ended March 31, 2022
(a) On financial assets measured at amortised cost		
Interest on loans	273.25	628.99
Interest on deposits with Bank/Bonds	77.30	70.82
Subtotal (a)	**350.55**	**699.81**
(b) On financial assets measured at fair value through other comprehensive income		
Interest income on investments	10.84	6.96
Subtotal (b)	**10.84**	**6.96**
(c) On financial assets measured at fair value through profit & loss		
Interest on loans	259.16	–
Interest income on investments	20.58	4.25
Subtotal (c)	**279.74**	**4.25**
Total (a+b+c)	**641.13**	**711.02**

23 Fees and commission income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advisory fees	1.24	11.70
Total	**1.24**	**11.70**

24 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A) Net gain on financial instruments classified at fair value through profit or loss		
(i) On trading portfolio		
- Gain on sale of investments	12.78	7.71
- Loss on loans	(19.00)	–
- Fair value changes on investments	(1.74)	(1.48)
- Fair value changes on loans	51.06	–
Total net gain/(loss) on fair value changes (A)	**43.10**	**6.23**
(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 (B)	**–**	**(0.02)**
Total net gain/(loss) on fair value changes (A+B)	**43.10**	**6.21**
(C) Fair value changes:		
- Realised	(6.22)	7.69
- Unrealised	49.32	(1.48)
Total net gain/(loss) on fair value changes	**43.10**	**6.21**

25 Other income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on income tax refund	–	2.25
Total	**–**	**2.25**

26 Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on debt securities	555.30	637.31
Interest on subordinated liabilities	41.76	21.91
Ancillary borrowing costs	3.94	3.43
Other interest expense		
Interest cost on gratuity (refer note 40)	0.04	0.03
Interest cost on compensated absences	–	0.01
Total	**601.04**	**662.69**

Notes forming part of the financial statements for the year ended March 31, 2023

27 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loans		
On financial instruments measured at:		
Amortised cost	12.77	31.83
Total	**12.77**	**31.83**

28 Net loss on derecognition of financial instruments under amortised cost category

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loans		
Loss on foreclosure and writeoff of loan	1.05	–
Less: Provision held reversed on derecognition of financial instruments	(1.02)	–
Total	**0.03**	**–**

29 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3.98	8.10
Contribution provident and pension fund	0.15	0.33
Contribution to gratuity fund (refer note 40)	0.09	0.13
Expenses on employee stock option scheme	1.29	1.42
Staff welfare expenses	0.11	0.25
Total	**5.62**	**10.23**

30 Depreciation, amortization and impairment

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amortisation	0.12	0.08
Total	**0.12**	**0.08**

31 Other expenses

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent, rates & taxes	1.18	1.97
Property maintenance and other charges	0.19	0.42
Director's fees	0.19	0.16
Auditors' remuneration (Refer note below)	0.23	0.24
Legal and professional charges	1.05	0.49
Guarantee fees	0.70	1.24
Travelling and conveyance	–	0.04
Corporate social responsibility expenses	2.54	3.36
Management fees	3.20	6.80
Commission to non executive directors	0.44	0.26
Stamping charges	0.07	-
Miscellaneous expenses	0.43	0.15
Total	**10.22**	**15.35**

Note (i): Auditors' remuneration comprises the following

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statuory audit fees	0.07	0.07
Limited review fees	0.09	0.06
Tax audit fees	0.01	0.01
Other service	0.06	0.10
Total	**0.23**	**0.24**

32 Tax expense

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax expense (Refer Note 49)	15.87	15.44
Deferred Tax expense (Refer Note 49)	(50.18)	(8.55)
Total	**(34.31)**	**6.89**

33 Disclosure pursuant to Ind AS 108 Operating Segment

The Company's business is to provide finance majorly 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.

Notes forming part of the financial statements for the year ended March 31, 2023

34 Contingent liabilities and commitments

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt;		
- Income Tax matter in dispute	–	4.69
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.01	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 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.

37 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, 2023	For the year ended March 31, 2022
Basic earnings per share		
Profit after tax (₹ in Crore)	(147.02)	4.11
Net profit attributable to Equity share holders	(147.02)	4.11
Weighted average number of equity shares outstanding	508,255,419	490,180,214
Basic EPS per share (₹)	(2.89)	0.08
Diluted earnings per share		
Profit after tax (₹ in Crore)	(147.02)	4.11
Weighted average number of equity shares outstanding	508,255,419	490,180,214
Diluted EPS per share (₹)	(2.89)	0.08
Face value per share (₹)	10.00	10.00

38 Expenditure in foreign currencies

(₹ in crore)

Nature of expense	For the year ended March 31, 2023	For the year ended March 31, 2022
Miscellaneous expenses	–	0.01

39 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 ₹ 2.54 crore (previous year: ₹ 3.36 crore)

a) The amount recognised as expense in the statement of profit and loss on CSR related activities is ₹ 2.54 crore (previous year: ₹ 3.36 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)

Particulars	2022-23			2021-22		
	In cash	Set off from previous years	Total	In cash	Set off from previous years	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	–	–	–	–	–	–
(ii) On purposes other than (i) above	2.54	–	2.54	3.36	–	3.36

b) Amount of surplus to be carried forward in subsequent years for Set off :

Amount spent in excess of requirements as per Companies Act, 2013 as on March 31, 2022 available for set off in subsequent years	Actual amounts spent during FY 22-23	Amounts to be spent in FY 22-23 as per the requirements of Companies Act, 2013	Surplus carried forward to be set off in subsequent years
–	2.54	2.54	–

c) Nature of CSR activities during the financial year 2022-23 :

The payment for the CSR activities are done for Digital Financial Literacy & Entrepreneurship Development, creating awareness on Road Safety and Healthcare.

d) Nature of CSR activities during the financial year 2021-22

The payment for the CSR activities are done for Digital Financial Literacy & Entrepreneurship Development and also for disaster management activities

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 ₹ 0.15 crore (previous year ₹ 0.33 crore) 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, 2023	As at March 31, 2022
A) Present Value of Defined Benefit Obligation		
- Wholly funded	–	–
- Wholly unfunded	0.30	0.72
	0.30	0.72
Less : Fair Value of plan assets	–	–
Amount to be recognised as liability or (asset)	0.30	0.72
B) Amounts reflected in Balance Sheet		
Liabilities	0.30	0.72
Assets	–	–
Net liability/(asset)	0.30	0.72
Net liability/(asset) - current	0.09	0.20
Net liability/(asset) - non-current	0.21	0.52

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

(₹ in crore)

Particulars		Gratuity Plan As at March 31, 2023	Gratuity Plan As at March 31, 2022
1	Current Service Cost	0.09	0.13
2	Interest Cost	0.04	0.03
3	Interest Income on Plan Assets	–	–
4	Actuarial losses/(gains) - others	(0.12)	(0.05)
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)		**0.01**	**0.11**
i	Amount included in "employee benefits expenses"	0.09	0.13
ii	Amount included in as part of "finance cost"	0.04	0.03
iii	Amount included as part of "Other Comprehensive income"	(0.12)	(0.05)
Total (i + ii + iii)		**0.01**	**0.11**

(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, 2023	Gratuity Plan As at March 31, 2022
Opening balance of the present value of defined benefit obligation	0.72	0.73
Add : Current Service Cost	0.09	0.13
Add : Interest Cost	0.04	0.03
Add : Actuarial losses/(gains)		–
i) Actuarial (gains)/losses arising from changes in financial assumptions	(0.01)	(0.02)
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(0.11)	(0.03)
Less : Benefits paid	(0.33)	(0.04)
Add : Past service cost	–	–
Add : Liability assumed/(settled)*	(0.10)	(0.08)
Add/(less) : Translation adjustments		–
Closing balance of the present value of defined benefit obligation	**0.30**	**0.72**

*On account of inter group transfer during the year

Notes forming part of the financial statements for the year ended March 31, 2023

(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, 2023	As at March 31, 2022
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	0.33	0.04
Add/(less) : Contribution by plan participants	–	–
Less : Benefits paid	(0.33)	(0.04)
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, 2023	As at March 31, 2022
1	Government of India Securities	–	–
2	Corporate Bonds	–	–
3	Special Deposit Scheme	–	–
4	Insurer Managed Funds (Unquoted)	–	–
5	Others (quoted)	–	–
6	Others (unquoted)	–	–

(f) Principal actuarial assumptions at the valuation date:

	Particulars	Gratuity Plan	
		As at March 31, 2023	As at March 31, 2022
1	Discount rate (per annum)	7.25%	5.80%
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.

(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	
		2022-23	2021-22	2022-23	2021-22
1	Discount rate (per annum)	(0.01)	(0.03)	0.01	0.03
2	Salary escalation rate (per annum)	0.01	0.03	(0.01)	(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 Financial Consultants Limited

D. Key Management Personnel

5. Mr. Shiva Rajaraman (ceased as Whole-Time Director with effect from May 17, 2022)
6. Mrs. Rupa Rege Nitsure (appointed as Whole-Time Director with effect from October 20, 2022)
7. Mr. Thomas Mathew T.
8. Ms. Nishi Vasudeva

Notes forming part of the financial statements for the year ended March 31, 2023

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	For the year ended March 31, 2023	For the year ended March 31, 2022
1	**Equity Capital infused by (including securities premium)**		
	L&T Finance Holdings Limited	51.37	–
	L&T Finance Limited	168.54	–
2	**Inter-Corporate deposit given to**		
	L&T Finance Limited	1,393.27	–
3	**Inter-Corporate deposit received back from**		
	L&T Finance Limited	1,393.27	–
4	**Interest received on Inter-Corporate deposit given to**		
	L&T Finance Limited	16.16	–
5	**Loan assets transfer from**		
	L&T Finance Limited	5,059.05	–
6	**Loan assets transfer to**		
	L&T Finance Limited	397.32	–
7	**Processing fees received from**		
	L&T Finance Limited	16.71	–
8	**Rent paid to**		
	L&T Financial Consultants Limited	0.72	1.59
9	**Brand license fees**		
	Larsen & Toubro Limited	–	0.21
10	**Management fee paid to**		
	L&T Finance Holdings Limited	0.32	0.73
	L&T Finance Limited	2.62	5.50
11	**Other expenses paid to**		
	Larsen & Toubro Limited	0.03	0.02
	L&T Financial Consultants Limited	0.18	0.39
12	**Security deposit given to**		
	L&T Financial Consultants Limited	–	0.28
13	**Security deposit received back from**		
	L&T Financial Consultants Limited	0.56	–
14	**ESOP cost paid to**		
	L&T Finance Holdings Limited	1.29	1.42

15 Compensation paid to key managerial personnel (₹ in crore)

Name of Key Management Personnel	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Short-Term employee benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Other Long Term Benefits	Total
Mr Shiva Rajaraman**	1.02	–	1.02	3.58	–	3.58
Ms. Rupa Rege Nitsure***	–	–	–	–	–	–
Mr. Thomas Mathew T.	0.21	–	0.21	0.17	–	0.17
Ms. Nishi Vasudeva	0.25	–	0.25	0.22	–	0.22

(c) Amount due to/from related parties:

(₹ in crore)

Sr. No.	Nature of transactions	As at March 31, 2023	As at March 31, 2022
1	**Accounts Payable**		
	Larsen & Toubro Limited	–	0.05
	L&T Finance Holdings Limited	0.01	–
	L&T Finance Limited	–	1.50
2	**Accounts Receivable**		
	Larsen & Toubro Limited	0.09	–
	L&T Finance Limited	38.79	–
3	**Rent Deposits**		
	L&T Financial Consultants Limited	0.36	0.92
4	**Brand License Fees Payable**		
	Larsen & Toubro Limited	–	0.22

* 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.

*** Remunerations of Key Managerial personnel are paid from the other Company of L&T Finance Group during the year.

Notes forming part of the financial statements for the year ended March 31, 2023

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

1 Disaggregation of revenue for the year ended March 31, 2023 - 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, 2023
Segment	**Domestic**	**Total**
Advisory Fee Income	1.24	1.24
Total	**1.24**	**1.24**
Revenue Recognised based on performance obligations satisfied over a period of time	–	–
Revenue Recognised based on performance obligations satisfied at a point in time	1.24	1.24

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

2 Reconciliation of contracted price with revenue during the year :

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised in statement of profit & loss	1.24	11.70
Contracted prices	1.24	11.70

3 Movement of trade receivables

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	9.32	-
Revenue recognised during the year	1.24	11.70
Invoices raised during the year for point in time sale	1.24	11.70
Amount recovered	4.07	2.38
Closing Balance	6.49	9.32

4 The Company has not recognised any assets as on March 31, 2023 and March 31, 2022 from the costs to obtain or fulfil a contract with a customer.

43 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-à-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.

Notes forming part of the financial statements for the year ended March 31, 2023

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 (including 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 years 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.

Management oversees the estimation of ECL including:

- setting requirements in policy, including key assumptions and the application of key judgments;
- the design and execution of models; and
- 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 years periods of CRISIL.

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 31st March, 2023. 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.

The Company does not envisage any market risk considering the reclassification of loan portfolio from amortised cost to fair value through the profit or loss.

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.

44 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures (read with note 52):

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

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Measured at fair value through Profit or Loss (FVTPL):**		
	(i) Investment in mutual funds	190.12	102.45
	(ii) Investment in commercial paper	–	1,576.15
	(iii) Investment in Security receipt	190.00	–
	(iv) Loans	4,193.95	–
	Sub-total (I)	**4,574.07**	**1,678.60**
II	**Measured at amortised cost:**		
	(i) Loans	–	4,940.38
	(ii) Trade receivables	–	9.32
	(iii) Other receivables	38.88	–
	(iv) Cash and cash equivalents and other bank balances	1,810.78	1,649.78
	(v) Other financial assets	0.66	1.17
	Sub-total (II)	**1,850.32**	**6,600.65**
III	**Measured at fair value through other comprehensive income (FVTOCI):**		
	(i) Investment in bonds/Debentures	93.60	829.47
	(ii) Investment in Treasury Bill	84.91	–
	Sub-total (III)	**178.51**	**829.47**
	Total (I+II+III)	**6,602.90**	**9,108.72**

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

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Measured at amortised cost:**		
	(i) Debt securities	5,347.02	7,528.49
	(ii) Subordinated Liabilities	–	285.91
	(iii) Trade & other payable	1.52	3.47
	(iv) Other financial liabilities	1.41	1.39
	Total	**5,349.95**	**7,819.26**

Notes forming part of the financial statements for the year ended March 31, 2023

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

(₹ in crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	–	–	4,940.38	4,940.38
Total	**–**	**–**	**4,940.38**	**4,940.38**
Financial liabilities				
Debt securities	5,347.02	5,060.34	7,528.49	7,930.46
Subordinated liabilities	–	–	285.91	304.52
Total	**5,347.02**	**5,060.34**	**7,814.40**	**8,234.98**

Note: The carrying amounts of cash & cash equivalents, bank balance, trade receivables, other receivables, other financial assets, trade payables, other payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Payable	1.52	–	1.52	3.47	–	3.47
Borrowings, debt securities and subordinated liabilities	1,837.24	4,819.46	6,656.70	2643.40	7,160.40	9,803.80
Other financial liabilities	1.41	–	1.41	1.39	–	1.39

(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, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Mutual funds	190.12	–	–	190.12
- Treasury Bill	–	84.91	–	84.91
- Security Receipt	–	–	190.00	190.00
- Bonds and Debentures	–	93.60	–	93.60
Loans	–	–	4,193.95	4,193.95
Total financial assets	**190.12**	**178.51**	**4,383.95**	**4,752.58**

(₹ in crore)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Mutual funds	102.45	–	–	102.45
- Commercial Paper	–	1,576.15	–	1,576.15
- Bonds and Debentures	–	829.47	–	829.47
Loans	–	–	–	–
Total financial assets	**102.45**	**2,405.62**	**–**	**2,508.07**

(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, 2023	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	–	–			
Total financial assets	**–**	**–**	**–**	**–**	
Financial Liabilities					
Debt securities	–	–	5,060.34	5,060.34	Discounted cash flow approach
Subordinated liabilities	–	–	–	–	
Total financial liabilities	**–**	**–**	**5,060.34**	**5,060.34**	

(₹ 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	Discounted cashflow approach
Total financial liabilities	**–**	**–**	**8,234.98**	**8,234.98**	

Notes forming part of the financial statements for the year ended March 31, 2023

(g) The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2023 :

(₹ in crore)

Particulars	Security Receipts	Loans	Total
Balance as at April 1, 2021	–	–	–
Addition during the year	–	–	–
Disposal during the year	–	–	–
Gains/(losses) recognised in Profit or Loss	–	–	–
Balance as at March 31, 2022	–	–	–
Reclassificaiton from Amortised cost to Fair Value through profit or loss	–	6,508.92	6,508.92
Addition during the year	194.90	1,803.48	1,998.38
Disposal during the year	–	(3,913.51)	(3,913.51)
Gains/(losses) recognised in Profit or Loss	–	–	–
Impact of Fair Valuations - gains/(losses)	(4.90)	(204.94)	(209.84)
Balance as at March 31, 2023	190.00	4,193.95	4,383.95

(h) Fair value measurements using significant unobservable inputs (level 3) :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in crore)

Particulars	Fair value as at		Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement			
	As at March 31, 2023	As at March 31, 2022		As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
				Favourable	Unfavourable	Favourable	Unfavourable
Investments							
- Security Receipts	190.00	–	5.00%	9.50	(9.50)	–	–
Loans	4,193.95	–	0.25%	10.48	(10.48)	–	–
Total	**4,383.95**	**–**		**19.98**	**(19.98)**	**–**	**–**

(i) Maturity profile of assets and liabilities

(₹ in crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	1,178.10	–	1,178.10	534.91	–	534.91
Bank balance other than (a) above	632.68	–	632.68	1,114.87	–	1,114.87
Loans	4,193.95	–	4,193.95	379.41	4,560.97	4,940.38
Investments	368.63	190.00	558.63	2,411.02	97.04	2,508.07
Trade Receivables	–	–	–	9.32	–	9.32
Other Receivable	38.88	–	38.88	–	–	–
Other financial assets	0.05	0.61	0.66	–	1.17	1.17
Non-Financial Assets						
Current tax assets (Net)	–	99.76	99.76	–	72.54	72.54
Deferred tax assets	–	59.16	59.16	–	8.33	8.33
Intangible assets under development	0.09	–	0.09	0.02	–	0.02
Other intangible assets	–	0.16	0.16	–	0.26	0.26
Other non-financial assets	0.30	0.31	0.61	0.89	0.31	1.20
Total	**6,412.68**	**350.00**	**6,762.68**	**4,450.44**	**4,740.62**	**9,191.07**
Financial Liabilities						
Debt Securities	1,631.42	3,715.59	5,347.02	2,257.27	5,271.22	7,528.49
Subordinated liabilities	–	–	–	68.45	217.46	285.91
Trade Payables	1.52	–	1.52	3.47	–	3.47
Other financial liabilities	1.41	–	1.41	1.39	–	1.39
Non-Financial Liabilities						
Provisions	0.23	0.14	0.37	0.28	0.64	0.92
Other non-financial liabilities	1.02	–	1.02	1.74	–	1.74
Current tax liabilities	–	–	–	28.77	–	28.77
Total	**1,635.60**	**3,715.74**	**5,351.34**	**2,361.37**	**5,489.33**	**7,850.69**

Notes forming part of the financial statements for the year ended March 31, 2023

(j) Expected credit loss - Loans at amortised cost:

(₹ in crore)

Particulars		As at March 31, 2023			As at March 31, 2022		
		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
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
	Financial assets for which credit risk has increased significantly and credit-impaired	–	–	–	–	–	–
Total		**–**	**–**	**–**	**5,005.86**	**65.48**	**4,940.38**

(k) Reconciliation of gross carrying amount - Loans at amortised cost:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
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	–	–	–	–
Decrease in existing financial asset	(3,497.67)	(8.36)	–	(3,506.03)
Gross carrying amount as on March 31, 2022	4,605.09	400.77	–	5,005.86
New assets originated or purchased	3,255.57	–	–	3,255.57
Reclassificaiton from Amortised cost to Fair Value through profit or loss	(6,123.72)	(385.20)	–	(6,508.92)
Amount written off	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Decrease in existing financial asset	(1,736.94)	(15.58)	–	(1,752.51)
Gross carrying amount as on March 31, 2023	–	–	–	–

(l) Reconciliation of loss allowance provision - Loans at amortised cost:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
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	–	–	–	–
Increase/ (Decrease) in provision on existing financial assets including recovery	(13.69)	41.29		27.60
ECL as on March 31, 2022	18.42	47.06	–	65.48
New assets originated or purchased	12.40	–	–	12.40
Reclassificaiton from Amortised cost to Fair Value through profit or loss	(24.56)	(46.19)	–	(70.74)
Amount written off	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impact on year end ECL of Exposure transferred between stages during the year	–	–	–	–
Decrease in provision on existing financial assets including recovery	(6.27)	(0.87)	–	(7.14)
ECL as on March 31, 2023	–	–	–	–

(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, 2023	As at March 31, 2022
Variable rate borrowings	–	–
Fixed rate borrowings	5,054.60	7,438.60
Total borrowings	**5,054.60**	**7,438.60**

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

Notes forming part of the financial statements for the year ended March 31, 2023

(ii) Sensitivity :

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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).

The Company's gearing ratios were as follows:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt	4,168.92	7,279.49
Total equity	1,411.34	1,340.38
Net debt to equity ratio	2.95	5.43

(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, 2023 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	17	3,057	N.A.	54%

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
2,471	49%

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	5,055	90%
2	Preference Shares	-	-
	Total	**5,055**	**90%**

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	29%
6	Other short-term liabilities as a % of total assets	23%

Note:

- Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).

Notes forming part of the financial statements for the year ended March 31, 2023

- 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 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.

(vii) Disclosure on Liquidity Coverage Ratio

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, 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 FY2022-23 is as under:

	LCR Disclosure	Q1 FY 2022-23		Q2 FY 2022-23		Q3 FY 2022-23		Q4 FY 2022-23	
	(₹ 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)	97.85	84.13	105.19	91.52	164.32	150.78	220.08	206.59
	Cash in hand & Bank balance	6.42	6.42	14.08	14.08	2.35	2.35	31.73	31.73
	Government Securities (unencombered)	–	–	–	–	71.71	71.71	98.40	98.40

LCR Disclosure (₹ in Crore)		Q1 FY 2022-23 Total Unweighted[1] Value (average)	Q1 FY 2022-23 Total Weighted[2] Value (average)	Q2 FY 2022-23 Total Unweighted[1] Value (average)	Q2 FY 2022-23 Total Weighted[2] Value (average)	Q3 FY 2022-23 Total Unweighted[1] Value (average)	Q3 FY 2022-23 Total Weighted[2] Value (average)	Q4 FY 2022-23 Total Unweighted[1] Value (average)	Q4 FY 2022-23 Total Weighted[2] Value (average)
	Marketable Securities issued by sovereigns, PSEs or multidevelopment banks with < 20% risk weight (not by bank/FI/NBFC)	91.43	77.72	91.10	77.44	90.26	76.72	89.95	76.45
	Corporate bonds with LT credit rating AA- (not by bank/FI/NBFC)	–	–	–	–	–	–	–	–
Cash Outflows									
2	Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding	–	–	11.66	13.41	–	–	70.29	80.84
4	Secured wholesale funding	138.46	159.23	8.15	9.38	358.59	412.38	154.44	177.61
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	67.67	77.82	31.19	35.87	59.07	67.93	60.76	69.88
7	Other contingent funding obligations	–	–	–	–	–	–	–	–
8	**TOTAL CASH OUTFLOWS**	**206.13**	**237.05**	**51.00**	**58.65**	**417.66**	**480.31**	**285.50**	**328.32**
Cash Inflows									
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	23.07	17.31	46.93	35.20	26.07	19.55	30.53	22.90
11	Other cash inflows[3]	3,351.36	2,513.52	1,935.49	1,451.62	1,654.25	1,240.69	1,639.27	1,229.45
12	**TOTAL CASH INFLOWS**	**3,374.43**	**2,530.83**	**1,982.42**	**1,486.82**	**1,680.32**	**1,260.24**	**1,669.80**	**1,252.35**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	**TOTAL HQLA**		**84.13**		**91.52**		**150.78**		**206.59**
14	**TOTAL NET CASH OUTFLOWS OVER 30 DAYS PERIOD**		**59.26**		**14.66**		**120.08**		**82.08**
15	**LIQUIDITY COVERAGE RATIO (%)[4]**		**142%**		**624%**		**126%**		**252%**

Notes:

1 Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of daily observations for FY 2022-23

2 Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%)

Notes forming part of the financial statements for the year ended March 31, 2023

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

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

(₹ in crore)

Particulars	April 1, 2022	Cash flows	Changes in fair values	Other	March 31, 2023
Debt securities	7,528.49	(2,130.10)	–	-51.37	5,347.02
Subordinated debt	285.91	(253.74)	–	-32.17	–
Total liabilities from financing activities	**7,814.40**	**(2,383.84)**	**–**	**-83.54**	**5,347.02**

(₹ 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**

46 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 (A)	Total cost incurred by Holding company (B)	Expense recovered by holding company till end of financial year (C)	Expenses charged to statement of profit and loss for the year (D)	Remaining expenses to be recovered in future periods (E) = (B-C)
March 31, 2023	8.44	7.22	1.29	1.22
March 31, 2022	7.97	5.93	1.42	2.04

47 (a) 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 NBFC-IDF. The Company has received the certification of registration dated June 22, 2022 as NBFC – ICC from the Reserve Bank of India.

(b) Amalgamation of the Company, L&T Finance Limited and L&T Mutual Fund Trustee Limited with L&T Finance Holdings Limited:

The Board of Directors of the Company has, in its meeting dated January 13, 2023, approved the proposed amalgamation of the Company, L&T Finance Limited and L&T Mutual Fund Trustee Limited with L&T Finance Holdings Limited, with appointed date from April 1, 2023, by way of merger by absorption pursuant to a scheme of arrangement under the provisions of Sections 230 – 232 read with Section 52 and other relevant provisions of the Companies Act, 2013 (including the rules thereunder), subject to, inter alia, the sanction of the National Company Law Tribunal ("NCLT") and other regulatory approvals, as may be required. The Reserve Bank of India vide its letter dated March 24, 2023 to L&T Finance Holdings Limited granted its "No Objection" for the proposed amalgamation. "

48 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 2022-2023.

c) The Company has no transactions and no balances outstanding with the struck off companies as on March 31, 2023.

d) 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.

e) There were no instances of transactions which are not recorded in the books of accounts that has been surrendered or disclosed in the tax assessments under the Income Tax Act, 1961 during the year (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Company is not declared wilful defaulter by any bank or financial Institution or other lender.

g) 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.

h) 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.

Notes forming part of the financial statements for the year ended March 31, 2023

49 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, 2023	For the year ended March 31, 2022
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	15.87	15.44
		15.87	**15.44**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences (including MAT Credit)	(50.18)	(8.55)
		(50.18)	**(8.55)**
	Income tax expense reported in the consolidated statement of profit or loss[(i)+(ii)]	**(34.31)**	**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	(0.03)	(0.01)
		(0.03)	**(0.01)**
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On gain/(loss) on fair value of debt securities	0.67	(0.21)
		0.67	**(0.21)**
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	**0.64**	**(0.22)**
(c)	Retained earnings:		
	Current income tax	–	–
	Deferred tax	–	–
	Income tax expense reported in retained earnings	–	–
	Total tax expense	(33.66)	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, 2023	For the year ended March 31, 2022
(a)	Profit before tax	(181.33)	11.00
(b)	Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
(c)	Tax on accounting profit (c)=(a)*(b)	(45.64)	2.78
(d)	(i) Tax on Income exempt from tax :		
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961	–	(2.74)
	(ii) Tax on expense not tax deductible :		
	(A) Corporate Social Responsibility (CSR) expenses	0.64	0.85
	(B) Dividend / Interest on Prefrence Shares and share issue expense	10.68	6.00
	Total effect of tax adjustments [(i) to (iii)]	**11.32**	**4.11**
(e)	Tax expense recognised during the year (e)=(c)-(d)	(34.31)	6.89
(f)	Effective tax Rate (f)=(e)/(a)	18.92%	62.63%

(c) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in crore)

Particulars	Deferred tax liabilities/ (assets) as at April 01, 2022	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, 2023
Deferred tax (liabilities):					
-Difference between book base and tax base of property, plant & equipement, investment property and intangible assets	(0.01)	0.00	–	–	(0.01)
Deferred tax (liabilities):	(0.01)	0.00	–	–	(0.01)
Offsetting of deferred tax liabilities with deferred tax assets					
Net Deferred tax (liabilities)					
Deferred tax assets:					
- Fair value changes on Investments	0.16	0.45	–	0.68	1.29
- Provision on standard assets	8.01	48.12	–	–	56.13
- Items disallowed under Section 43B	0.05	0.01	–	(0.04)	0.02
- Provision for Expenses	0.13	(0.03)	–	–	0.10
- Provision on Trade receivables	–	1.63			1.63
Deferred tax assets:	8.35	50.18	–	0.64	59.17
Offsetting of deferred tax assets with deferred tax (liabilities)					
Net Deferred tax assets					
Net deferred tax assets / (liability)	**8.33**	**50.18**	**–**	**0.64**	**59.16**

Notes forming part of the financial statements for the year ended March 31, 2023

50 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.

(1) No appropriations to the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out since the company has incurred loss for the year ended March 31, 2023.

(2) **Resolution of stressed assets**

During the year ended March 31, 2023, the Company implemented resolution plan (RP) for 1 borrower amounting to ₹ 119.50 crore (previous year NIL) under the prudential framework for stressed assets issued by RBI vide circular no RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 .

(3) **Capital**

Capital to Risk Assets Ratio (CRAR)		**As at March 31, 2023**	**As at March 31, 2022**
(i)	CRAR (%)	44.52%	31.67%
(ii)	CRAR - Tier I Capital (%)	43.27%	25.69%
(iii)	CRAR - Tier II Capital (%)	1.25%	5.98%
(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 outstanding 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, 2023**	**As at March 31, 2022**	**% Variance**
(i)	Capital ratio[1]	44.52%	31.67%	40.60%[3]
(ii)	Liquidity coverage ratio[2]	192.80%	217.00%	-11.15%[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 Increase in Tier-I capital is mainly due to fresh equity capital infusion amounting to ₹ 219.91 crores (including share premium) by holding company.

4 Reasoning is not required since the variance is less than 25%.

(5) **Investment**

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Value of Investment		
(i)	Gross value of Investment		
	(a) In India	563.53	2,508.07
	(b) Outside India	-	-
(ii)	Provision for Depreciation		
	(a) In India	4.90	-
	(b) Outside India	-	-
(iii)	Net Value of Investment		
	(a) In India	558.63	2,508.07
	(b) Outside India	-	-
2	Movement of Provision held towards depreciation of Investment		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	4.90	-
(iii)	Less: Write off/write back of excess provision during the year	-	-
(iv)	Closing balance	4.90	-

(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, 2023 (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, 2023 (Previous year: Nil)

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

(7) **Securitisation:**

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

(ii) Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 in terms of RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

Notes forming part of the financial statements for the year ended March 31, 2023

i) The details of loans transferred and acquired through assignment/novation by the Company during the year ended March 31, 2023 are as under :

Sr. No	Particulars	Loan transferred	Loan acquired
1	Count of loans	21	41
2	Amount of loan account assigned (₹ in Cr.)	1,840.10	5,059.05
3	Weighted average maturity (In years)	7.27	7.89
4	Weighted holding period (In years)	3.50	Not applicable
5	Retention of beneficial interest	NIL	Not applicable
6	Security coverage (times)	Greater than 1x	Greater than 1x
7	Rating	Category AA to BB	Category AA to D

ii) Details of stressed loans transferred during the year ended March 31, 2023#

Sr. No.	Particulars	To ARC's	To permitted transferees	To other transferees
1	No. of accounts sold	4	–	–
2	Aggregate principal outstanding of loans transferred (in crores)	240.90	–	–
3	Weighted average residual tenor of the loans transferred (months)	53.60	–	–
4	Net book value of loans transferred (at the time of transfer) (in crores)	224.43	–	–
5	Aggregate consideration (in crores)	229.30	–	–
6	Additional consideration realised in respect of accounts transferred in earlier years	–	–	–
7	Provision reversed to the profit and loss account	24.92	–	–

excludes other receivables not in the nature of loans and advances.

(iv) Details of Non performing Financial assets purchased: During the current and previous year, the Company has not purchased any Non performing Financial Assets from other NBFCs.

(8) Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Particulars	1 to 7 Days	8 to 14 Days	15 days to 30/31 days	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
Assets:											
Deposits	291.05	200.00	-	606.69	330.13	378.75	1.03	-	-	-	1,807.65
Loans	2.75	8.31	1.10	4.44	64.38	439.15	916.52	724.63	612.77	1,679.84	4,453.88
Investment	275.02	-	-	90.17	-	-	-	-	-	190.00	555.19
Liabilities:											
Borrowing	-	-	-	309.00	58.00	565.20	457.20	1,867.60	620.60	1,177.00	5,054.60

The above bucketing has been arrived, based on the extant regulatory guidelines and the ALM policy last approved by the Board of Directors at its meeting held on October 18, 2022.

(9) **Exposures:**

(i) Exposures to Real Estate Sector:

Category	As at March 31, 2023	As at March 31, 2022
a) Direct Exposure		
(i) Residential Mortgages	Nil	Nil
(ii) Commercial Real Estate	Nil	Nil
(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures	Nil	Nil
- Residential	Nil	Nil
- Commercial Real Estate	Nil	Nil
b) Indirect Exposure	Nil	Nil
Total exposure to Real Estate	**Nil**	**Nil**

Notes forming part of the financial statements for the year ended March 31, 2023

(ii) Exposures to Capital Market:

(₹ in crore)

Sr. No.	Category	As at March 31, 2023	As at March 31, 2022
	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
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix)	Financing to stockbrokers for margin trading		
(x)	All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	Nil	Nil
	Total exposure to Capital Market	**Nil**	**Nil**

(iii) Sectoral Exposure:

(₹ in crore)

Sr No	Sectors	As at March 31, 2023			As at March 31, 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
(i)	Agriculture and Allied Activities	–	–	–	–	–	–
ii)	Industry	–	–	–	–	–	–
a)	Roads	372.39	–	–	1,615.44	–	–
b)	Electricity Generation	3,666.15	–	–	2,979.22	–	–
c)	Electricity Transmission	247.93	–	–	411.20	–	–
d)	Cement & Cement Products	164.16	–	–	–	–	–
iii)	Services	–	–	–	–	–	–
iv)	Personal Loans	–	–	–	–	–	–
v)	Others	–	–	–	–	–	–
a)	Inter Corporate Deposit	–	–	–	–	–	–
Total		**4,450.63**	**–**	**–**	**5,005.86**	**–**	**–**

(iv) Intra-group exposures

(₹ in crore)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1)	Total amount of intra-group exposures	–	–
2)	Total amount of top 20 intra-group exposures	–	–
3)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	–	–

Notes forming part of the financial statements for the year ended March 31, 2023

(10) **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, 2023	As at March 31, 2022
Provisions for depreciation on Investment	–	–
Provision towards Non Performing Assets	–	–
Provision made towards Income tax	(34.31)	6.89
Other Provision and Contingencies (with details)	–	–
Provision for Standard Assets	–	–
Impairment / fair value changes on financial instruments	206.67	25.62

(11) Drawdown from reserves: No drawdown from reserves during the year (previous year: Nil).

(12) (i) Concentration of deposits:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total deposit of twenty largest depositors	Not Applicable	Not Applicable
2	Percentage of deposit of twenty large depositors to total deposit of NBFC	Not Applicable	Not Applicable

(ii) Concentration of advances:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total advances to twenty largest borrowers	3,731.62	3,433.17
2	Percentage of advances to twenty largest borrowers to total advances of NBFC	83.84%	68.58%

(iii) Concentration of exposures:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total exposure to twenty largest depositors/ customers	3,731.62	3,433.17
2	Percentage of exposure to twenty large borrowers/customers to total exposure of NBFC on borrowers/customers.	83.84%	68.58%

(iv) Concentration of Non Performing Assets: (see footnote 1 below)

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total exposure to top four NPA accounts	Nil	Nil

(12) (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, 2023	As at March 31, 2022
1.	Agriculture & Allied activities		
2.	MSME		
3.	Corporate borrowers		
4.	Services	Nil	Nil
5.	Unsecured personal loans		
6.	Auto loans		
7.	Other personal loans		

(13) Financing of parent company products: Nil (Previous Year - Nil).

(14) Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: Nil (Previous Year - Nil)

(15) Unsecured advances: Nil (Previous Year - Nil).

(16) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

(17) Penalties imposed by RBI or other regulators: No Penalties has been imposed by RBI or other regulators during the year (Previous Year- Nil).

(18) Ratings assigned by credit rating agencies and migration during the year:

	As at March 31, 2023			As at March 31, 2022		
	CRISIL	CARE	ICRA	CRISIL	CARE	ICRA
Non Convertible Debentures	AAA (stable)	AAA (stable)	AAA (stable)	AAA (stable)	AAA (stable)	AAA (stable)
Term Loan	-	A1+	AAA (stable)	-	A1+	-
Redeemable Preference Shares	AAA (stable)	–	–	AAA (Stable)	–	-
Commercial Paper	A1+	A1+	A1+	A1+	A1+	A1+
Principal Protected Market Linked Debentures	PP-MLD AAA (Stable)	PP-MLD AAA (Stable)	PP-MLD AAA (Stable)	PP-MLD AAAr (Stable)	PP-MLD AAA (Stable)	PP-MLD AAA (Stable)

(19) Non- Performing Assets (see footnote 1 below) : NIL

(20) Overseas Assets: Nil (Previous Year Nil)

(21) Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to be consolidated as per accounting norms): Nil (Previous Year Nil)

(22) Postponement of revenue recognition: Nil

(23) Disclosures on Flexible Structuring of Existing Loans: Nil

(24) Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period): Nil

Notes forming part of the financial statements for the year ended March 31, 2023

(25) 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 ₹ NIL (previous year ₹ 119.50 crore) and Net Non performing asset would have been ₹ NIL (previous year ₹ 83.65 crore).

(26) 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 (1)	**Asset classification as per Ind AS 109 (2)**	**Gross Carrying Amount as per Ind AS (3)**	**Loss Allowances (Provisions) as required under Ind AS 109* (4)**	**Net Carrying Amount (5)=(3)-(4)**	**Provisions required as per IRACP norms (6)**	**Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	4,202.92	233.69	3,969.22	16.83	216.86
	Stage 2	247.72	22.99	224.73	12.54	10.45
Subtotal (a)		**4,450.63**	**256.68**	**4,193.95**	**29.37**	**227.31**
Non-Performing Assets (NPA)						
Doubtful - 1 to 3 years	Stage 2					–
Subtotal for doubtful (b)		–	–	–	–	–
Loss	Stage 3	–	–	–	–	–
Subtotal for Non-Performing Assets (c)		**–**	**–**	**–**	**–**	**–**
Total (d=(a+b+c))		**4,450.63**	**256.68**	**4,193.95**	**29.37**	**227.31**
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						

(₹ in crore)

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109* (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
		Loss Allowances (Provisions) as required under Ind AS 109				
Non fund based	Stage 1	–	–	–	–	–
Subtotal (e)		**–**	**–**	**–**	**–**	**–**
Total (d+e)	**Stage 1**	**4,202.92**	**233.69**	**3,969.22**	**16.83**	**216.86**
	Stage 2	**247.72**	**22.99**	**224.73**	**12.54**	**10.45**
	Stage 3	**–**	**–**	**–**	**–**	**–**
Total		**4,450.63**	**256.68**	**4,193.95**	**29.37**	**227.31**

* includes Fair value impact of the loan assets measured at fair value through Profit or Loss (FVTPL).

(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, 2023 are given below:

(₹ in crore)

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, 2022 (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, 2023 (E)
Personal Loans	–	–	–	–	–
Corporate persons*	234.87	234.87	19.00	220.00	–
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	**234.87**	**234.87**	**19.00**	**220.00**	**–**

*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

***includes ₹ 220 crores received on account of sale to ARC.

Notes forming part of the financial statements for the year ended March 31, 2023

(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, 2023		As at March 31, 2022	
		Amount outstanding	Amount Overdue	Amount outstanding	Amount Overdue
(a)	Debentures :				
	Secured	5,347.02	Nil	7,528.49	Nil
	Unsecured	–	Nil	285.91	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, 2023	As at March 31, 2022
		Amount outstanding	Amount outstanding
(a)	Secured	4,193.95	4,940.38
(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, 2023 Amount outstanding	As at March 31, 2022 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, 2023 Amount outstanding	As at March 31, 2022 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	190.12	102.45
	(iv)	Government Securities	178.51	193.68
	(v)	Others	Nil	2,211.94
2		Unquoted :		
	(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

Notes forming part of the financial statements for the year ended March 31, 2023

(₹ in crore)

Sr. No	Long Term Investments	As at March 31, 2023 Amount outstanding	As at March 31, 2022 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	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	190.00	Nil

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

(₹ in crore)

Category	As at March 31, 2023 Amount outstanding	As at March 31, 2022 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)	4,193.95	4,940.38
Total	**4,193.95**	**4,940.38**

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, 2023		As at March 31, 2022	
	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	558.63	558.63	2,508.07	2508.07
Total	**558.63**	**558.63**	**2508.07**	**2508.07**

7. Other information

(₹ in crore)

Sr. No	Particular	As at March 31, 2023	As at March 31, 2022
(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 ₹ NIL (previous year ₹ 119.50 crore) and Net Non performing asset would have been ₹ NIL (previous year ₹ 83.65 crore).

Notes forming part of the financial statements for the year ended March 31, 2023

51 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs, which inter-alia envisages certain specific disclosures read with circular no. DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 for "Disclosures in Financial Statements - Notes to Accounts of NBFCs".

(1) **Disclosure of complaints**

i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman.

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	Nil	Nil
2	Number of complaints received during the year	Nil	Nil
3	Number of complaints disposed during the year	Nil	Nil
	Of which, number of complaints rejected by the NBFC	Nil	Nil
4	Number of complaints pending at the end of the year	Nil	Nil
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	Nil	Nil
	1) Number of complaints resolved in favour of the NBFC by Office of Ombudsman	Nil	Nil
	2) Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
	3) Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

ii) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days	
1	2	3	4	5	6	
For the year ended March 31, 2023						
Grounds	Nil	Nil	Nil	Nil	Nil	Nil
For the year ended March 31, 2022						
Grounds	Nil	Nil	Nil	Nil	Nil	Nil

(2) **Breach of Covenant**

During the year ended March 31, 2023 , there is no instance of breach of covenant of loan availed or debt securities issued (applicable if any) by the company.

(3) **Unhedged foreign currency exposure**

The company does not have any unhedged foreign currency exposures as at March 31, 2023.

(5) **Divergence in Asset Classification and Provisioning***

a) the additional provisioning requirements assessed by RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for financial year 2021-22 : Nil

b) the additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs for financial year 2021-22 : Nil

Foot Note

*Final Inspection report for the financial year 2021-22 is not issued by the Reserve Bank of India as on March 31, 2023.

(6) **Related Party Disclosure**

i) Related party transactions for the year ended

(Amount in ₹ crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances														
Inter corporate deposits given														
L&T Finance Limited	1,393.27	–	–	–	–	–	–	–	–	–	–	–	1,393.27	–
Inter corporate received back														
L&T Finance Limited	1,393.27	–	–	–	–	–	–	–	–	–	–	–	1,393.27	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Notes forming part of the financial statements for the year ended March 31, 2023

(Amount in ₹ crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of fixed/other assets														
Loan assets transfer from														
L&T Finance Limited	5,059.05	–	–	–	–		–	–	–	–	–	–	5,059.05	–
Sale of fixed/other assets														
Loan assets transfer to														
L&T Finance Limited	397.32	–	–	–	–		–	–	–	–	–	–	397.32	–
Interest paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest received													–	–
L&T Finance Limited	16.16	–	–	–	–	–	–	–	–	–	–		16.16	–
Others														
Management fees paid to														
L&T Finance Holdings Limited	0.32	0.73	–	–	–		–	–	–	–	–	–	0.32	0.73
L&T Finance Limited	2.62	5.50	–	–	–		–	–	–	–	–	–	2.62	5.50
ESOP cost paid to													–	–
L&T Finance Holdings Limited	1.29	1.42	–	–	–		–	–	–	–	–	–	1.29	1.42
Rent paid to													–	–
L&T Financial Consultants Limited	–	–	–	–	–		–	–	–	–	0.72	1.59	0.72	1.59
Equity Insfusion by														
L&T Finance Limited	51.37	–	–	–	–	–	–	–	–	–	–	–	51.37	–
L&T Finance Holdings Limited	168.54	–	–	–	–	–	–	–	–	–	–	–	168.54	–
Compensation paid to Directors														
Mr. Shiva Rajaraman(1)	–	–	–	–	–	–	1.02	3.58	–	–	–	–	1.02	3.58
Mrs. Rupa Rege Nitsure(2)(3)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Thomas Mathew T.	–	–	–	–	–	–	0.21	0.17	–	–	–	–	0.21	0.17
Ms. Nishi Vasudeva	–	–	–	–	–	–	0.25	0.22	–	–	–	–	0.25	0.22
Compensation paid to Other KMPs														
Mr. Manish Jethwa(3)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Ms. Savita Kodian(3)	–	–	–	–	–	–	0.50	0.39	–	–	–	–	0.50	0.39
Other transactions														
L&T Finance Limited	16.71	–	–	–	–		–	–	–	–	–	–	16.71	–
L&T Financial Consultants Limited	–	–	–	–	–		–	–	–	–	0.74	0.67	0.74	0.67
Larsen & Tourbro	0.03	0.23	–	–	–		–	–	–	–	–	–	0.03	0.23

(1) ceased as Whole-Time Director with effect from May 17, 2022

(2) appointed as Whole-Time Director with effect from October 20, 2022

(3) Remunerations of Key Managerial personnel are paid from the other Company of L&T Finance Group during the reporting period.

ii) Related Party Balances as at the year end

(Amount in ₹ crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances														
(i) L&T Finance Limited	38.79	–	–	–	–	–	–	–	–	–	–	–	38.79	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

iii) Related Party maximum balances during the year ended

(Amount in ₹ crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Borrowings	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Advances														
L&T Finance Limited	38.79	–	–	–	–	–	–	–	–	–	–	–	38.79	–
Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–

52 Reclassification of Wholesale loan asset portfolio

As on September 30, 2022, the Business Model being followed by the Company involved accounting the Wholesale loan asset portfolio in its books of account at Amortised cost.

As part of its four-year Business Strategy - Lakshya 2026, the L&T Finance Group is aiming to increase its retail asset book to a minimum level of 80% by 2026 and this is targeted to be achieved through a CAGR growth of 25% in its retail portfolio as well as bringing down its wholesale loan asset portfolio through accelerated sell down. In line with this objective, the Group is taking steps to align the Infrastructure and Real Estate loan portfolio (Wholesale loan asset portfolio) to this strategy.

Consequent to the above, the Board has approved the change in business model for the Wholesale loan asset portfolio which would lead to conversion of its amortised cost portfolio to fair value through profit & loss account portfolio in line with the principles in Ind AS 109, Financial Instruments, which require a reclassification when an entity changes its business model by shifting its focus completely from fresh sanctions to accelerated sell down of its wholesale loan asset portfolio.

Based on the change in the Business model and in accordance with para 4.4.1 of Ind AS 109 "Financial Instruments", the Company had reclassified its wholesale loan asset portfolio previously measured at "Amortised cost" to "Fair value through profit & loss" as on October 1, 2022.

Notes forming part of the financial statements for the year ended March 31, 2023

Effective from October 01, 2022, the Company has reclassified its Wholesale loan asset portfolio measured at amortised cost amounting to ₹ 6,508.92 crores to fair value through profit & loss account. The Company has carried out an independent fair valuation of wholesale loan asset portfolio as at October 01, 2022 by external registered valuer and one time impact of such reclassifications consequent to change in business model and fair valuation of its wholesale loan asset portfolio, amounting to ₹ 237 crore has been presented as an "Exceptional Item".

53 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
Firm Registration No : 101961W/W-100036

Hiren Shah
Partner
Membership No : 100052

Place : Mumbai
Date : April 26, 2023

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)

Rupa Rege Nitsure
Whole-Time Director
(DIN : 07503719)

Manish Jethwa
Chief Financial Officer

Savita Kodain
Company Secretary

Place : Mumbai
Date : April 26, 2023