

Board's Report

Dear Members,

The Directors of your Company have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY 2017-18 as compared to the previous FY 2016-17 is given below:

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Income	5,24,568.84	4,14,497.54
Less: Total Expenses	4,81,115.37	4,11,655.80
Profit before tax/ (Loss)	43,453.47	2,841.74
Less: Provision for tax	14,461.31	1,237.57
Profit after tax/(Loss)	28,992.16	1,604.17
Profit for the period carried to the balance sheet	28,992.16	1,604.17
Add: Balance brought forward from previous year (Deficit)/Surplus	(25,742.80)	(10,136.12)
Less: Transferred to Special Reserve u/s 45-IC of RBI Act, 1934	5,798.43	320.83
Dividend paid (Including dividend distribution tax)	-	16,890.02
Less: Transfer to Debenture Redemption Reserve	2,309.66	-
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	1,475.45	-
Less: Unamortised write down on Investment	250.12	-
Surplus/ (deficit) in the Statement of Profit and Loss	(6,584.30)	(25,742.80)

APPROPRIATIONS

During the year under review, the Company has transferred ₹ 24.29 Lakh to General Reserve from Debenture Redemption Reserve. Your Company proposes to transfer ₹ 5,798.43 Lakh (previous year: ₹ 320.83 Lakh) to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 and ₹ 1,475.45 Lakh (previous year: Nil) to Special Reserve created under Section 36(1) (viii) of Income tax Act, 1961.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

PERFORMANCE OF BUSINESSES

Farm Equipment Finance

This includes loans in respect of products such as farm equipment i.e. tractor and harvester. These products are intended for the farmers and hence the repayment of these loans is timed in line with the harvest seasons. The market has grown to ever highest levels of 7.12 Lakh units with a growth of 22% on the previous year. The Company has built on the gains that we initiated in the second half of last financial year on the back of improved collections which has helped drive business growth. The Company is currently the 2nd largest financier in this industry and enjoy strong relationships with all the leading OEMs.

Two Wheeler Finance

The two wheeler finance portfolio includes loans made in respect of two wheelers. It is one of the core businesses of the Company. The Company has grown its market share through effective implementation of straight through processing through digital application which has helped reduce the turn around time drastically. This has helped in creating a very attractive customer and dealer position and thereby gaining market share in this business.

Microfinance

Microfinance business includes loans made to women in rural areas under the joint liability group model. During this year, the Company started with the overhang of demonetization which has increased the delinquencies in the market. The first half of this year was spent on strengthening the collections model which has helped reduce the absolute debtor exposure from the end of the previous year. Apart from this, the Company has expanded in untapped well performing areas of its existing states and entering into well performing

geographies like Bihar, Assam & Tripura. This has helped the Company in maintaining the high growth trajectory while improving the book performance.

FINANCIAL PERFORMANCE OF THE COMPANY

The Company has achieved enhanced business performance during the year under review, in comparison with the year ended March 31, 2017, in spite of the challenging economic environment and slowdown in several sector. The performance of the Company is summarised as follows:

- Disbursement increased from ₹ 31,77,085 Lakh in FY 2016-17 to ₹ 49,85,882 Lakh in FY 2017-18.
- Momentum in overall disbursement growth with focus on high yield products led to revenue growth with income from operations growing from ₹ 4,08,205.22 Lakh in the year ended March 31, 2017 to ₹ 4,99,744.95 Lakh during the year under review. Total income has also grown from ₹ 4,14,497.54 Lakh to ₹ 5,24,568.84 Lakh in the same period.
- Gross portfolio assets recorded growth from ₹ 29,24,445.12 Lakh as at March 31, 2017 to ₹ 39,14,560.74 Lakh as at March 31, 2018.
- Profit before Tax grew from ₹ 2,841.74 Lakh in FY 2016-17 to ₹ 43,453.47 Lakh in FY 2017-18.
- Profit after Tax grew from ₹ 1,604.17 Lakh in FY 2016-17 to ₹ 28,992.16 Lakh.
- Net worth of the Company as on March 31, 2018 was ₹ 8,56,389.80 Lakh vis-à-vis ₹ 6,87,938.89 Lakh as on March 31, 2017.

MATERIAL CHANGES AND COMMITMENTS

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

The Directors have considered it financially prudent in the long-term interest of the Company to reinvest the profits into the business of the Company to build a strong reserve base and growth, accordingly no dividend has been recommended for the year ended March 31, 2018.

CREDIT RATING

During the year under review, CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA") reviewed the ratings on various debt instruments of the Company. Furthermore, new rating was assigned by India Ratings and Research Private Limited ("India Ratings") to the non-convertible debentures ("NCDs") of the Company.

CARE has upgraded the long-term rating to "CARE AAA" (Triple A by CARE) from "CARE AA+" (Double A Plus by CARE) on the outstanding rated issues of Secured Redeemable NCDs, Secured NCDs (Public Issue), Unsecured Redeemable NCDs (Subordinated Debt) and long-term bank borrowings. The said rating agency, has also upgraded the rating on the Unsecured NCDs issued by the Company, in the nature of perpetual debt, to "CARE AA+" (Double A plus by CARE) from "CARE AA" (Double A). All these ratings carry a "Stable" outlook as on March 31, 2018. The outlook on these ratings were revised to "Positive" from "Stable" in October 2017 and subsequent to the upgrade in long-term ratings, in February 2018 the outlook was again revised to "Stable" from "Positive". Furthermore, in December 2017, CARE assigned a rating of "CARE PP-MLD AA+; Positive" (PP-MLD Double A Plus; Outlook: Positive) to the Principal Protected Market-linked Debenture, the rating was subsequently upgraded in February 2018 to "CARE PP-MLD AAA; Stable" (PP-MLD Triple A; Outlook: Stable).

CARE has also reaffirmed the rating assigned to the commercial papers issued by the Company at "CARE A1+" (A One Plus by CARE).

ICRA has reaffirmed its ratings on the rated Secured Redeemable NCDs, Secured NCDs (Public Issue) and Unsecured Redeemable NCDs (Subordinated Debt) at "ICRA AA+" (Double A Plus by ICRA). The ratings on the unsecured NCDs, in the nature of perpetual debt, has also been reaffirmed at "ICRA AA" (Double A by ICRA). All these ratings carry a "Stable" outlook. During the year, ICRA has also assigned rating to the commercial papers issued by the Company at "ICRA A1+" (A One Plus by ICRA). In January 2018, India Ratings assigned a rating of "IND AAA/Stable" (Triple A; Outlook: Stable by India Ratings) to the NCD issues of the Company.

The instruments/bank facilities with long term ratings of AAA are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The instruments/bank facilities with long term ratings of AA+/AA are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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

RESOURCES

During the year under review, the Company met its funding requirements through issue of NCDs, Commercial Papers ("CPs"), Inter Corporate Deposits ("ICDs") and borrowings from bank.

During the year under review, the net borrowings have increased from ₹ 5,23,504.01 Lakh as at March 31, 2017 to ₹ 6,86,732.14 Lakh as at March 31, 2018.

The aggregate debt outstanding as on March 31, 2018 was ₹ 34,69,702.40 Lakh.

During the year under review, the Company has allotted 15,90,90,905 (Fifteen Crore Ninety Lakh Ninety Thousand Nine Hundred and Five) equity shares of ₹ 10 each at a premium of ₹ 78 per share (total consideration of ₹ 88 per share) aggregating to ₹ 1399,99,99,640 (Rupees One Thousand Three Hundred and Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand Six Hundred and Forty Only) to L&T Finance Holdings Limited, the holding company, on a rights basis.

SHARE CAPITAL

During the year under review, pursuant to the allotment of the equity shares, the paid-up share capital of the Company was increased from ₹ 1440,04,72,940 (Rupees One Thousand Four Hundred and Forty Crore Four Lakh Seventy Two Thousand Nine Hundred Forty Only), divided into 144,00,47,294 equity shares of ₹ 10 each to ₹ 1599,13,81,990 (Rupees One Thousand Five Hundred and Ninety Nine Crore Thirteen Lakh Eighty One Thousand Nine Hundred and Ninety Only), divided into 159,91,38,199 equity shares of ₹ 10 each.

FIXED DEPOSITS

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

DIRECTORS

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

Mr. Y. M. Deosthalee, Non-Executive Director and Chairperson of the Company resigned from the Board with effect from May 31, 2017, consequent to his resignation from L&T Financial Services Group. Mr. Pavninder Singh, Non-Executive Director of the Company resigned from the Board of Directors with effect from July 14, 2017.

The Board places on record its appreciation of the valuable services rendered by the aforesaid Directors during their tenure as the Directors of the Company.

During the year under review, the Company appointed Mr. Ashish Kotecha as the Non-Executive Director in accordance with provisions of Sections 152 and 161 of the Act, not liable to retire by rotation and Mr. Desh Raj Dogra as an Independent Director in accordance with provisions of Sections 149, 152 and 161 of the Act with effect from July 14, 2017 and July 24, 2017 respectively, pursuant to the approval of members at the Twenty Fourth Annual General Meeting held on August 22, 2017.

Further, Mr. Dinanath Dubhashi was appointed as the Chairperson of the Board and the Company with effect from July 24, 2017.

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

Name of Director	Designation
Mr. Dinanath Dubhashi	Non-Executive Director & Chairperson
Mr. P. V. Bhide	Independent Director
Mr. Mannil Venugopalan	Independent Director
Dr. (Mrs.) Rajani R. Gupte	Independent Director
Mr. Desh Raj Dogra	Independent Director
Mr. Prabhakar B	Non-Executive Director
Mr. Ashish Kotecha	Non-Executive Director

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors

at every annual general meeting, not less than two-third of the total number of directors of a public company (excluding Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. Dinanath Dubhashi, Non-Executive Director will retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment.

Terms and conditions of appointment of Independent Directors are available on the website of the Company viz. <https://www.ltfs.com>.

DECLARATION BY INDEPENDENT DIRECTORS

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

FIT AND PROPER CRITERIA & CODE OF CONDUCT

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

KEY MANAGERIAL PERSONNEL ("KMPs")

There was no change in the KMPs of the Company during the year under review. As at March 31, 2018, the Company had the following KMPs:

- 1) Mr. Sunil Prabhune – Manager
- 2) Mr. Amol Joshi – Head-Accounts (discharging functions of the Chief Financial Officer)
- 3) Mr. Amit Bhandari – Company Secretary

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

A) Background

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

Further, Section 134 of the Act stipulates that the Board's Report is required to include a statement on

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and remuneration for KMPs and other employees.

The Board of Directors had, based on the recommendation of the NRC of the Company, approved the policy on Directors' appointment and remuneration for Directors, Senior Management, KMPs and other employees.

B) Brief Framework of the Policy

The objective of this Policy is:

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

C) Appointment of Director(s) - Criteria identification

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

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

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

The appointment of Managing Director and Whole-Time Director is subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules made thereunder. The NRC ensures that a person does not occupy 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 Senior Management/KMPs/employees

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

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

- a) Membership & attendance –Committee and Board Meetings
- b) Contribution during such meeting
- c) Active participation in strategic decision making
- d) Inputs to executive management on matters of strategic importance
- e) 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”), if any, every year ending March 31st. 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 KPI for EDs are approved by the Board, pursuant to recommendation of the NRC, if required.

- **Senior Management/ KMPs/ employees**

The HR Department carries out the evaluation of the aforementioned persons every year ending March 31st, with the Department Head(s) concerned. KPIs are identified well in advance at the commencement of the financial year. Performance benchmarks are set and evaluation of employees is done by the respective reporting Manager(s)/ Management/ Department Head(s) to

determine whether the performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons is determined after the satisfactory completion of evaluation process.

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

E) Criteria for Remuneration

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

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

PERFORMANCE EVALUATION

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

Manner of Evaluation

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

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

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

a. Board and Committee Evaluation:

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

b. Independent / Non-Executive Directors Evaluation:

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

c. Chairperson Evaluation:

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

CORPORATE GOVERNANCE

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. The report on Corporate Governance for FY 2017-18 is appended as **Annexure A** to this Report.

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

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at their Twenty Third Annual General Meeting ("AGM") held on June 15, 2016 have appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company, to hold office from the conclusion of Twenty Third AGM till the conclusion of the Twenty

Eighth AGM of the Company subject to ratification by Members at the forthcoming AGM. Thereafter, ratification as may be necessitated by the Act and rules made thereunder as amended from time to time.

AUDITORS' REPORT

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Naina R. Desai, Practicing Company Secretary to undertake the secretarial audit of the Company for FY 2017-18.

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

There are no adverse remarks / observations / qualifications / reservations / disclaimers in the Secretarial Audit Report.

PARTICULARS OF EMPLOYEES

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

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

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

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

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

During the year under review, there were no foreign exchange earnings (previous year ₹ Nil). The expenditure in foreign currency for professional fees and software license fees was ₹ 188.52 Lakh (previous year ₹ 16.10 Lakh).

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

The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. It has no subsidiary and joint venture company. The Company holds 26% of equity shares of Grameen Capital India Private Limited and 28.29% of equity shares of L&T Infra Debt Fund Limited, which are the associate companies.

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance, financial position and contribution of associates of the Company has been appended as **Annexure D** to this Report

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities;

4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such 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.

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

BOARD MEETINGS

The details of the Board Meetings held by the Company during FY 2017-18 are disclosed in the Corporate Governance Report appended to this Report.

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

COMPOSITION OF THE AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted

a Corporate Social Responsibility (“CSR”) Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report. The Company has also formulated a CSR Policy which is available on the website viz. <https://www.ltfs.com>.

An annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure E** to this Report.

VIGIL MECHANISM

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

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

The mechanism framed by the Company is in compliance with requirement of the Act and available on the website viz. <https://www.ltfs.com>.

PARTICULARS OF LOAN GIVEN, INVESTMENT MADE OR GUARANTEE OR SECURITY PROVIDED BY THE COMPANY

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties (“RPT Policy”) pursuant to the recommendation of the Audit Committee

(“AC”). The RPT Policy is also available on the website of the Company viz. <https://www.ltfs.com>. The RPT Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

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

a) Board:

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

RPTs which are not at arm’s length and which are not in the ordinary course of business are required to be approved by the Board.

b) Shareholders:

All Material RPTs requires prior approval of the shareholders, based on recommendation of the Board, through an 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 to be ratified by the Board or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

No member of the Company can vote on such resolution, if such member is considered to be a related party with reference to a contract or arrangement for which the resolution is passed.

- All RPTs that were entered into during FY 2017-18 were on an arm’s length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of

Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

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

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 work place. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and right to work with dignity.

During the year under review, the Company had received 1 (one) complaint in this regard and the investigation for the same is underway.

EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

RBI REGULATIONS

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

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: May 2, 2018

ANNUAL REPORT 2017-18 - ANNEXURE A TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

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

As on the date of this report, the Board comprises 7 (seven) Directors viz. Mr. Dinanath Dubhashi, Mr. P. V. Bhide, Mr. Mannil Venugopalan, Dr. (Mrs.) Rajani R. Gupte, Mr. Desh Raj Dogra, Mr. Prabhakar B and Mr. Ashish Kotecha. Mr. Dinanath Dubhashi is the Chairperson, Mr. Prabhakar B and Mr. Ashish Kotecha are the Non-Executive Directors; Mr. P. V. Bhide, Mr. Mannil Venugopalan, Dr. (Mrs.) Rajani R. Gupte, and Mr. Desh Raj Dogra are Independent Directors on the Board.

During the year, Mr. Y. M. Deosthalee and Mr. Pavninder Singh, stepped down as directors of the Company with effect from May 31, 2017 and July 14, 2017, respectively. Further, the Company appointed Mr. Ashish Kotecha as Non-Executive Director in accordance with provisions of Sections 152 and 161 of the Act, not liable to retire by rotation and Mr. Desh Raj Dogra as an Independent Director in accordance with provisions of Sections 149, 152 and 161 of the Act with effect from July 14, 2017 and July 24, 2017 respectively, pursuant to the approval of members at the Twenty Fourth Annual General Meeting held on August 22, 2017.

Upon cessation of Mr. Y. M. Deosthalee as Director and Chairperson of the Board, Mr. Dinanath Dubhashi was appointed as the Chairperson of the Board and Company with effect from July 24, 2017.

During the year under review, 5 (five) meetings of the Board of Directors were held on May 2, 2017, July 24, 2017, October 24, 2017, January 23, 2018 and March 21, 2018.

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

Name of the Director	DIN	Nature of Directorship	Board Meetings held/ conducted during the tenure of Directors/ year	No. of Board Meetings attended
Mr. Dinanath Dubhashi ⁽¹⁾	03545900	C-NED	5	5
Mr. Y. M. Deosthalee ⁽²⁾	00001698	C-NED	1	1
Mr. P.V. Bhide	03304262	ID	5	5
Mr. Mannil Venugopalan	00255575	ID	5	5

Name of the Director	DIN	Nature of Directorship	Board Meetings held/ conducted during the tenure of Directors/ year	No. of Board Meetings attended
Dr. (Mrs.) Rajani Rajiv Gupte	03172965	ID	5	5
Mr. Desh Raj Dogra ⁽³⁾	00226775	ID	4	4
Mr. Prabhakar B	02101808	NED	5	5
Mr. Ashish Arvind Kotecha ⁽⁴⁾	02384614	NED	4	4
Mr. Pavninder Singh ⁽⁵⁾	03048302	NED	1	1

Notes:

⁽¹⁾ Appointed as Chairperson with effect from July 24, 2017.

⁽²⁾ Ceased to be a Director and Chairperson with effect from May 31, 2017.

⁽³⁾ Appointed as Director on the Board of the Company with effect from July 24, 2017.

⁽⁴⁾ Appointed as Director on the Board of the Company with effect from July 14, 2017.

⁽⁵⁾ Ceased to be a Director of the Company with effect from July 14, 2017.

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

Mr. Sunil Prabhune is the Manager of the Company and functions under the supervision and control of the Board of Directors.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Committees have oversight of operational issues assigned to them by the Board. The 4 (four) core committees constituted by the Board under the Companies Act, 2013 ("the Act") are:

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

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

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

1) Audit Committee ("AC")

Terms of reference:

The role of the AC includes the following:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

- ii. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- iii. Examining the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and other related matters;
- ix. Functioning of the Vigil Mechanism Framework of the Company;
- x. Full access to information contained in the records of the Company and external professional advice;
- xi. Investigation of any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- xii. 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;
- xiii. Recommendation of appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- xiv. Discussion with the auditors periodically on internal control systems, scope of audit including observations of the auditors and review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;
- xv. 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.
- xvi. Recommend on financial management including audit report which shall be binding on the Board;
- xvii. Investigation 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;

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

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

Composition:

The AC has been set up pursuant to the provisions of Section 177 of the Act, as well as the RBI directions for Non-Banking Financial Companies ("NBFCs"). The AC on March 31, 2018 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. P. V. Bhide	Chairperson	ID
Dr. (Mrs.) Rajani R. Gupte	Member	ID
Mr. Dinanath Dubhashi	Member	NED

Meetings and attendance:

The AC met 7 (seven) times, i.e. on May 2, 2017, June 9, 2017, July 24, 2017, October 24, 2017, December 13, 2017, January 23, 2018 and March 20, 2018. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of Directors/ year	No. of Meetings attended
Mr. P. V. Bhide	7	7
Dr. (Mrs.) Rajani R. Gupte	7	7
Mr. Dinanath Dubhashi	7	6

2) Nomination and Remuneration Committee ("NRC")

Terms of reference:

The role of the NRC includes the following:

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

- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- iii. Ensure that:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of 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.
- iv. Ensure fit and proper status of existing/proposed reference directors by obtaining necessary information and declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors;
- v. Undertake process of due diligence at the time of initial appointment and also prior to reappointment;
- vi. Decide based on the information provided in the declaration, the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person/authority to ensure their compliance with the requirements indicated;
- vii. Obtain annual declaration confirming that the information already provided had not undergone change and if there is any change requisite details would be furnished by the directors forthwith;
- viii. Focus on evaluating senior level employees their remuneration, promotion etc.

Composition:

The Company has constituted the NRC in accordance with the requirements of the Act read with the rules made thereunder. The Committee has formulated a policy on fit and proper criteria for Directors' appointment and policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The NRC as on March 31, 2018 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Mannil Venugopalan	Chairperson	ID
Dr. (Mrs.) Rajani R. Gupte	Member	ID
Mr. Dinanath Dubhashi	Member	NED

Meetings and attendance:

The NRC met 2 (two) times i.e. on May 2, 2017 and October 24, 2017. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of Directors/ year	No. of Meetings attended
Mr. Mannil Venugopalan	2	2
Dr. (Mrs.) Rajani R. Gupte	2	2
Mr. Y. M. Deosthalee ⁽¹⁾	1	1
Mr. Dinanath Dubhashi	2	2

Note:

⁽¹⁾ Ceased to be a Member with effect from May 31, 2017.

3) Corporate Social Responsibility ("CSR") Committee

Terms of reference:

The role of CSR includes the following:

- i. Formulation of CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and recommendation of the same to the Board;
- ii. Determine the amount to be spent on CSR from time to time and recommend the same to the Board;
- iii. Monitoring the CSR Policy of the Company from time to time.

Composition:

The CSR as on March 31, 2018 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. (Mrs.) Rajani R. Gupte ⁽¹⁾	Chairperson	ID
Mr. Mannil. Venugopalan	Member	ID
Mr. Dinanath Dubhashi	Member	NED

Note:

⁽¹⁾ Appointed as Member with effect from July 14, 2017.

Meetings and attendance:

The CSR Committee met 2 (two) times i.e. on May 2, 2017 and July 24, 2017. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/ conducted during the tenure of Directors/ year	No. of Meetings attended
Mr. Y. M. Deosthalee ⁽¹⁾	1	1
Mr. Mannil. Venugopalan	2	2
Mr. Dinanath Dubhashi	2	2
Dr. (Mrs.) Rajani R. Gupte ⁽²⁾	1	1

Notes:

⁽¹⁾ Ceased to be a Member with effect from May 31, 2017.

⁽²⁾ Appointed as Member with effect from July 14, 2017.

4) Stakeholders Relationship Committee ("SRC"):

Terms of reference:

The role of the Committee inter-alia is to consider and resolve the grievances of the debenture holders and any other security holders from time to time.

Composition:

The SRC as on March 31, 2018 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dinanath Dubhashi	Chairperson	NED
Mr. Sunil Prabhune	Member	-
Mr. Sachinn Joshi	Member	-

Meetings and attendance:

The Committee met once during the year i.e. on January 19, 2018. The attendance of members at the meetings was as follows:

Name of the Director / Member	No. of Meetings held/conducted during the tenure of Directors/ year	No. of Meetings attended
Mr. Dinanath Dubhashi	1	1
Mr. Sunil Prabhune	1	1
Mr. Sachinn Joshi	1	1

5) Committee of Directors ("COD"):

Terms of reference:

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

Composition:

The COD as on March 31, 2018 comprises the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dinanath Dubhashi	Member	NED
Mr. Prabhakar B. ⁽¹⁾	Member	NED
Mr. Ashish Kotecha ⁽²⁾	Member	NED

Notes:

⁽¹⁾ Appointed as Member with effect from July 24, 2017.

⁽²⁾ Appointed as Member with effect from July 24, 2017.

Meetings and attendance:

The Committee met 10 (Ten) times i.e. on April 7, 2017, April 10, 2017, April 24, 2017, April 25, 2017, May 17, 2017, June 15, 2017, September 26, 2017, January 30, 2018, February 27, 2018 and March 27, 2018. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held/conducted during the tenure of Directors/ year	No. of Meetings attended
Mr. Dinanath Dubhashi	10	10
Mr. Y.M. Deosthalee ⁽¹⁾	5	4
Mr. Prabhakar B. ⁽²⁾	4	2
Mr. Ashish Kotecha ⁽³⁾	4	2
Mr. Pavninder Singh ⁽⁴⁾	6	4

Notes:

⁽¹⁾ Ceased to be a Member with effect from May 31, 2017.

⁽²⁾ Appointed as Member with effect from July 24, 2017.

⁽³⁾ Appointed as Member with effect from July 24, 2017.

⁽⁴⁾ Ceased to be a Member with effect from July 14, 2017.

MEETING OF INDEPENDENT DIRECTORS:

Section 149(8) of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met twice during the year i.e. on May 2, 2017 and October 24, 2017, pursuant to the provisions of the Act.

REMUNERATION OF DIRECTORS

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

REMUNERATION TABLE

The details of remuneration paid to the Directors for the year ended March 31, 2018 are as follows:

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings/ Independent Director Meetings	Sitting fees for Committee Meetings	Commission	Total
Mr. P. V. Bhide	2,40,000	2,40,000	12,85,000	17,65,000
Mr. Mannil Venugopalan	2,40,000	1,00,000	11,75,000	15,15,000
Dr. (Mrs.) Rajani R. Gupte	2,40,000	3,20,000	14,90,000	20,50,000
Mr. Desh Raj Dogra ⁽¹⁾	2,00,000	-	5,80,000	7,80,000
Mr. Pavninder Singh ⁽²⁾	20,000	-	1,45,000	1,65,000
Mr. Prabhakar B.	1,80,000	-	9,45,000	11,25,000
Mr. Ashish Kotecha ⁽³⁾	1,60,000	-	6,90,000	8,50,000

⁽¹⁾ Appointed as a Director on the Board of the Company with effect from July 24, 2017.

⁽²⁾ Ceased to be a Director with effect from July 14, 2017.

⁽³⁾ Appointed as a Director on the Board of the Company with effect from July 14, 2017.

NUMBER OF COMPANIES IN WHICH AN INDIVIDUAL MAY BECOME A DIRECTOR

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

RESPONSIBILITIES OF THE BOARD

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

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

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

DISCLOSURES

During the financial year ended March 31, 2018:

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

applicable to it and accordingly, it is in compliance with all relevant and applicable provisions of Companies Act, 2013.

DEBENTURE TRUSTEE

The debenture trustees of the Company are:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17,

R. Kamani Marg, Ballard Estate, Mumbai – 400 001.

Tel: +91 020 2528 0081

Fax: +91 020 2528 0275

E-mail: itsl@idbitrustee.com

Website: <http://www.idbitrustee.com>

Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited)

GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038.

Tel: +91 020 2528 0081

Fax: +91 020 2528 0275

E-mail: dt@ctltrustee.com

Website: www.catalysttrustee.com

MEANS OF COMMUNICATION

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

Place: Mumbai

Date: May 2, 2018

ANNUAL REPORT 2017-18 - ANNEXURE B TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2018

[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 FINANCE LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T FINANCE 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, 2018, 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable:-**
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, (Prohibition of Insider Trading) Regulations, 2015;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently (Share Based Employee Benefits) Regulations, 2014;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other specific business/industry related laws that are applicable to the company, viz.
 - **NBFC** – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** and the Listing Agreements entered into by the Company with Stock Exchange(s), if applicable -
 - **Uniform Listing Agreement with 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 constituted with 3 Non-Executive Directors, and 4 Independent Directors. The Independent Directors are more than 50% of the required Board strength. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that, I was informed 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 of Non-Convertible Debentures, Series A to Series W, aggregating Rs.5582.50 Crore, on private placement basis.**
 - **Allotment of 159,09,09,05 Equity Shares on Rights Basis to L&T Finance Holdings Limited.**
 - **Subscription/Acquisition of 55,19,624 Equity Shares of L&T Infra Debt Fund Limited.**
- (ii) Redemption/buy-back of securities.-
 - **Non-Convertible Debentures redeemed during FY 2017-18 is Rs. 2804 Crore and buyback is Rs.2.49 Crore.**
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013-
 - **Revision in overall Borrowing powers of the Company not exceeding Rs.36,000 Crore, at the Extraordinary General Meeting held on April 4, 2017, pursuant to Section 180(1) (c) and creation of charge thereon, pursuant to Section 180(1)(a), respectively, of Companies Act, 2013.**

- **Revision in Borrowing limits of the Company from Rs.36,000 Crore to Rs.50,000 Crore at the Extra-Ordinary General Meeting held on January 29, 2018, pursuant to Section 180(1) (c) and creation of charge thereon, pursuant to Section 180(1)(a), respectively, of Companies Act, 2013.**
- (iv) Merger / amalgamation / reconstruction, etc. – **NIL**.
- (v) Foreign technical collaborations – **NIL**.

Place: Mumbai

Date: April 19, 2018

NAINA R DESAI

Practicing Company Secretary

Membership No. 1351

Certificate of Practice No.13365

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

Annexure 1

To,

The Members

L&T FINANCE 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.

Place: Mumbai

Date: April 19, 2018

NAINA R DESAI

Practicing Company Secretary

Membership No. 1351

Certificate of Practice No.13365

ANNUAL REPORT 2017-18 - ANNEXURE C TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES

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

Sr. No.	Particulars	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year. ⁽¹⁾	Not Applicable	
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. ⁽¹⁾	Manager - 10% Chief Financial Officer (Head - Accounts) - 5% Company Secretary - 10%	
3	The percentage increase in the median remuneration of employees in the financial year.	3.50%	
4	The number of permanent employees on the rolls of company.	10,812 employees	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification ⁽²⁾ thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel	Managerial Personnel
		9.90%	10.00%
6	Affirmation that the remuneration is as per remuneration policy of the Company.	We affirm that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.	

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

⁽²⁾ Increase in remuneration after taking into consideration performance of an individual and the Company.

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: May 2, 2018

ANNUAL REPORT 2017-18 - ANNEXURE D TO BOARD'S REPORT

Form AOC-1

(Statement pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries, associate companies and joint ventures

Part A: Subsidiaries: Not Applicable

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures

Name of Associates	Grameen Capital India Private Limited	L&T Infra Debt Fund Limited
1. Latest audited Balance Sheet Date	March 31,2017	March 31,2018
2. Date on which the Associate or Joint Venture was associated or acquired	-	-
3. Shares of associates held by the company as at March 31,2018		
Number of Shares	21,26,000	13,86,52,953
Amount of investment in Associates (₹ Lakh)	212.60	17,650.44
Extent of Holding %	26 % of shareholding	28.29% of shareholding
4. Holding%/ Description of significant influence	26 % of shareholding	28.29% of shareholding
5. Reason of non consolidation of the associate	Not Applicable	Not Applicable
6. Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ Lakh)	Not Applicable	25,760.78
7. Profit/ Loss for the year 2017-18		
i. Considered in Consolidation (₹ Lakh)	-	4,232.93
ii. Not Considered in Consolidation (₹ Lakh)	-	-

Names of associates or joint ventures which are yet to commence operations - NIL

Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors

Dinanath Dubhashi

Chairperson
(DIN: 03545900)

Amol Joshi
Head - Accounts

Amit Bhandari
Company Secretary

Place: Mumbai

Date: May 2, 2018

ANNUAL REPORT 2017-18 - ANNEXURE E TO BOARD'S REPORT

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 ("the Act") and Rule 9 of the Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

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

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

2) **Composition of CSR Committee:**

The Composition of CSR is disclosed in the Corporate Governance Report.

3) **Average Net Profit of the Company for the last three financial years is ₹ 8,820.71 Lakh.**

4) **Prescribed CSR Expenditure and details of CSR spend :**

Particulars	(₹ in Lakh)
Prescribed CSR Expenditure	176.41
Amount spent as CSR	182.70
Amount unspent	-

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

(₹ in Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or program coverage	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs. sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	Promotion of Art and Culture	v) Protecting art and culture	State: Maharashtra District: Mumbai, Pune, Nagpur, State: West Bengal District: Kolkata, State: Gujarat District: Ahmedabad, Surat, State: Rajasthan District: Jaipur State: New Delhi State: Tamil Nadu District: Chennai	55.40	a) 55.40 b) -	55.40	Indirect**
2	Healthcare Access to health services and breast cancer screening	i) reducing child mortality and improving maternal health; combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	State: Maharashtra District: Nagpur	58.38	a) 58.38 b) -	58.38	Indirect**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or program coverage	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs. sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
3	Bharat ke Veer	vi) Measures for the benefit of armed forces veterans war widows and their dependents	-	25	a) 25 b) -	25	Direct*
4	Gujarat Relief Fund	(viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments	State: Gujarat	34.21	a) 40.50 b) -	40.50	Direct*
5	CSR Administration, NGO capacity building	Capacity building	State: Maharashtra District: Mumbai, Pune, Nagpur, State: West Bengal District: Kolkata, State: Gujarat District: Ahmedabad, Surat, State: Rajasthan District: Jaipur State: New Delhi State: Tamil Nadu District: Chennai	3.42	a) 3.42 b) -	3.42	Direct*
Total CSR Spend in FY 2017-18				176.41	182.70	182.70	

Note:

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

*Indirect** = CSR activities/ projects have been carried out by partnering with several Non-Governmental Organisations/ Charitable Institutions such as Kalasangam Charitable trust, Pandit Deendayal Upadhyay Institute of Medical Research & Human Resources (DDU).*

6) Responsibility Statement:

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

Dr. (Mrs) Rajani R. Gupte
Chairperson
CSR Committee
DIN: 03172965

Dinanath Dubhashi
Director
DIN: 03545900

Place: Mumbai

Date: May 2, 2018

ANNUAL REPORT 2017-18 - ANNEXURE F TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U65910WB1993FLC060810
ii)	Registration Date	November 24, 1993
iii)	Name of the Company	L & T Finance Limited (erstwhile Family Credit Limited)
iv)	Category/Sub-category of the Company	Company Limited by Shares/Indian Non- Government Company
v)	Address of the Registered office & contact details	Technopolis, 7th Floor, A Wing, Plot No.4, Block-BP, Sec-V, Salt Lake, Kolkata – 700091. Tel: +91 22 6212 5000 Fax: +91 22 6621 7509 E-mail: contact@ltfs.com Website: www.ltfs.com
vi)	Whether listed company	Yes (Debt Listed)
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400 083. Maharashtra, India. Tel: +91 22 4918 6262 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Non-Banking Finance Company (NBFC)	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & address of the Companies	CIN/GLN	Holding/ subsidiary/ associate	% of Shares held	Applicable section
1	L&T Finance Holdings Limited Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai- 400 098	L67120MH2008PLC181833	Holding Company	100	2(46)
2	L&T Infra Debt Fund Limited Plot No 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East), Mumbai – 400 098	L67100MH2013PLC241104	Associate Company	28.29%	2(6)
3	Grameen Capital India Private Limited 402, 36 Turner Road, Bandra (West), Mumbai – 400 050	U65923MH2007PTC168721	Associate Company	26%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity)

(i) Category – wise Share Holding :-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	7*	7*	0	-	7*	7*	0	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	1,44,00,47,287	-	1,44,00,47,287	100	1,59,91,38,192	-	1,59,91,38,192	100	-	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A)(1)	1,44,00,47,287	7*	1,44,00,47,294	100	1,59,91,38,192	7*	1,59,91,38,199	100	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals										
b) Other Individuals										
c) Bodies Corporate										
d) Banks/Fl										
e) Any other										
SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,44,00,47,287	7*	1,44,00,47,294	100	1,59,91,38,192	7*	1,59,91,38,199	100	-	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds										
b) Banks/Fl										
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIs										
h) Foreign Venture Capital Fund										
i) Others (specify)										
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,44,00,47,287	7*	1,44,00,47,294	100	1,59,91,38,192	7*	1,59,91,38,199	100	-	-

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 Members jointly with L&T Finance Holdings Limited.

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on April 1, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	L&T Finance Holdings Limited	1,44,00,47,294	100	-	1,59,91,38,199	100	-	-
	Total	1,44,00,47,294*	100	-	1,59,91,38,199*	100	-	-

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 Members jointly with L&T Finance Holdings Limited.

(iii) Change In Promoters' Shareholding

Sr. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
			No. of Shares	% of total shares of the companies	No. of shares	% of total shares of the companies
1	L&T Finance Holdings Limited					
	At the beginning of the year	April 1, 2017	1,44,00,47,294*	100	-	-
	Rights Issue	January 30, 2018	4,54,54,545	3.06	1,48,55,01,839	100
		March 27, 2018	11,36,36,360	7.11	1,59,91,38,199	100
	At the end of the year	March 31, 2018	-	-	1,59,91,38,199	100

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 Members jointly with L&T Finance Holdings Limited.

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

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

Sr. No.	Name of Director/KMP	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Dinanath Dubhashi					
	At the beginning of the year	April 1, 2017	1*	-	-	-
	At the end of the year	March 31, 2018	-	-	1*	-
2	Mr. Sunil Prabhune					
	At the beginning of the year	April 1, 2017	1*	-	-	-
	At the end of the year	March 31, 2018	-	-	1*	-

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares held by 7 Members jointly with L&T Finance Holdings Limited.

V. INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,487,077.07	1,295,893.18	-	2,782,970.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	52,345.60	2,570.57	-	54,916.17
Total (i+ii+iii)	1,539,422.67	1,298,463.75	-	2,837,886.42
Change in Indebtedness during the financial year				
• Additions	4,982,822.47	16,781,383.68	-	21,764,206.14
• Reduction	4,216,572.12	16,854,424.18	-	21,070,996.31
Net Change	766250.35	(73040.50)	-	693209.85
Indebtedness at the end of the financial year				
i) Principal Amount	2,253,327.41	1,222,852.68	-	3,476,180.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	66,618.36	3,581.89	-	70,200.25
Total (i+ii+iii)	2,319,945.77	1,226,434.57	-	3,546,380.34

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
		Mr. Sunil Prabhune (Manager)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1,98,26,796
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 ⁽¹⁾	6,14,72,123
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others (specify)	-
5	Others, please specify	-
Total (A)		8,12,98,919
Ceiling as per the Act		₹ 2,171.81 Lakh (being 5% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

⁽¹⁾ Includes perquisite on ESOPs exercised during the year.

B. Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Name of the Directors							Total Amount
	Independent Directors				Non Executive Directors			
	Mr. P. V. Bhide	Mr. D. R. Dogra ⁽¹⁾	Mr. Mannil Venugopalan	Dr (Mrs). Rajani R. Gupte	Mr. Prabhakar B.	Mr. Ashish Kotecha ⁽²⁾	Mr. Pavninder Singh ⁽³⁾	
(a) Fee for attending Board and Committee meetings/ Independent Director meetings	4,80,000	2,00,000	3,40,000	5,60,000	1,80,000	1,60,000	20,000	19,40,000
(b) Commission	12,85,000	5,80,000	11,75,000	14,90,000	9,45,000	6,90,000	1,45,000	63,10,000
(c) Others, please specify								
Total (B)	17,65,000	7,80,000	15,15,000	20,50,000	11,25,000	8,50,000	1,65,000	82,50,000
Total Managerial Remuneration								8,95,48,919
Overall Ceiling as per the Act	₹ 4,777.98 Lakh (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

⁽¹⁾ Appointed as a Director with effect from July 24, 2017.

⁽²⁾ Appointed as a Director with effect from July 14, 2017.

⁽³⁾ Ceased to be a Director with effect from July 24, 2017.

B. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel		Total Amount
		Mr. Amol Joshi ⁽¹⁾ (CFO)	Mr. Amit Bhandari (CS)	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	89,56,212	17,92,708	1,07,48,920
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961 ⁽²⁾	18,12,250	5,539	18,17,789
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
Total		1,07,68,462	17,98,247	1,25,66,709

⁽¹⁾ Appointed as Head-Accounts to discharge the functions of CFO.⁽²⁾ Includes perquisite on ESOPs exercised during the year.**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE****For and on behalf of the Board of Directors**

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: May 2, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC REVIEW

India is projected to be world's fastest growing economy for the rest of the decade, according to the projections from the World Bank and the International Monetary Fund. The nation posted a healthy GDP growth of 6.6% in FY18 even as it was in the process of recovering from temporary disruptions related to the currency exchange initiative (demonetisation) and the roll-out of the new Goods & Services Tax (GST). In recent years, India has been attracting the attention of global investors, thanks to its stable political climate and a reform-oriented government. During FY18, India witnessed a sovereign ratings upgrade by Moody's Investors Service after a 14-year hiatus. The country's ranking was moved up by 30 spots to the 100th rank on the World Bank's Ease of Doing Business rankings.

Factors that aided India's growth during FY18 have been the improved resilience of agriculture, a higher growth momentum in select industries (such as basic metals, electronics, transport equipment and food products) and steady growth in services such as trade, hotels, transport & communications and construction activities. Increased Government expenditure on infrastructure, especially roads have also been supportive of growth. In the past 3-4 years, Non-Banking Financial Companies (NBFCs) have also played a critical role in stimulating India's economic growth as bank credit flows have steadily slowed in the wake of continued asset quality stresses.

OUTLOOK FOR FY19

Multilateral organisations as well as domestic policy-making bodies and think-tanks, remain optimistic over India's growth prospects for FY19. Majority of the forecasters expect India's economic growth in FY19 to rise further to 7.4-7.5%, on the back of robust private consumption, supportive fiscal policy and benefits from past reforms. Additionally, India's weather department has predicted a normal monsoon in 2018, which is likely to support the ongoing momentum in the rural and agricultural belts. The Central Government's continued thrust on rural and infrastructure sectors is expected to provide an additional impetus to growth in FY19.

However, there remain a few headwinds too. While the overall investment spending has shown some signs of revival, a more broad-based and sustained recovery in private investment remains a critical challenge. Surging crude oil prices, tightening of global financial conditions and increasing geopolitical tensions define the major downside risks to India's growth in FY19. While both inflation and interest rates would trend higher in FY19 compared to that in FY18, deleveraging of distressed corporates and rebuilding of bank's balance sheets remain the key challenges for policymakers.

POSSIBLE THREATS

First, the rapidly rising and sustained level of global crude oil prices can significantly impact India's macro stability indicators and force macro-economic policies to become much tighter. This would pose a threat to India's potential economic recovery.

Other threats could be in the form of political uncertainties in the run-up to the General Elections in 2019, uneven monsoon distribution and fiscal slippage concerns. These have the potential to adversely influence economic growth and challenge macro-economic stability.

The NBFC sector may face tough challenges during FY19 due to an upsurge in borrowing costs, driven by elevated bond yields, inadequate availability of bank finance, increased competition and limited levers for margin expansion.

BUSINESS PERFORMANCE

Your Company's strength in Rural Finance lies in the use of cutting edge technology and deep analytical skills to increase market penetration, improve portfolio quality and most importantly help in timely detection of early warning signals.

1. Farm Equipment Finance

In FY18, the tractor industry grew by 22% to a record high of ₹ 7.11 Lakh tractors sold in the year. With expectations of a normal monsoon and other determinants of farmers' cash flows such as reservoir storage, extent of irrigated area, area under sowing, minimum support prices staying positive, the industry is expected to record ~10% growth in FY19. This is expected to be backed by possible increase of liquidity in the rural economy with loan waivers and other farmer friendly measures by the Government.

Continuing on the upward trajectory, your Company increased its market share from 6.8% to 12.5% in FY18. Your Company displayed healthy growth in disbursements by 107% and book by 28% over the previous year. This growth has been achieved on the basis of improved collections with absolute reduction in Non-Performing Assets (NPAs) by ₹ 344 crs. over the year. In the coming year, your Company expects to build on these gains further and capture greater market share while improving its portfolio quality through better collections.

Competitive Advantages

- Differentiated value proposition for preferred OEMs and top dealers

- Analytics driven target allocation based on the portfolio performance
- Extensive focus on early bucket collection to maintain portfolio quality
- Best in class TAT proposition to customers and dealers on decisioning and disbursement
- Constant recalibration in sourcing and collection scorecard to stay ahead of competition
- Early intervention in collections through the use of analytics to enhance portfolio quality

Future Strategy

- Create a portfolio with optimum mix of preferred OEMs and geographies
- Build on allied business – refinance, certified used and implements in order to provide a comprehensive product suite to our customers
- Roll out digital proposition to improve service levels further

2. Two-Wheeler Finance

During FY18, the two wheeler industry grew by 15% to 2.06 crs. units of two wheelers sold in the market. With increased urbanisation and sustained focus on road infrastructure developments, the market is expected to get a fillip. Increasing fuel prices should also drive consumers towards two-wheelers over the coming year. The industry is expected to report a growth of ~12% in the coming year with sustained performance from both motorcycles and scooters. The scooter industry which has been consistently outpacing the growth over the motorcycle industry is expected to outperform the market.

Through rigorous execution of digital proposition on the ground and domain expertise, your Company has been able to increase its market share from 5.9% to 8.2%. With this clear strategy in place, your Company has grown the business by 70% and book by 57% through increased penetration in the identified branches. With the implementation of 100% automated credit decisioning, your Company has been able to improve collection efficiencies and reduce NPA.

Competitive Advantages

- Best in industry TAT and technology for customer selection and on-boarding
- Effective use and implementation of data analytics along the customer life cycle
- Ability to execute strategy on ground with required scale-up

Future Strategy

- Creating leadership position with quality portfolio in existing and new geographies

3. Micro Loans

The micro loans industry witnessed a change post demonetisation with some of the players having slowed down on account of high delinquencies, while those awarded the SFB license have tended to focus more on deposits. The industry has grown by ~ 25% over the previous year, with the Industry recovering from the effects of demonetisation. The market is expected to sustain growth levels over the coming year.

Your Company has been able to increase disbursements by 105% and book by 113% during the year. This was on the back of increasing penetration in existing geographies and opening of new geographies in existing states and new states such as Bihar, Assam and Tripura. New geographies entered into in the previous year have contributed 37% to the business during the last quarter. Increase in business has been achieved with improved collections efforts and reduction in debtors YOY. This has resulted in its regular collections efficiency being brought back to pre-demonetisation levels.

In the current year, your Company will continue to focus on expansion in selected geographies and increase business while maintaining and enhancing its portfolio quality.

Competitive Advantages

- Deep market penetration and rural presence across geographies
- Risk mitigation through various market and credit checks
- Robust early warning systems with triggers in place to maintain delinquencies
- Extensive use of analytics across customer life cycle

Future Strategy

- Introduction of digital initiatives to ensure best TAT in the industry
- Retention of customer base with a holistic association approach
- Constant strengthening of risk framework

RISK MANAGEMENT

The organization has built a strong culture of managing risk in a structured manner. Risk appetite statement is

the governing document for effective management of risk within the organization which cascades down to the business units through robust risk processes. The risk appetite statement act as a governing framework to front line to facilitate trade-offs between risk, value and growth. It helps in effective risk-return management while providing greater clarity and autonomy to businesses. The framework focuses attention on the key areas of risks facing the organization such as credit, market and operational risks.

Your Company has well laid down portfolio concentration limits. These are reviewed on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk to any particular business segment / industry / group / borrower. Further, there are clear sets of identified risk hotspots which are closely monitored to identify any early signs of weakness.

1. Credit Risk

With the objective of growing fearlessly in the segments in which your Company is operating, target markets are clearly identified and understood with scoping of opportunity, given the competitive landscape. Your Company has defined strong credit underwriting standards, at micro and macro levels to determine the acceptable risk appetite, while building up the business portfolios. The portfolio is reviewed on a quarterly basis to ensure that overall behavior of the portfolio remains intact. Your Company has also defined product pricing algorithm which helps to price the risk appropriately.

2. Early Warning Signals

The Early Warning Signals (EWS) emanating from monitoring of pre-determined metrics relating to the behavior of customers with your Company as well as with other lenders such as the operational & financial performance of customers, portfolio trend of industry peers and operational risk events are in the nature of triggers with specific pre-decided action points attached to them. These signals are designed to help in predicting potential stress for the borrowers or portfolio much ahead of actual delinquency with your Company. Specific early warning signals have been selected based on the nuances of each of the products of your Company. In addition to these triggers, flags emanating from government action as well as macro-economic trends are also important early warning signals.

3. Market Risk

In case of market risk, there are various limits such as portfolio stop loss limit, portfolio PV01 limit as

well as alarm limits for early monitoring. This helps in taking corrective steps based on the market situation prevailing at that point of time. This risk is overseen on a day-to-day basis by treasury strategy team under the overall supervision of ALCO. The Company has rolled out a liquidity buffer management policy to tie up any liquidity risk arising out of unforeseen market scenarios. The liquidity buffer will provide adequate cushion to take care of 30 days of stressed liquidity market conditions despite the fact that creating such buffer has a downside impact on the overall ROE.

4. Operational Risk

Operational risk is inherent to processes and systems and a dedicated team monitors operational risks and incidents, including the robustness of various processes, systems and information security related matters. Your Company has put in place a process to identify / mitigate various risks across all entities and document standard operating procedures. These are periodically reviewed to ensure that the key risks and controls across your Company are well identified. Operational processes have been streamlined with critical processes being centralised to ensure consistency, control and oversight.

5. IT Security Risk

Cyber security is integrated in the IT security policies and procedures to mitigate the risk. The IT Infrastructure has multiple layer of security with in depth defense by design. The Company has perimeter security devices like firewalls, intrusion prevention system to detect and stop the threats stemming from internet. Your Company proactively monitors the critical applications and systems for any suspicious activity and anomaly. Employee security awareness training and regular security audits are also conducted to check the effectiveness of security controls.

L&T Finance Holdings Limited, the holding Company, was awarded the 'Golden Peacock Award for Risk Management 2017' for robust risk management processes. This prestigious award is being given annually by the Institute of Directors, New Delhi for over 25 years as recognition of high standards in various domains.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details of Internal control systems and their adequacy, refer Board's Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

HUMAN RESOURCES

LTFS 2.0 has a clear goal – to create shareholder value by achieving top quartile ROE. To achieve this, your Company has adopted the strategy of maximising earnings and growth, with minimum volatility.

The Human Resources function plays a pivotal role in this transformation journey by ensuring organisational efficiency and promoting the right culture. To sustain growth, your Company is investing in building its talent pool by developing skills internally and attracting the best talent in the industry. As on March 31, 2018, your Company had a total workforce of 10,812 employees.

1. A Culture of 'Results not Reasons'

After another year of delivering excellent results, the Company is constantly working towards strengthening its foothold in each business and striving to reach a dominant position. Achieving these results was no mean feat, but your Company succeeded because of its strong core values and the inculcation of a culture of 'Results not Reasons' which lent a razor sharp focus to meet its goals.

A culture of 'Results not Reasons', which has been a hallmark of LTFS 2.0 transformational journey, has been instrumental in achieving success in FY18 despite many challenging conditions.

The Company's values of Pride, Integrity, Discipline and Ambition underlie all its actions and have been prevalent in all its endeavors. In order to ensure internalisation of its core values, your Company takes all efforts to clearly communicate its intent and strategy to all its employees. All its rewards and recognition programs have been aligned to the values and the culture of results.

2. Scalability

The Company continuously evaluates and optimises the structures in line with the business priorities. The Human Resources department worked in tandem with the business to ensure that there were "Right People" to meet the growth ambition. Your Company had significant growth ambition which

called for new geographic expansion as well as same geography growth. Your Company is focused not only on acquiring talent, but also in laying significant importance to the induction process through programs such as "Parichay" – a frontline induction initiative.

To drive growth, it is imperative that the Company should not only be able to attract the best fit talent, but should also integrate and align the workforce in pursuit of organisation goals. A workforce with the right culture and values, aligned to the Company's strategy and vision is a competitive advantage and will help its success to become sustainable.

3. Capability Building

Another important agenda was to augment capability levels at the middle and senior management. For building leaders of tomorrow, the Company continues to give cross-functional exposure through various projects and internal job postings. World class faculty for the senior management is invited to facilitate discussions on business practices and issues. The Company organises individual level coaching with experienced business practitioners for the leadership. An intensive Transformational Leadership development program has been put in place. This aims to define the values and beliefs expected from the leaders, providing a shared view of the capabilities vital to leading employees and ensuring business success.

4. Driving Productivity

The ultimate metric for success is continuous improvement in productivity. The Company takes pride in calling itself a "performance driven" organisation. In order to promote meritocracy and clarity, in terms of execution, achievement against targets till the last person on ground, is reviewed on an ongoing basis. The defined learning and development journey supports the employees through different career stages in the Company. A rewards & recognition mechanism is ensured across the Company to keep the morale high and appreciate the efforts of a competitive and talented workforce. The program is aligned to performance and examines the requisite motivation and adequate differentiation based on it.

Independent Auditor's Report

To The Members of L&T FINANCE LIMITED (Erstwhile FAMILY CREDIT LIMITED)

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

Place: Mumbai

Date: May 2, 2018

Annexure 'A' To The Independent Auditor's Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

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

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)

Place: Mumbai

Date: May 2, 2018

Annexure 'B' To The Independent Auditor's Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (C) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and other relevant document provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except the following:

Particulars of the land and building	Carrying amount as at 31 Mar 2018 ₹ lakh	Remarks
Building located at Baroda	36.39	The title deeds are in the name of erstwhile Company L&T Finance Limited, which was merged with the Company in terms of the approval of the Honourable High Courts of judicature.

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ lakh	Amount unpaid ₹ lakh
The Central Sales Tax Act, 1956 and Local Sales Tax Law	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	Joint Commissioner (Appeal)	2000-01	100.71	83.21
			2004-05	111.19	104.19
			2008-09	53.76	48.39
			2010-11	98.25	68.77
			2011-12	488.67	415.45
			2012-13	495.82	429.25
		Deputy Commissioner (Appeal)	1995-96	0.40	0.32
			1996-97	5.29	4.00
			1998-99	1.07	1.07
			2000-01	0.31	0.19
			2002-03	0.40	-
			2011-12	27.69	22.15
			2012-13	4.16	3.74
		Tribunal	1996-97	9.78	9.78
			2003-04	4.78	4.27
2006-07	17.50		-		
2007-08	30.03		-		
Appellate Board	2007-08	210.19	210.19		
	2010-11	13.25	13.25		
Sr. Joint Commissioner (Appeal)	2011-12	2.99	2.99		
	2013-14	1.31	1.11		
Refusal of input tax credit (ITC)	Joint Commissioner (Appeal)	2009-10	16.77	16.77	
		2011-12	47.83	47.83	
		2012-13	21.78	19.98	
		2013-14	9.22	9.22	
Local hire purchase turnover made taxable	High Court	1999-00	7.05	7.05	
Service Tax under Finance Act, 1994	Service tax levied on receipt of interest on delayed payment	Appellate Board	2005-06 to 2011-12	90.14	90.14
			2011-12 to 2013-14	1,131.34	1,131.34

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they

were raised. The Company has not raised any funds by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees, except as disclosed in note 29.10 of the financial statements, has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For DELOITTE HASKINS & SELLS LLP

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

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)

Place: Mumbai
Date: May 2, 2018

Balance Sheet as at March 31, 2018

₹ in lakh

	Note No.	As at March 31, 2018	As at March 31, 2017
A. EQUITY AND LIABILITIES:			
1. Shareholders' funds			
Share capital	2	159,913.82	144,004.73
Reserves and surplus	3	698,761.30	543,934.16
		858,675.12	687,938.89
2. Non-current liabilities			
Long-term borrowings	4	2,121,680.51	1,531,439.66
Other long term liabilities	5	4,499.48	14,792.86
Long-term provisions	6	10,260.22	8,838.26
		2,136,440.21	1,555,070.78
3. Current liabilities			
Short-term borrowings	7	724,999.59	997,051.60
Current maturities of long-term borrowings	4	629,500.00	254,479.00
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,495.42	6,529.13
Other current liabilities	9	98,548.41	91,594.75
Short-term provisions	10	8,038.29	5,018.69
		1,470,581.71	1,354,673.17
Total equity and liabilities		4,465,697.04	3,597,682.84
B. ASSETS:			
1. Non-current assets			
Property, plant and equipment	11	7,452.79	16,025.31
Intangible assets	11	197,464.98	262,143.54
Intangible assets under development		923.47	-
Non-current investments	12	90,935.17	73,624.81
Deferred tax assets (net)	13	52,494.79	37,253.96
Long-term loans and advances	14	30,737.91	16,417.44
Long-term loans and advances towards financing activities	15	2,540,352.65	1,781,833.50
Other non-current assets	16	18,059.84	16,914.26
		2,938,421.60	2,204,212.82
2. Current assets			
Current investments	17	150,358.67	236,072.17
Trade receivables	18	912.05	1,028.77
Cash and cash equivalents	19	34,871.53	29,487.59
Short-term loans and advances	20	7,439.20	6,056.95
Short-term loans and advances towards financing activities	21	186,646.46	217,123.82
Current maturities of long term loans and advances towards financing activities	15	1,055,324.78	829,716.52
Other current assets	22	91,722.75	73,984.20
		1,527,275.44	1,393,470.02
Total assets		4,465,697.04	3,597,682.84
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	Note 2 to 29		

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

Sanjiv V. Pilgaonkar
Partner

**For and on behalf of the board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Amol Joshi
Head Accounts
(Chief Financial Officer)
Place : Mumbai
Date : May 2, 2018

Amit Bhandari
Company Secretary

Place : Mumbai
Date : May 2, 2018

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

₹ in lakh

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
A. INCOME:			
1. Revenue from operations	23	499,744.95	408,205.22
2. Other income	24	24,823.89	6,292.32
3. Total Income (1+2)		524,568.84	414,497.54
B. EXPENSES:			
Employee benefits expense	25	31,807.29	30,087.20
Finance costs	26	249,684.66	195,951.53
Depreciation and amortisation	11	69,323.65	70,766.80
Administration and other expenses	27	39,854.14	36,016.53
Provisions and Contingencies	28	90,445.63	78,833.74
4. Total expenses		481,115.37	411,655.80
5. Profit before tax (3-4)		43,453.47	2,841.74
6. Tax expense:			
Current tax		29,702.14	13,783.40
Deferred tax		(15,240.83)	(12,545.83)
Total Provision for tax		14,461.31	1,237.57
7. Profit after tax (5-6)		28,992.16	1,604.17
Earnings per equity share:	29.6		
Basic earnings per equity share (₹)		2.00	0.11
Diluted earnings per equity share (₹)		2.00	0.11
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	Note 2 to 29		

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

Sanjiv V. Pilgaonkar
Partner

**For and on behalf of the board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Amol Joshi
Head Accounts
(Chief Financial Officer)
Place : Mumbai
Date : May 2, 2018

Amit Bhandari
Company Secretary

Place : Mumbai
Date : May 2, 2018

Cash Flow Statement for the year ended March 31, 2018

₹ in lakh

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	43,453.47	2,841.74
Adjustments for:		
Depreciation and amortisation	69,323.65	70,766.80
Loss on sale of fixed assets (net)	546.53	1,467.19
Provision for gratuity	311.95	287.94
Profit on sale of investments (net)	(3,024.14)	(6,175.74)
Provision for diminution in value of investments	1,824.36	2,588.18
Loss on foreclosure of loans and bad debts write offs	49,414.79	23,764.26
Provision for non-performing assets	53,135.12	35,900.85
Provision for standard assets	(13,061.74)	16,400.22
Provision for restructured assets	(866.90)	180.23
Operating profit before working capital changes	201,057.09	148,021.67
Changes in working capital		
Adjustments for increase / (decrease) in operating liabilities		
Other non-current liabilities	(10,293.38)	(9,329.33)
Long-term provisions	(1,834.41)	-
Trade payable	2,966.29	(8,786.38)
Other current liabilities	7,285.65	(14,250.22)
Short-term provisions	188.27	(304.55)
Adjustments for (increase) / decrease in operating assets		
Long-term Loans and Advances	(5,590.46)	72.83
Other non-current assets	(1,145.58)	246.95
Trade receivables	116.72	(338.87)
Short-term Loans and advances	(1,382.25)	5,186.01
Other current assets	(17,738.55)	(1,451.93)
Cash generated from operations	173,629.39	119,066.18
Direct taxes paid (net)	(35,696.15)	(21,359.72)
Loans disbursed (net of repayments)	(1,038,126.07)	(345,637.85)
Net cash flow used in operating activities (A)	(900,192.83)	(247,931.39)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	6,508.72	2,600.75
Proceeds from sale of current investments not considered as Cash and cash equivalents	3,777,352.25	166,843.78
Proceeds from sale of non current investments	3,793.61	810.15
	3,787,654.58	170,254.68
Less : Outflow from investing activities		
Capital expenditure on fixed assets, including capital advances	4,644.60	1,613.01
Purchase of non current investments	-	-
- Associates	1,980.44	-
- Others	18,018.87	99,250.87
Purchase of current investments not considered as cash and cash equivalents	3,690,278.32	320,279.95

Cash Flow Statement for the year ended March 31, 2018

₹ in lakh

	Year ended March 31, 2018	Year ended March 31, 2017
	3,714,922.23	421,143.83
Net cash from/(used in) investing activities* (B)	72,732.35	(250,889.15)
*Net cash used in investing activities excludes investments aggregating to ₹ 2,199.41 lakh (previous year ₹ 2,718.28 lakh) acquired against claims.		
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	140,000.00	-
Proceeds from long term borrowings	11,159,921.09	6,650,681.09
Proceeds from short term borrowings	10,814,134.26	516,454.08
	22,114,055.35	7,167,135.17
Less : Outflow from financing activities		
Repayments of long term borrowings	10,194,619.20	6,641,500.06
Repayments of short term borrowings	11,086,186.27	-
Shares / Debenture issue expenses	405.46	190.23
Dividend paid (including dividend distribution tax)	-	16,890.02
	21,281,210.93	6,658,580.31
	832,844.42	508,554.86
Net cash generated from financing activities (C)	832,844.42	508,554.86
Net cash increase in cash and cash equivalents (A+B+C)	5,383.94	9,734.32
Cash and cash equivalents as at beginning of the year	29,482.30	4,426.51
Cash and cash equivalent transferred under Scheme of merger	-	15,321.47
Cash and cash equivalents as at end of the year	34,866.24	29,482.30
Reconciliation of Cash and Cash Equivalents		
Closing balance as per Balance Sheet	34,871.53	29,487.59
Less : Deposits with original maturity for more than 3 months	5.29	5.29
Cash and cash equivalents as at end of the year	34,866.24	29,482.30
Notes:		
1. See accompanying notes forming part of the financial statements		
2. Net cash used in operating activities is determined after adjusting the following:		
Interest received	486,795.66	359,663.39
Interest paid	232,282.69	203,445.92

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

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 2, 2018

**For and on behalf of the board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Amol Joshi
Head Accounts
(Chief Financial Officer)
Place : Mumbai
Date : May 2, 2018

Amit Bhandari
Company Secretary

Notes to the Financial Statements for the period ended March 31, 2018

1. Basis of accounting and preparation of financial statements and summary of significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, and the provisions of the Reserve Bank of India ('RBI') as applicable to a non banking financial company. The financial statements have been prepared under historical cost convention on an accrual basis.

The accounting policies adopted in preparation of financial statements are consistent with those used in the previous year.

1.2 Summary of significant accounting policies

1.2.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.2.2 Cash flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or

payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.3 Property, plant and equipment and Intangible Assets

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

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

Capital Work in Progress: projects under which property, plant and equipment are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development"

Notes to the Financial Statements for the period ended March 31, 2018

1.2.4 Depreciation on Property, plant and equipment and Intangible Assets

Depreciation on property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows: Computer software- 3 years, Distribution and Customer Network Rights-5 years, Goodwill-5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Particulars	Nature	Useful Life adopted (in years)	Useful Life as per Schedule II (in years)
Plant & Equipments	Operating Lease	8.84	15
Motor car	Operating Lease	6.67	8

Property, plant and equipment costing upto ₹ 5,000 individually are depreciated fully in the year of purchase.

1.2.5 Impairment of assets

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which

the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.2.6 Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are valued scrip-wise and depreciation/appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities. Provision is made for diminution other than temporary on an individual investment basis.

1.2.7 Revenue Recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.
- Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The

Notes to the Financial Statements for the period ended March 31, 2018

effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

- (c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

1.2.8 Other Income

Dividend is accounted when the right to its receipt is established.

1.2.9 Classification and provisioning of loan portfolio

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub- Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of advances where interest is not serviced, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

Provision on restructured advances/corporate debt restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on standard assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the Management, based on such identifications.

1.2.10 Retirement and other employee benefits

i) Defined-Contribution Plans

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

ii) Defined-Benefits Plans

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the period / year end are reported as expense during the year in which the employees perform services that

Notes to the Financial Statements for the period ended March 31, 2018

the benefit covers and the liabilities are reported at the undiscounted amount of the benefit after deducting amounts already paid.

Where there are restrictions on availment / encashment of such benefits or where the availment is otherwise not expected to wholly occur in the next 12 months, the liability on account of the benefits is actuarially determined using the Projected Unit Credit method.

1.2.11 Foreign Currency Transactions

- (i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.
- (ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- (iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.2.12 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

1.2.13 Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.2.14 Income Taxes

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the provision of Income Tax Act, 1961.

Deferred tax is recognised on timing differences, between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognised with regard to all deductible timing differences to the extent it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit

Notes to the Financial Statements for the period ended March 31, 2018

will be available to allow all or a part of the deferred tax asset to be utilised.

1.2.15 Provisions, Contingent liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

1.2.16 Leases

Where the company is lessee

Operating lease:

Operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Rule 7 of the Companies (Accounts) Rules, 2014. Initial direct costs incurred specifically for operating leases are recognised as expenses in the year in which they are incurred.

Where the company is lessor

Finance Lease:

Leases in which the company transfers substantially all the risks and benefits of

ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Operating Lease:

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

1.2.17 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.18 Employee Stock Option Plan

The Employees Stock Options Scheme ("the Scheme") has been established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share

Notes to the Financial Statements for the period ended March 31, 2018

of the company that vest in a graded manner. The options may be exercised within the specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

1.2.19 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.2.20 Share & Debenture Issue Expenses

Expenses incurred on issue of shares and debentures are charged-off against the

securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

1.2.21 Indirect tax input credit (Including Service tax and Goods and Service tax)

Indirect tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.2.22 Operating Cycle

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

1.2.23 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

Notes to the Financial Statements for the period ended March 31, 2018

2 Share capital

(I) Share capital authorised, issued and subscribed

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
Authorised Shares				
Equity shares of ₹ 10 each	2,664,309,610	266,430.96	2,664,309,610	266,430.96
Preference Shares of ₹ 100 each	1,000,000	1,000.00	1,000,000	1,000.00
Issued, Subscribed & Paid up shares				
Equity shares of ₹ 10 each fully paid up	1,599,138,199	1,59,913.82	1,440,047,294	144,004.73
		1,59,913.82		144,004.73

(II) Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
At the beginning of the year	1,440,047,294	1,44,004.73	204,309,610	20,430.96
Issued during the year	159,090,905	1,15,909.09	1,235,737,684	123,573.77
Outstanding at the end of the year	1,599,138,199	1,59,913.82	1,440,047,294	144,004.73

(III) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Equity Shares	As at March 31, 2018	As at March 31, 2017
	No. of Shares	No. of Shares
Fully paid up pursuant to contract(s) without payment being received in cash	1,235,737,684	1,235,737,684

(IV) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year, the company has not declared any dividend (previous year : ₹ 5.141 per equity share)

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.

(V) Shares held by holding company

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,599,138,199	159,913.82	1,440,047,294	144,004.73

Notes to the Financial Statements for the period ended March 31, 2018

(VI) Details of shareholders holding more than 5% shares in the company

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,599,138,199	100%	1,440,047,294	100%

3 Reserves & Surplus

₹ in lakh

	As at March 31, 2018	As at March 31, 2017
(I) Securities premium account		
Balance as per last financial statements	564,471.81	45,709.95
Add: Addition during the year	124,090.91	518,886.25
Less: Share issue expenses adjusted during the year	140.00	-
Less: Debenture issue expenses adjusted during the year (net of tax ₹ 91.87 lakh, previous year ₹ 65.84 lakh)	173.59	124.39
Closing Balance	688,249.13	564,471.81
(II) Debenture redemption reserve		
Balance as per last financial statements	7,521.89	-
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	10,212.16
Add: Transferred from surplus in the statement of profit and loss	2,309.66	-
Less: Transferred to general reserve	24.29	-
Less: Transferred to amalgamation adjustment account	45.88	2,690.27
Closing Balance	9,761.38	7,521.89
(III) Reserve u/s 45-IC of RBI Act, 1934		
Balance as per last financial statements	52,641.73	6,872.10
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	45,448.80
Add: Transferred from surplus in the statement of profit and loss	5,798.43	320.83
Closing balance	58,440.16	52,641.73
(IV) Capital redemption reserve		
Balance as per last financial statements	320.00	320.00
Closing balance	320.00	320.00
(V) General reserves		
Balance as per last financial statements	-	-
Add: Transferred from debenture redemption reserve	24.29	-
Closing balance	24.29	-
(VI) Reserve u/s 36(1)(viii) of Income tax Act		
Balance as per last financial statements	881.45	-

Notes to the Financial Statements for the period ended March 31, 2018

3 Reserves & Surplus

₹ in lakh

	As at March 31, 2018	As at March 31, 2017
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	881.45
Add: Transferred from surplus in the statement of profit and loss	1,475.45	-
Closing balance	2,356.90	881.45
(VII) Amalgamation adjustment reserve		
Balance as per last financial statements	(53,852.14)	-
Add : Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	(56,542.41)
Add : Transferred from debenture redemption reserve	45.88	2,690.27
Closing balance	(53,806.26)	(53,852.14)
(VIII) Unamortised loss on sale of loans		
Balance as per last financial statements	(2,307.78)	-
Amortised during the year	2,307.78	(2,307.78)
Closing balance	-	(2,307.78)
(IX) Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	(25,742.80)	(10,136.12)
Add: Net profit for the year	28,992.16	1,604.17
Less : Appropriations		
Interim dividend paid during the year	-	14,033.20
Dividend distribution tax	-	2,856.82
Transfer to debenture redemption reserve	2,309.66	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	1,475.45	-
Unamortised write down on Investment	250.12	-
Transfer to reserve u/s 45-IC of RBI Act, 1934	5,798.43	320.83
Net surplus in the Statement of Profit and Loss	(6,584.30)	(25,742.80)
Total reserves and surplus	698,761.30	543,934.16

4 Long-term borrowings

₹ in lakh

	As at March 31, 2018		As at March 31, 2017	
	Non current portion	Current maturities	Non current portion	Current maturities
(I) Secured				
Redeemable non convertible debentures (refer note 4(a))	821,007.62	159,675.00	480,181.99	215,425.00
Term loans				
- From banks (refer note 4(b))	531,866.67	353,225.00	404,757.67	18,584.00
- Foreign currency loan	10,106.22	-	-	12,970.00
Line of Credit (refer note 4(c))	170,000.00	-	190,000.00	-

Notes to the Financial Statements for the period ended March 31, 2018

4 Long-term borrowings

	As at March 31, 2018		As at March 31, 2017	
	Non current portion	Current maturities	Non current portion	Current maturities
Working capital demand loan (refer note 4(c))	-	53,600.00	2,000.00	-
Total I	1,532,980.51	566,500.00	1,076,939.66	246,979.00
(II) Unsecured				
Redeemable non convertible debentures (refer note 4(a))	84,000.00	-	84,000.00	7,500.00
Perpetual debt (refer note 4(a))	25,000.00	-	25,000.00	-
Line of Credit (refer note 4(c))	479,700.00	-	345,500.00	-
Working capital demand loan (refer note 4(c))	-	63,000.00	-	-
Total II	588,700.00	63,000.00	454,500.00	7,500.00
Total Long-term borrowings (I + II)	2,121,680.51	629,500.00	1,531,439.66	254,479.00

Note:

- The Debentures are secured by way of first/second charge, having pari passu rights, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.
- Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 4 (a)

Secured Redeemable Non Convertible Debentures as on March 31, 2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A OF FY 2013-14	₹ 10 Lakh each	03-01-14	40,000.00	-	40,000.00	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	2,500.00	2,500.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	15,000.00	-	15,000.00	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	11,000.00	-	11,000.00	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	1,800.00	-	1,800.00	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	2,225.00	-	2,225.00	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	6,000.00	-	6,000.00	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	175.00	-	175.00	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2018 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	850.00	-	850.00	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	200.00	-	200.00	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	600.00	-	600.00	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	2,600.00	2,600.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	1,500.00	-	1,500.00	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	3,200.00	-	3,200.00	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	4,700.00	-	4,700.00	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	3,000.00	-	3,000.00	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	625.00	-	625.00	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	4,050.00	4,050.00	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	500.00	-	500.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	2,500.00	2,500.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	2,000.00	-	2,000.00	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	1,700.00	-	1,700.00	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	3,700.00	-	3,700.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	500.00	-	500.00	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	500.00	-	500.00	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	1,000.00	-	1,000.00	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	6,000.00	-	6,000.00	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	2,600.00	-	2,600.00	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2018 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	3,500.00	-	3,500.00	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	3,500.00	-	3,500.00	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	2,500.00	-	2,500.00	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	1,800.00	-	1,800.00	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	3,000.00	-	3,000.00	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	3,000.00	-	3,000.00	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series N OF FY 15-16	₹ 25 Lakh each	29-03-16	18,500.00	18,500.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	400.00	400.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	7,500.00	7,500.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	27,500.00	27,500.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	2,500.00	2,500.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	1,000.00	1,000.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	17,000.00	-	17,000.00	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	1,000.00	1,000.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	30,000.00	30,000.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	2,000.00	2,000.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	24-05-16	300.00	300.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	5,000.00	5,000.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	1,000.00	1,000.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	1,000.00	1,000.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2018 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	5,000.00	5,000.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E OF FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	250.00	250.00	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	13,000.00	13,000.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	7,500.00	7,500.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	5,000.00	-	5,000.00	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H OF FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	7,500.00	7,500.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	500.00	500.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	1,000.00	-	1,000.00	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	5,000.00	5,000.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	250.00	250.00	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	1,175.00	1,175.00	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F OF FY 16-17	₹ 25 Lakh each	08-09-16	5,000.00	5,000.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	20,000.00	20,000.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	15,000.00	15,000.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	5,000.00	-	5,000.00	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	5,000.00	-	5,000.00	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	2,500.00	2,500.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	5,000.00	5,000.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	10,000.00	10,000.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	30,000.00	30,000.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2018 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A FY 2017-18 Opt I	₹ 25 Lakh each	10-04-17	15,000.00	15,000.00	-	7.71%	10-04-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 Opt II	₹ 25 Lakh each	10-04-17	10,000.00	10,000.00	-	7.80%	08-05-20	Redeemable at par at the end of 1124 days from the date of allotment
Series C FY 2017-18	₹ 25 Lakh each	25-05-17	2,500.00	2,500.00	-	7.85%	25-05-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 Lakh each	09-06-17	21,000.00	21,000.00	-	7.85%	09-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 Lakh each	16-06-17	25,000.00	25,000.00	-	7.75%	16-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 Lakh each	19-06-17	20,000.00	20,000.00	-	7.85%	19-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 Lakh each	20-06-17	37,500.00	37,500.00	-	7.85%	20-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 Opt I	₹ 25 Lakh each	21-06-17	5,000.00	5,000.00	-	7.76%	10-08-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 Opt II	₹ 25 Lakh each	21-06-17	2,500.00	2,500.00	-	7.81%	21-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 Lakh each	23-06-17	12,500.00	12,500.00	-	7.75%	23-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 Lakh each	28-06-17	12,500.00	12,500.00	-	7.75%	26-06-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 Lakh each	19-07-17	40,000.00	40,000.00	-	7.65%	19-07-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 Lakh each	25-07-17	29,000.00	29,000.00	-	7.65%	20-08-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 Lakh each	08-08-17	46,500.00	46,500.00	-	7.71%	08-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 Lakh each	06-10-17	31,000.00	31,000.00	-	7.70%	06-10-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 Lakh each	13-10-17	50,000.00	50,000.00	-	7.65%	13-11-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 Lakh each	17-10-17	15,000.00	15,000.00	-	7.68%	18-12-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 Lakh each	24-11-17	30,500.00	30,500.00	-	7.85%	11-12-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 Lakh each	04-12-17	75,000.00	75,000.00	-	7.90%	04-12-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 Lakh each	06-12-17	21,500.00	21,500.00	-	7.84%	06-01-21	Redeemable at par at the end of 1127 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2018 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series T FY 2017-18	₹ 25 Lakh each	12-12-17	8,500.00	8,500.00	-	7.95%	12-12-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 Lakh each	29-12-17	10,000.00	10,000.00	-	8.00%	27-11-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 Lakh each	27-03-18	8,250.00	8,250.00	-	8.25%	08-04-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 Lakh each	28-03-18	9,500.00	9,500.00	-	8.25%	21-06-21	Redeemable at par at the end of 1181 days from the date of allotment
NCD 2009 SERIES 4	₹ 1000 each	17-09-09	45,732.62	45,732.62	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
			9,80,682.62	8,21,007.62	1,59,675.00			

Unsecured Redeemable Non Convertible Debentures as on March 31,2017

Series F of FY 2011-12	₹10 Lakh each	30-12-11	20,000.00	20,000.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹10 Lakh each	21-12-12	27,500.00	27,500.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹10 Lakh each	28-02-14	2,500.00	2,500.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹10 Lakh each	27-03-14	5,000.00	5,000.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹10 Lakh each	27-03-14	5,000.00	5,000.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹10 Lakh each	30-06-14	4,000.00	4,000.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹10 Lakh each	31-12-14	5,000.00	5,000.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹10 Lakh each	30-03-15	5,000.00	5,000.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹ 10 Lakh each	09-09-15	10,000.00	10,000.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹ 10 Lakh each	29-01-16	3,200.00	3,200.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹ 10 Lakh each	09-02-16	1,800.00	1,800.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹ 10 Lakh each	04-03-16	5,000.00	5,000.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 15-16	₹ 10 Lakh each	23-03-16	10,000.00	10,000.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹ 10 Lakh each	30-03-16	5,000.00	5,000.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			1,09,000.00	1,09,000.00				

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a)

Secured Redeemable Non Convertible Debentures as on March 31, 2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2013-14	₹ 10 Lakh each	03-01-14	40,000.00	40,000.00	-	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series L of FY 2014-15	₹ 100 Lakh each	13-03-15	10,000.00	-	10,000.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series Q FY 2014-15	₹ 100 Lakh each	13-03-15	15,000.00	-	15,000.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series A FY 2016-17 OPT 1	₹ 25 Lakh each	13-04-16	14,500.00	-	14,500.00	8.64%	28-03-18	Redeemable at par at the end of 714 days from the date of allotment
Series P FY 2014-15 Opt V	₹ 25 Lakh each	24-02-15	2,200.00	-	2,200.00	9.24%	06-03-18	Redeemable at par at the end of 1106 days from the date of allotment
Series P FY 2014-15 Opt II	₹ 25 Lakh each	24-02-15	500.00	-	500.00	9.24%	23-02-18	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT I	₹ 25 Lakh each	24-02-15	500.00	-	500.00	9.15%	07-02-18	Redeemable at par at the end of 1079 days from the date of allotment
Series N - OPT II FY 14-15	₹ 25 Lakh each	21-01-15	12,000.00	-	12,000.00	9.20%	19-01-18	Redeemable at par at the end of 1094 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	26-12-14	900.00	-	900.00	9.06%	06-12-17	Redeemable at par at the end of 1076 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	2,500.00	2,500.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 14-15 OPT III	₹ 25 Lakh each	07-11-14	900.00	-	900.00	9.31%	07-11-17	Redeemable at par at the end of 1096 days from the date of allotment
Series I FY 14-15 OPT II	₹ 25 Lakh each	28-10-14	1,000.00	-	1,000.00	9.57%	27-10-17	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	15,000.00	15,000.00	-	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series L FY 15-16 OPT I	₹ 25 Lakh each	29-10-15	12,500.00	-	12,500.00	8.61%	29-09-17	Redeemable at par at the end of 701 days from the date of allotment
Series K FY 15-16	₹ 25 Lakh each	26-10-15	10,000.00	-	10,000.00	8.61%	25-09-17	Redeemable at par at the end of 700 days from the date of allotment
Series L FY 15-16 OPT II	₹ 25 Lakh each	29-10-15	10,000.00	-	10,000.00	8.61%	25-09-17	Redeemable at par at the end of 697 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	11,000.00	11,000.00	-	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	31-08-15	12,500.00	-	12,500.00	8.93%	31-08-17	Redeemable at par at the end of 731 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	1,800.00	1,800.00	-	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	2,225.00	2,225.00	-	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	6,000.00	6,000.00	-	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	175.00	175.00	-	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	07-08-15	10,000.00	-	10,000.00	8.97%	07-08-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	07-08-15	4,000.00	-	4,000.00	8.98%	04-08-17	Redeemable at par at the end of 728 days from the date of allotment
Series F FY 15-16 OPT VI	₹ 25 Lakh each	12-06-15	2,200.00	-	2,200.00	8.80%	01-08-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	850.00	850.00	-	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series K FY 14-15 OPT II	₹ 25 Lakh each	30-01-15	12,500.00	-	12,500.00	8.62%	28-07-17	Redeemable at par at the end of 910 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	26-06-15	2,925.00	-	2,925.00	8.90%	27-07-17	Redeemable at par at the end of 762 days from the date of allotment
Series F FY 15-16 OPT V	₹ 25 Lakh each	12-06-15	150.00	-	150.00	8.80%	24-07-17	Redeemable at par at the end of 773 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	21-07-15	5,000.00	-	5,000.00	8.91%	21-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	200.00	200.00	-	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	600.00	600.00	-	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	13-07-15	1,000.00	-	1,000.00	8.98%	13-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	21-07-15	1,550.00	-	1,550.00	8.92%	12-07-17	Redeemable at par at the end of 722 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	13-07-15	5,000.00	-	5,000.00	8.99%	06-07-17	Redeemable at par at the end of 724 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	2,600.00	2,600.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	1,500.00	1,500.00	-	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	3,200.00	3,200.00	-	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	26-06-15	17,500.00	-	17,500.00	8.90%	26-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	4,700.00	4,700.00	-	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	3,000.00	3,000.00	-	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	625.00	625.00	-	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series F 15-16	₹ 25 Lakh each	30-06-15	1,800.00	-	1,800.00	8.96%	26-06-17	Redeemable at par at the end of 727 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	4,050.00	4,050.00	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	04-06-15	300.00	-	300.00	8.80%	20-06-17	Redeemable at par at the end of 747 days from the date of allotment
Series C F.Y.14-15 - III	₹ 25 Lakh each	25-06-14	2,400.00	-	2,400.00	9.76%	19-06-17	Redeemable at par at the end of 1090 days from the date of allotment
Series F FY 15-16 OPT IV	₹ 25 Lakh each	12-06-15	225.00	-	225.00	8.82%	19-06-17	Redeemable at par at the end of 738 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	23-06-15	2,800.00	-	2,800.00	8.96%	19-06-17	Redeemable at par at the end of 727 days from the date of allotment

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017

Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series F FY 15-16 OPT III	₹ 25 Lakh each	12-06-15	300.00	-	300.00	8.82%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	500.00	500.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	2,500.00	2,500.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	2,000.00	2,000.00	-	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	1,700.00	1,700.00	-	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	3,700.00	3,700.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31, 2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series D FY 2015-16 OPT 4	₹ 25 Lakh each	12-06-15	600.00	-	600.00	8.91%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	12-06-15	2,500.00	-	2,500.00	8.91%	07-06-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 1	₹ 25 Lakh each	23-06-15	200.00	-	200.00	8.95%	06-06-17	Redeemable at par at the end of 714 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	12-06-15	400.00	-	400.00	8.91%	05-06-17	Redeemable at par at the end of 724 days from the date of allotment
Series F FY 15-16 OPT II	₹ 25 Lakh each	12-06-15	250.00	-	250.00	8.82%	31-05-17	Redeemable at par at the end of 719 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	27-05-15	1,500.00	-	1,500.00	8.91%	29-05-17	Redeemable at par at the end of 733 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	500.00	-	500.00	8.80%	26-05-17	Redeemable at par at the end of 730 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	500.00	-	500.00	8.91%	24-05-17	Redeemable at par at the end of 728 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	1,650.00	-	1,650.00	8.91%	22-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	500.00	500.00	-	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series B FY 2015-16 OPT 3	₹ 25 Lakh each	11-05-15	1,050.00	-	1,050.00	8.86%	15-05-17	Redeemable at par at the end of 735 days from the date of allotment
Series C FY 2015-16 OPT 7	₹ 25 Lakh each	20-05-15	1,225.00	-	1,225.00	8.81%	15-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	500.00	500.00	-	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	250.00	-	250.00	8.90%	09-05-17	Redeemable at par at the end of 713 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	1,000.00	1,000.00	-	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	29-04-15	1,825.00	-	1,825.00	8.87%	04-05-17	Redeemable at par at the end of 736 days from the date of allotment
Series B FY 2015-16 OPT 2	₹ 25 Lakh each	11-05-15	4,900.00	-	4,900.00	8.80%	02-05-17	Redeemable at par at the end of 722 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	6,000.00	6,000.00	-	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	2,600.00	2,600.00	-	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	3,500.00	3,500.00	-	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	3,500.00	3,500.00	-	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	17-04-15	2,200.00	-	2,200.00	8.81%	27-04-17	Redeemable at par at the end of 741 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	1,500.00	-	1,500.00	8.80%	27-04-17	Redeemable at par at the end of 701 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	1,700.00	-	1,700.00	8.87%	26-04-17	Redeemable at par at the end of 728 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	2,450.00	-	2,450.00	8.87%	25-04-17	Redeemable at par at the end of 727 days from the date of allotment
Series L FY 14-15 OPT IV	₹ 25 Lakh each	13-02-15	1,025.00	-	1,025.00	9.02%	17-04-17	Redeemable at par at the end of 794 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	17-04-15	5,500.00	-	5,500.00	8.80%	17-04-17	Redeemable at par at the end of 731 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	2,500.00	2,500.00	-	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	1,800.00	1,800.00	-	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	3,000.00	3,000.00	-	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	3,000.00	3,000.00	-	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series A FY 2015-16 OPT 2	₹ 25 Lakh each	17-04-15	3,575.00	-	3,575.00	8.81%	06-04-17	Redeemable at par at the end of 720 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	13-02-15	500.00	-	500.00	9.03%	04-04-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	17-04-15	475.00	-	475.00	8.81%	04-04-17	Redeemable at par at the end of 718 days from the date of allotment
Series B FY 2015-16 OPT 6	₹ 25 Lakh each	11-05-15	4,000.00	-	4,000.00	8.85%	04-04-17	Redeemable at par at the end of 694 days from the date of allotment
Series N of FY 15-16	₹ 25 Lakh each	29-03-16	18,500.00	18,500.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	400.00	400.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	7,500.00	7,500.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	27,500.00	27,500.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	2,500.00	2,500.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	1,000.00	1,000.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	17,000.00	17,000.00	-	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series B FY 2015-16 OPT 1	₹ 25 Lakh each	11-05-15	3,000.00	-	3,000.00	8.78%	03-04-17	Redeemable at par at the end of 693 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	1,000.00	1,000.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	30,000.00	30,000.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	2,000.00	2,000.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	20-05-16	5,000.00	5,000.00	-	8.80%	18-05-18	Redeemable at par at the end of 728 days from the date of allotment

Note 4 (a) Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2016-17 Option 1	₹ 25 Lakh each	20-05-16	12,500.00	12,500.00	-	8.80%	21-06-19	Redeemable at par at the end of 1127 days from the date of allotment
Series C of FY 2016-17 Option 2	₹ 25 Lakh each	24-05-16	300.00	300.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C of FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	5,000.00	5,000.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	1,000.00	1,000.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	1,000.00	1,000.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	5,000.00	5,000.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E of FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	250.00	250.00	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	13,000.00	13,000.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series F of FY 2016-17 OPT 1	₹ 25 Lakh each	22-07-16	20,000.00	20,000.00	-	8.70%	20-07-18	Redeemable at par at the end of 728 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	7,500.00	7,500.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	5,000.00	5,000.00	-	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H of FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	7,500.00	7,500.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	500.00	500.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	1,000.00	1,000.00	-	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	5,000.00	5,000.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	250.00	250.00	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	1,175.00	1,175.00	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F of FY 16-17	₹ 25 Lakh each	08-09-16	5,000.00	5,000.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	20,000.00	20,000.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	15,000.00	15,000.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	5,000.00	5,000.00	-	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	5,000.00	5,000.00	-	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	2,500.00	2,500.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	5,000.00	5,000.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	10,000.00	10,000.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	30,000.00	30,000.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 Series 4	₹ 1000 each	17-09-09	45,981.99	45,981.99	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
			6,95,606.99	4,80,181.99	2,15,425.00			

Notes to the Financial Statements for the period ended March 31, 2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Note 4 (a) Unsecured Redeemable Non Convertible Debentures as on March 31,2017								
Series H of FY 2007-08	₹ 10 Lakh each	20-02-08	7,500.00	-	7,500.00	10.50%	20-02-18	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2011-12	₹ 10 Lakh each	30-12-11	20,000.00	20,000.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹ 10 Lakh each	21-12-12	27,500.00	27,500.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹ 10 Lakh each	28-02-14	2,500.00	2,500.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹ 10 Lakh each	27-03-14	5,000.00	5,000.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹ 10 Lakh each	27-03-14	5,000.00	5,000.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹ 10 Lakh each	30-06-14	4,000.00	4,000.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹ 10 Lakh each	31-12-14	5,000.00	5,000.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹ 10 Lakh each	30-03-15	5,000.00	5,000.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹ 10 Lakh each	09-09-15	10,000.00	10,000.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹ 10 Lakh each	29-01-16	3,200.00	3,200.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹ 10 Lakh each	09-02-16	1,800.00	1,800.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹ 10 Lakh each	04-03-16	5,000.00	5,000.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 2015-16	₹ 10 Lakh each	23-03-16	10,000.00	10,000.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹ 10 Lakh each	30-03-16	5,000.00	5,000.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
	₹ 10 Lakh each		1,16,500.00	1,09,000.00	7,500.00			

Note 4 (b)**Term loans from bank (Secured) as on March 31, 2018**

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Annually	Up to 5 Years	8.00% - 9.00%	6,000.00	4,500.00	1,500.00
	Above 5 Years	8.00% - 9.00%	4,000.00	4,000.00	-
Bullet	Up to 5 Years	7.00% - 8.00%	50,000.00	50,000.00	-
	Up to 5 Years	8.00% - 9.00%	4,35,000.00	1,32,500.00	3,02,500.00
	Above 5 Years	9.00% - 10.00%	77,500.00	77,500.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	1,69,616.67	1,31,433.34	38,183.33
	Above 5 Years	8.00% - 9.00%	11,933.33	11,933.33	-
Quartely	Up to 5 Years	7.00% - 8.00%	1,07,500.00	1,07,500.00	-
	Up to 5 Years	8.00% - 9.00%	11,041.67	-	11,041.67
	Above 5 Years	7.00% - 8.00%	12,500.00	12,500.00	-
Total			8,85,091.67	5,31,866.67	3,53,225.00

Note 4 (c)**Line of Credit (Secured) as on March 31, 2018**

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	1,70,000.00	1,70,000.00	-
Total			1,70,000.00	1,70,000.00	-

Working capital demand loan (Secured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	39,000.00	-	39,000.00
	Up to 5 Years	9.00% - 10.00%	14,600.00	-	14,600.00
Total			53,600.00	-	53,600.00

Line of Credit (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	4,79,700.00	4,79,700.00	-
Total			4,79,700.00	4,79,700.00	-

Working capital demand loan (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	63,000.00	-	63,000.00
Total			63,000.00	-	63,000.00

Note 4 (b)**Term loans from bank (Secured) as on March 31,2017**

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Above 5 Years	8.00% - 9.00%	2,25,000.00	2,25,000.00	-
	Above 5 Years	9.00% - 10.00%	40,000.00	40,000.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	250.00	-	250.00
	Up to 5 Years	9.00% - 10.00%	12,709.00	-	12,709.00
	Above 5 Years	8.00% - 9.00%	58,300.00	58,300.00	-
	Above 5 Years	9.00% - 10.00%	62,291.00	62,291.00	-
Quarterly	Up to 5 Years	8.00% - 9.00%	1,666.67	-	1,666.67
	Up to 5 Years	9.00% - 10.00%	3,958.33	-	3,958.33
	Above 5 Years	8.00% - 9.00%	17,500.00	17,500.00	-
	Above 5 Years	9.00% - 10.00%	1,666.67	1,666.67	-
Total			4,23,341.67	4,04,757.67	18,584.00

Note 4 (c)**Line of Credit (Secured) as on March 31,2017**

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	1,90,000.00	1,90,000.00	-
Total			1,90,000.00	1,90,000.00	-

Working capital demand loan (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	2,000.00	2,000.00	-
Total			2,000.00	2,000.00	-

Line of Credit (Unsecured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ lakh)	Non-Current Portion (₹ lakh)	Current Maturities (₹ lakh)
Bullet	Up to 5 Years	8.00% - 9.00%	2,95,500.00	2,95,500.00	-
		9.00% - 10.00%	50,000.00	50,000.00	-
Total			3,45,500.00	3,45,500.00	-

Notes to the Financial Statements for the period ended March 31, 2018

5 Other long term liabilities

₹ in lakh

	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on debentures	4,098.85	12,588.39
Security deposits and margin money received	333.64	1,348.50
Construction finance - Debt Service Reserve amount and interest payable thereon	-	452.78
Others	66.99	403.19
Total other long term liabilities	4,499.48	14,792.86

₹ in lakh

6 Long-term provisions

	As at March 31, 2018	As at March 31, 2017
Others:		
Contingency provision against standard assets	9,684.66	6,428.29
Interest capitalised on restructured assets	575.56	2,409.97
Total long-term provisions	10,260.22	8,838.26

7 Short-term borrowings

(I) Secured *

	As at March 31, 2018	As at March 31, 2017
Bank overdraft/ Cash Credit	5,846.91	7,658.42
Total I	5,846.91	7,658.42

(II) Unsecured

Commercial papers	670,000.00	985,050.00
Less : Unexpired discounting charge	17,418.32	652,581.68
Loans and advances from related parties (ICDs)	66,571.00	24,351.00
Total II	719,152.68	989,393.18
Total short-term borrowings (I + II)	724,999.59	997,051.60

* Secured by first exclusive charge on specific receivables.

8 Trade payables	As at March 31, 2018	As at March 31, 2017
- Dues to Micro and Small Enterprises (see note below)	-	-
- Others	9,495.42	6,529.13
Total trade payable	9,495.42	6,529.13

Note : On the basis of replies received by the Company in response to enquiries made, there are no dues payable at the year end to Micro and Small Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2006.

9 Other current liabilities	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on borrowings	66,098.42	42,327.78
Deferred income on loan processing and assignments	166.20	530.22
Security deposits and cash margin money received	1,548.47	1,106.19
Short-term obligations	1,037.95	1,307.55
Statutory dues	3,179.59	3,405.20
Advance from customers	16,225.70	22,957.81
Trade payables for capital goods	11.79	11.79
Overdraft as per books of account	7.42	1,852.38
Accrued expenses	7,795.82	11,158.48
Gratuity payable to fund	163.24	319.33
Other liabilities (includes Rs.0.02 lakhs payable to related parties, Previous year : Nil, refer note 29.3)	2,313.81	6,618.02
Total other current liabilities	98,548.41	91,594.75

Note : No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

10 Short-term provisions	₹ in lakh	
	As at March 31, 2018	As at March 31, 2017
For employee benefits :		
Compensated absences	1,019.60	831.33
Others :		
Contingency provision against standard assets	4,967.87	4,187.36
Provision for tax (net of advance tax)	2,050.82	-
Total short-term provisions	8,038.29	5,018.69

Notes to the Financial Statements for the period ended March 31, 2018

Notes 11 : Property, plant and equipment and intangible assets

Particulars	Gross Block			Accumulated Depreciation		Net Block			
	As at 1-Apr-17	Acquisition through business combination	Additions	Sale / Adjustment	As at 31-Mar-18	Upto 1-Apr-17	Upto 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Property, plant and equipment									
Owned assets									
Buildings	2,663.44	-	-	2,618.12	45.32	52.81	50.18	36.39	2,610.63
Office equipment	645.45	(2,663.44)	-	-	(2,663.44)	-	(52.81)	(2,610.63)	-
Furniture and fixtures	(304.70)	(422.81)	47.46	(182.78)	(645.45)	(244.45)	149.53	282.04	391.90
Leasehold renovation	849.79	(100.72)	105.50	118.75	(836.54)	283.74	(174.92)	(391.90)	(60.25)
Computers	(165.12)	(677.02)	(123.85)	(116.20)	(849.79)	(163.16)	(205.21)	(566.05)	(1.96)
Motor car	2,079.21	-	61.84	157.80	1,983.25	878.79	436.66	820.26	1,200.42
	(632.53)	(1,295.10)	(432.63)	(281.05)	(2,079.21)	(555.86)	(560.32)	(1,200.42)	(76.67)
	2,311.69	-	986.78	848.91	2,449.56	1,192.44	670.77	1,367.62	1,119.25
	(1,272.24)	(1,322.12)	(388.57)	(671.24)	(2,311.69)	(1,115.92)	(749.24)	(1,119.25)	(156.32)
	10.13	-	120.00	10.13	120.00	10.13	20.58	99.42	-
	(10.13)	-	-	-	(10.13)	(10.13)	-	-	-
Owned assets leased out									
Plant and Machinery	4,051.23	-	-	794.27	3,256.96	795.77	597.67	2,073.06	3,255.46
Office Equipment	-	(5,298.85)	-	(1,247.62)	(4,051.23)	-	(795.77)	(3,255.46)	-
Furniture and fixtures	77.06	-	-	(3.97)	77.06	31.60	31.17	14.29	45.46
Motor car	-	(81.03)	-	-	(81.03)	-	(35.17)	(45.46)	-
Vehicles	987.80	-	-	(44.44)	(987.80)	192.56	207.61	587.63	795.24
Computers	7,792.47	(1,032.24)	424.62	5,199.08	(987.80)	1,901.01	(212.20)	(795.24)	-
	-	(10,200.25)	(182.68)	(2,590.46)	(7,792.47)	-	(1,901.01)	(5,891.46)	-
	50.34	-	-	(89.92)	50.34	50.34	(50.34)	-	-
	-	(140.26)	-	75.00	(140.26)	-	55.22	19.22	-
	219.05	-	-	(24.03)	199.02	69.61	69.61	124.83	149.44
	-	(243.08)	-	-	(243.08)	-	(69.61)	(149.44)	-
(A)	21,737.66	(2,376.20)	(1,228.45)	9,914.41	13,569.45	5,712.35	3,263.47	6,116.68	16,025.31
	(2,384.72)	(23,376.20)	(1,228.45)	(5,251.71)	(21,737.66)	(2,089.52)	(4,806.60)	(1,183.77)	(16,025.31)
Intangible assets									
Specialised software	2,652.56	-	1,381.62	-	4,034.18	1,893.90	713.96	2,607.86	758.66
Distribution and Customer Network Rights	(1,380.74)	(421.31)	(855.89)	(5.38)	(2,652.56)	(1,285.30)	(613.98)	(1,893.90)	(95.44)
Goodwill	43,880.00	-	-	-	43,880.00	8,776.00	8,776.00	17,552.00	35,104.00
	-	(43,880.00)	-	-	(43,880.00)	-	(8,776.00)	(35,104.00)	-
	2,82,851.10	-	-	-	2,82,851.10	56,570.22	56,570.22	1,13,140.44	2,26,280.88
	-	(2,82,851.10)	-	-	(2,82,851.10)	-	(56,570.22)	(2,26,280.88)	-
(B)	3,29,383.66	(3,27,152.41)	(855.89)	(5.38)	3,30,765.28	67,240.12	66,060.18	33,300.30	2,62,143.54
	(1,380.74)	(3,27,152.41)	(855.89)	(5.38)	(3,29,383.66)	(1,285.30)	(65,960.20)	(5.38)	(2,62,143.54)
Total (A) + (B)	3,51,121.32	(3,50,528.61)	(2,084.34)	(5,257.09)	3,44,334.73	72,952.47	69,323.65	39,416.98	2,78,168.85
Previous year	(3,765.46)	(3,50,528.61)	(2,084.34)	(5,257.09)	(3,51,121.32)	(3,374.82)	(70,766.80)	(1,189.15)	(2,78,168.85)

Note : Previous year figures are shown in brackets
* Transfer on account of acquisition through business combination

Notes to the Financial Statements for the period ended March 31, 2018

12 Non current investments

	Face Value ₹	As at March 31, 2018		As at March 31, 2017	
		No. of shares / Debentures	₹ in lakh	No. of shares / Debentures	₹ in lakh
12.(I) Trade Investments (valued at cost unless stated otherwise)					
Investment in Associates					
Unquoted equity shares					
L&T Infra Debt Fund Limited	10	13,86,52,953	17,650.44	13,31,33,329	15,670.00
Grameen Capital India Private Limited Preference shares	10	21,26,000	212.60	21,26,000	212.60
Grameen Capital India Private Limited	10	38,74,000	387.40	38,74,000	387.40
Total (A)			18,250.44		16,270.00
12.(II) Other Investments (valued at cost unless stated otherwise)					
A) Quoted instruments					
Investment in equity					
Integrated Digital Info Services Limited	10	3,83,334	11.73	3,83,334	11.73
Elque Polyesters Limited	10	1,94,300	19.43	1,94,300	19.43
Monnet Industries Limited	10	5,640	2.26	5,640	2.26
Monnet Ispat And Energy Limited	10	3,008	0.75	3,008	0.75
Monnet Project Developers Limited	10	11,280	4.51	11,280	4.51
Jaypee Infratech Limited	10	-	-	37,85,221	1,331.01
B) Unquoted instruments					
Investment in equity					
Invent Assets Securitisation & Reconstruction Private Limited	10	-	-	71,00,000	1,597.50
Alpha Micro Finance Consultants Private Limited	10	2,00,000	20.00	2,00,000	20.00
Metropoli Overseas Limited	10	99,400	14.91	99,400	14.91
Anil Chemicals and Industries Limited	10	40,000	8.00	40,000	8.00
Investments in Debentures					
Indian Overseas Bank	10,00,000	3,399	33,966.92	3,399	33,966.92
Investment in Compulsory Convertible Debentures					
Bhoruka Power Corporation Limited	1,00,000	3,800	3,800.00	3,800	3,800.00
Investments in Preference Shares					
3I Infotech Limited	5	38,96,954	194.85	38,96,954	194.85
Investment in Units					
KKR India debt Opportunities Fund II	1,000	11,25,000	11,250.00	8,75,000	8,750.00
KKR India debt Opportunities Fund III	1,000	1,49,242	961.17	1,78,249	1,782.49
Investment in Security Receipts					
Phoenix ARF Scheme 6	1,000	9,843	98.43	9,843	98.43

Notes to the Financial Statements for the period ended March 31, 2018

12 Non current investments (Contd.)

	Face Value ₹	As at March 31, 2018		As at March 31, 2017	
		No. of shares / Debentures	₹ in lakh	No. of shares / Debentures	₹ in lakh
Phoenix ARF Scheme 9 (Previous year Face Value : Rs.62)	27	6,612	1.79	6,612	4.10
Phoenix ARF Scheme 10 (Previous year Face Value : Rs.982)	922	18,889	172.08	18,889	185.49
Phoenix ARF Scheme 11	1	44,208	0.44	44,208	0.44
Phoenix ARF Scheme 13	1,000	27,404	274.04	27,404	274.04
Phoenix ARF Scheme 14	1,000	34,882	348.82	34,882	348.82
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000	6,885	68.85	6,885	68.85
EARC Trust SC - 258 - Series I (Previous year Face Value : Rs.1,000)	995.66	6,46,510	6,437.04	6,46,510	6,465.10
JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series I)	984.76	2,97,500	2,929.66	-	-
JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series II)	984.76	4,80,849	4,735.21	-	-
Suraksha ARC - 024 Trust	1,000	7,85,400	7,854.00	-	-
12% National Saving Certificate 2002 (Deposited as security with sales tax authorities)			0.05		0.05
Total (B)			73,174.94		58,949.68
(A + B)			91,425.38		75,219.68
Less : Provision for diminution in the value of Investments			490.21		1,594.87
Total non current investments			90,935.17		73,624.81
Note:					
Aggregate amount of unquoted investments			57,419.78		39,883.07
Aggregate amount of listed and quoted investments			38.68		1,369.69
Aggregate market value of listed and quoted investments			-		397.45
Aggregate amount of listed but not quoted investments			33,966.92		33,966.92

Notes to the Financial Statements for the period ended March 31, 2018

13 Deferred tax assets (net)

₹ in lakh

	As at March 31, 2018	As at March 31, 2017
Component		
Deferred tax liability		
Difference between book depreciation and tax depreciation	-	568.49
Other item giving rise to timing difference	2,263.85	771.00
	2,263.85	1,339.49
Deferred tax assets		
Provision for NPA/interest receivable	46,130.04	27,148.98
Provision on Standard Assets	5,198.99	9,669.41
Difference between book depreciation and tax depreciation	1,638.09	-
Provision for gratuity and leave encashment	413.33	398.22
Other item giving rise to timing difference	1,378.19	1,376.84
	54,758.64	38,593.45
Net deferred tax assets	52,494.79	37,253.96

Note : No deferred tax liability has been recognised on Special Reserve created under section 36 (1)(viii) of Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote.

₹ in lakh

14 Long-term loans and advances

	As at March 31, 2018	As at March 31, 2017
Unsecured (Considered good)		
Security Deposit	6,574.05	5,256.08
Capital Advances	969.42	376.11
Advance taxes (net of provision for tax)	18,609.24	10,472.54
Others	4,551.39	-
Advances recoverable in cash or in kind or for value to be received	66.36	345.26
Less : Provision for other doubtful loans and advances	(32.55)	(32.55)
Total long-term loans and advances	30,737.91	16,417.44

Notes to the Financial Statements for the period ended March 31, 2018

15 Long term-loans and advances towards financing activities

₹ in lakh

	As at March 31, 2018		As at March 31, 2017	
	Non current portion	Current maturities	Non current portion	Current maturities
(I) Secured				
Term loans	2,020,919.22	558,867.40	1,551,533.42	514,551.56
Finance Lease	7,092.56	2,407.86	4,436.09	2,513.17
Debentures (refer note 15(i))	175,739.27	22,427.08	72,123.50	18,882.16
	2,203,751.05	583,702.34	1,628,093.01	535,946.89
Less : Allowances for non-performing assets	91,608.79	-	73,780.81	-
Less: Provision on Restructured Assets	823.63	-	1,690.53	-
Less : Allowances for standard assets	225.53	-	17,324.15	-
Total I	2,111,093.10	583,702.34	1,535,297.52	535,946.89
(II) Unsecured				
Term loans	446,338.45	470,622.44	196,011.77	293,139.63
Debentures (refer note 15(i))	22,500.00	1,000.00	53,500.00	630.00
	468,838.45	471,622.44	249,511.77	293,769.63
Less : Allowances for non-performing assets	39,578.90	-	2,975.79	-
Total II	429,259.55	471,622.44	246,535.98	293,769.63
Total long-term loans and advances towards financing activities (I + II)	2,540,352.65	1,055,324.78	1,781,833.50	829,716.52

Note 15(i)

Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2018			As at March 31, 2017		
	Nos.	Face Value	₹ in lakh	Nos.	Face Value	₹ in lakh
Debenture - Secured						
Avantha Holding Limited	2,250	10,00,000	22,500.00	2,250	10,00,000	22,500.00
Citywood Builders Private Limited	300	8,57,011	2,571.03	300	9,40,000	2,820.00
Diamond Power Infrastructure Limited	3,000	83,441	2,503.23	3,000	83,441	2,503.23
Giraffe Developer Private Limited	640	8,68,750	5,560.00	640	9,34,375	5,980.00
Intrepid Finance And Leasing Pvt Ltd	200	2,91,667	583.33	200	7,91,667	1,583.33
M Power Microfinance Private Limited	150	2,91,667	437.50	150	7,91,667	1,187.50
Oriental Nagpur Betul Highway Limited	3,217	1,00,000	3,217.00	11,479	1,00,000	11,479.00
Pahal Financial Services Private Limited	150	2,91,667	437.50	150	7,91,667	1,187.50
PCR Investments Limited	1,500	10,00,000	15,000.00	-	-	-

Notes to the Financial Statements for the period ended March 31, 2018

Note 15(i)

Following are the details of debentures in the nature of Loan: (Contd.)

Name of Company	As at March 31, 2018			As at March 31, 2017		
	Nos.	Face Value	₹ in lakh	Nos.	Face Value	₹ in lakh
Pudhuaaru Financial Services Private Limited	200	2,91,667	583.33	200	7,91,667	1,583.33
Regen Infrastructure And Services Private Limited	2,794	9,21,819	25,755.63	-	-	-
Renew Akshay Urja Private Limited	180	9,98,780	1,797.80	-	-	-
Sambandh Finserve Private Limited	100	2,91,667	291.67	100	7,91,667	791.67
Satin Creditcare Network Limited	260	2,91,667	758.33	260	7,91,667	2,058.33
SINTEX-BAPL Limited	27,000	1,00,000	27,000.00	-	-	-
SP Jammu Udhampur Highway Limited	4,678	10,00,000	46,780.00	-	-	-
U. P. Power Corporation Ltd	3,519	10,00,000	35,190.00	-	-	-
Mandhana Industries Limited	200	6,00,000	1,200.00	200	6,00,000	1,200.00
Bacchus Hospitality Services & Real Estate Pvt Ltd	-	-	-	2,500	10,00,000	25,000.00
Bollineni Developers Limited	60	1,00,00,000	6,000.00	60	1,00,00,000	6,000.00
Integrated Spaces Limited	-	-	-	275	10,83,188	2,978.77
Valdel Projects Corporation Private Limited	-	-	-	2,968	72,540	2,153.00
Debenture - Unsecured						
Avantha Holding Limited	2,250	10,00,000	22,500.00	2,250	10,00,000	22,500.00
Bhoruka Power Holdings Private Limited	1,00,000	1,000	1,000.00	1,00,000	1,000	1,000.00
Jindal Power Limited	-	-	-	105	6,00,000	630.00
Tata Tele Services (Maharashtra) Ltd	-	-	-	1,000	10,00,000	10,000.00
High Point Properties Private Limited	-	-	-	200	1,00,00,000	20,000.00
Total			2,21,666.36			1,45,135.66

Note 16: Other non current assets

	As at March 31, 2018 ₹ in lakh	As at March 31, 2017 ₹ in lakh
Accrued interest/premium on debentures and loans	13,674.69	14661.79
Margin money deposits	4,385.15	2252.47
Total other non current assets	18,059.84	16,914.26

17 Current investments

	Face Value	As at March 31, 2018		As at March 31, 2017	
	₹	No. of units	₹ in Lakh	No. of units	₹ in Lakh
Non-trade Investments (valued at cost unless stated otherwise)					
A) Quoted instruments					
Investment in Equity shares					
SVOGL Oil Gas and Energy Limited	10	19,40,514	460.87	19,40,514	460.87
Bhushan Steel Limited	2	2,12,471	145.34	10,23,392	700.00
Glodyne Technoserve Limited	6	3,19,262	22.67	3,19,262	22.67
Jaihind Projects Limited	10	24,797	1.43	1,50,000	8.63

Notes to the Financial Statements for the period ended March 31, 2018

17 Current investments (Contd.)

	Face Value	As at March 31, 2018		As at March 31, 2017	
	₹	No. of units	₹ in Lakh	No. of units	₹ in Lakh
Diamond Power Infrastructure Limited	10	28,89,921	1,192.96	28,89,921	1,192.96
3I Infotech Limited	10	24,26,383	242.64	24,26,383	242.64
Gol Offshore Limited	10	15,52,907	680.32	15,52,907	680.32
Usher Agro Limited	10	3,35,344	30.01	-	-
MIC Electronics Limited	2	53,84,616	529.31	-	-
Amara Raja Batteries Limited	1	3,293	27.86	-	-
Hindusthan National Glass & Industries Ltd	2	1,47,765	157.00	-	-
B) Unquoted instruments					
Optionally Convertible Debentures					
Soma Enterprises Limited	10	1,45,53,210	1,455.23	-	-
Investment in Debenture/Bonds:					
Punjab National Bank	10,00,000	-	-	5,000	50,000.00
IDFC Bank Limited	10,00,000	-	-	400	4,683.98
Bajaj Finance Limited	10,00,000	-	-	1,000	10,082.36
Madhya Pradesh Uday Bond	100	-	-	14,13,000	1,413.00
Tamil Nadu Uday Bond	100	-	-	1,00,00,000	10,090.16
Telangana Uday Bond	100	-	-	1,30,19,000	13,032.22
Piramal Finance Limited	10,00,000	-	-	3,900	39,000.00
TATA AIG General Insurance Company Limited	10,00,000	379	3,790.00	1,530	15,300.00
U. P. Power Corporation Limited	10,00,000	301	3,010.00	2,940	29,400.00
Union Bank of India	10,00,000	800	8,000.00	-	-
Cholamandlam MS General Insurance Company Limited	10,00,000	428	4,280.00	-	-
Dewan Housing Finance Corporation Limited	10,00,000	2,500	25,000.00	-	-
State Bank of India	10,00,000	4,100	41,000.00	-	-
Corporation Bank Limited	10,00,000	500	5,000.00	-	-
UCO Bank	10,00,000	400	4,000.00	-	-
Allahabad Bank	10,00,000	311	3,110.00	-	-
The South Indian Bank Limited	1,00,000	40,000	40,000.00	-	-
Axis Bank Limited	10,00,000	500	5,000.00	-	-
Bank of Baroda	10,00,000	150	1,500.00	-	-
Pass Through Certificates					
IFMR Capital Mosec Azeroth (Previous year Face Value : Rs.0.49)	0.12	59,86,64,559	694.64	59,86,64,559	2,920.85
Zlatan IFMR Capital 2016	0.68	-	-	1,23,39,58,721	8,345.61
Frey IFMR Capital	1.03	-	-	1,66,74,322	172.35
Zion IFMR Capital	3.12	-	-	1,92,37,467	599.35
Goldstein IFMR Capital (Previous year Face Value : Rs.44.80)	43.00	8,57,170	368.58	8,57,170	384.04
Libertas IFMR Capital	1.02	-	-	35,19,752	36.03

Notes to the Financial Statements for the period ended March 31, 2018

17 Current investments (Contd.)

	Face Value	As at March 31, 2018		As at March 31, 2017	
	₹	No. of units	₹ in Lakh	No. of units	₹ in Lakh
Martell IFMR Capital	2.04	-	-	3,55,04,403	725.86
Mjolnir IFMR Capital	2.08	-	-	73,30,422	152.26
Napoleon IFMR Capital (Previous year Face Value : Rs.1.04)	1.00	5,21,18,415	521.18	5,21,18,415	543.53
Smith IFMR Capital (Previous year Face Value : Rs.4.20)	4.00	1,20,96,782	483.87	1,20,96,782	507.60
Syme IFMR Capital (Previous year Face Value : Rs.1.04)	1.00	1,42,10,515	142.10	1,42,10,515	148.24
Fubelt IFMR Capital	1.04	-	-	8,08,78,031	842.84
Moses IFMR Capital (Previous year Face Value : Rs.1.06)	1.00	22,50,000	22.50	22,50,000	23.77
Oracle IFMR Capital	202	-	-	2,61,793	528.81
Sentinel IFMR Capital	19.69	-	-	8,87,538	174.79
Seagull Trust-II Series A2		30	3,012.87	-	-
	1,00,00,000				
Investment in Preference Shares					
10% Sew Vizag Coal Terminal Private Limited	10	40,91,423	407.51	40,91,423	407.51
Investment in Equity shares					
VMC Systems Limited	10	7,33,611	1,529.44	7,33,611	1,529.44
Saumya Mining Limited	10	10,77,986	517.64	10,77,986	517.64
Investment in Mutual Funds			-		44,000.00
Total			1,56,335.97		2,38,870.33
Less : Provision for diminution in the value of Investments			5,977.30		2,798.16
Total current investments			1,50,358.67		2,36,072.17
Note:					
Aggregate amount of unquoted investments			2,454.59		46,454.59
Aggregate amount of listed and quoted investments			3,490.41		3,308.09
Aggregate market value of listed and quoted investments			740.57		2,262.20
Aggregate amount of listed but not quoted investments			1,50,390.97		1,89,107.65

18 Trade receivable

(₹ in Lakh)

	As at March 31, 2018		As at March 31, 2017	
Secured				
Considered good				
Debts outstanding for a period exceeding six months		-		-
Other		15.16		488.14
Unsecured				
Considered good				

Notes to the Financial Statements for the period ended March 31, 2018

18 Trade receivable (Contd.)

Debts outstanding for a period exceeding six months	-	-	-	-
Other	896.89	896.89	540.63	540.63
Total trade receivable		912.05		1,028.77

19 Cash and cash equivalents

(₹ in Lakh)

	As at March 31, 2018	As at March 31, 2017
Balance with Banks		
In Current Account	27,127.81	23,130.15
In Deposit account (Deposits with original maturity of less than three months)	1,916.19	361.29
Cash on hand	5,822.24	5,990.86
Other balances		
Deposits with original maturity for more than 12 months	4.84	4.84
Margin money deposits*	0.45	0.45
Total cash and cash equivalents	34,871.53	29,487.59

* Margin money deposit includes margin money against bank guarantee ₹ 0.04 lakhs (previous year ₹ 0.04 lakhs)

20 Short-term loans and advances

Advances recoverable in cash or in kind or for value to be received (net of provision) (includes ₹ 228.52 lakhs receivable from related parties, PY ₹ 27.83 lakhs, refer note 29.3)	7,439.20	6,056.95
Total short-term loans and advances	7,439.20	6,056.95

21 Short-term loans and advances towards financing activities

(I) Secured			
Term loans		16.04	816.40
	Total I	16.04	816.40
(II) Unsecured			
Term loans		186,630.42	216,307.42
	Total II	186,630.42	216,307.42
Total short-term loans and advances towards financing activities	Total (I + II)	186,646.46	217,123.82

22 Other current assets

(₹ in Lakh)

	As at March 31, 2018	As at March 31, 2017
Accrued interest on loan towards financing activities	86,629.88	72,693.49
Unamortised premium on loans/debentures	2,285.32	-
Unamortised loss on sale of NPAs	-	2,307.78
Less : Reserve created	-	(2,307.78)
Assets acquired in settlement of claims	2,447.48	477.98
Others	360.07	812.73
Total other current assets	91,722.75	73,984.20

Notes to the Financial Statements for the period ended March 31, 2018

23 Revenue from operations

(₹ in Lakh)

	As at March 31, 2018	As at March 31, 2017
Interest income from financing activities	455,109.53	355,202.46
Income from Leases	3,595.22	6,240.64
Bill Discounting income	9,350.43	12,654.97
Processing fees and other operational income from financing activities	28,641.06	23,471.26
Financial Advisory Fees	2,681.52	9,742.28
Gain/(Loss) on loan sell down	367.19	893.61
Total revenue from operations	499,744.95	408,205.22

24 Other Income

Income from investments	24,297.68	5,991.62
Interest on fixed deposits	363.07	184.12
Others	163.14	116.58
Total other Income	24,823.89	6,292.32

25 Employee benefits expenses

(₹ in Lakh)

	As at March 31, 2018	As at March 31, 2017
Salaries and bonus	28,268.36	27,421.32
Contribution to and provision for:		
Provident and other funds	1,741.22	1,238.54
Gratuity fund	311.95	287.94
Expenses on Employee Stock Option Plans (refer note 29.9)	427.22	8.92
Staff welfare expense	1,058.54	1,130.48
Total employee benefits expenses	31,807.29	30,087.20

26 Finance costs

(₹ in Lakh)

	As at March 31, 2018	As at March 31, 2017
Interest expenses	247,563.79	194,126.28
Other borrowing cost	2,404.56	1,425.28
Exchange (Gain)/loss (attributable to finance cost)	(283.69)	399.97
Total finance costs	249,684.66	195,951.53

Notes to the Financial Statements for the period ended March 31, 2018

27 Administration and other expenses

(₹ in Lakh)

	Year ended March 31, 2018	Year ended March 31, 2017
Travelling and conveyance	2,031.75	1,870.94
Printing and stationery	658.99	728.29
Telephone and postage	1,137.30	1,262.07
Directors' Sitting fees	32.25	34.98
Non Executive Directors Remunerations	33.93	134.41
Brokerage and service charges	4,058.07	2,418.18
Stamping charges	230.02	2,642.89
Advertising and publicity	381.97	136.65
Repairs and maintenance	5,069.24	4,160.43
Rent	4,409.67	4,188.91
Rates and taxes	175.31	739.78
Electricity charges	496.56	501.69
Insurance	138.75	129.67
Auditors remuneration		
Audit fees	42.00	40.00
Tax audit fees	3.00	5.00
Other services	55.05	46.50
Reimbursement of expenses and Indirect tax on above	8.53	3.30
Professional fees	5,766.05	6,132.55
Loan processing charges	633.51	822.10
Collection charges	10,633.26	6,624.05
Bank Charges	851.04	832.80
Filing fees	-	0.41
Loss on sale of fixed assets	546.53	1,467.19
Brand license fees	1,603.49	103.77
Corporate social responsibilities	181.28	212.57
Corporate support Charges	284.76	532.06
Miscellaneous expenses	391.83	245.34
Total administration and other expenses	39,854.14	36,016.53

28 Provisions and Contingencies

(₹ in Lakh)

	Year ended March 31, 2018	Year ended March 31, 2017
Provision for standard assets	(13,061.74)	16,400.22
Provision for non-performing assets	53,135.12	35,900.85
Provision for restructured assets	(866.90)	180.23
Provision for diminution in value of investments	1,824.36	2,588.18
Loss on foreclosure of loans (net)	49,414.79	23,764.26
Total provisions and contingencies	90,445.63	78,833.74

Notes to the Financial Statements for the period ended March 31, 2018

29 Other notes forming part of financial statements

29.1 Employee Benefits:

i) Defined Contribution Plans :

The Company recognised charges of ₹ 1,119.97 lakh (previous year ₹ 990.40 lakh) for Provident fund contributions, ₹ NIL lakh (previous year ₹ 40.88 lakh) for Superannuation fund contributions and ₹ 621.25 lakh (previous year ₹ 202.16 lakh) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

(II) Defined Benefit Gratuity Plans :

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

Particulars	₹ in Lakh	
	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Present Value of Defined Benefit Obligation		
- Wholly Funded	954.66	908.80
Less: Fair value of Plan Assets	(791.42)	(589.47)
Unrecognised Past Service Costs	-	-
Amount to be recognised as liability or (asset)	163.24	319.33
Amounts reflected in the Balance Sheet		
Liability	163.24	319.33
Assets	-	-
Net liability bifurcated as follows:		
Current	-	-
Non Current	163.24	319.33

b) The amounts recognised in the Statement of profit and loss are as follows:

Particulars	₹ in Lakh	
	Gratuity Plan	
	2017-2018	2016-2017
1 Current Service Cost	265.31	284.23
2 Interest on Defined Benefit Obligation	81.98	98.31
3 Expected Return on Plan Assets	(56.32)	(51.75)
4 Actuarial Losses/(Gains)	20.98	(42.85)
5 Past Service Cost	-	-
Total included in Employee Benefit Expenses	311.95	287.94
Actual Return on Plan Assets	49.81	65.99

Notes to the Financial Statements for the period ended March 31, 2018

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

₹ in Lakh

Particulars	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the present value of Defined Benefit Obligation	908.80	134.86
Add: Current Service Cost	265.31	284.24
Add: Interest Cost	81.98	98.31
Add/(less): Actuarial Losses/(Gain)	14.47	(28.61)
Liability Assume on acquisition / (Settled on Divestitures)	(1.39)	791.74
Less: Benefits paid	(314.51)	(371.74)
Closing balance of the present value of Defined Benefit Obligation	954.66	908.80

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

₹ in Lakh

Particulars	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the fair value of the plan assets	589.47	78.20
Add: Expected Return on plan assets	56.32	51.75
Add/(less): Actuarial gains/(losses)	(6.50)	14.24
Add: Contributions by Employer	466.65	257.65
Add: Assets acquired on acquisition	-	559.37
Less: Benefits Paid	(314.51)	(371.74)
Closing balance of the plan assets	791.43	589.47

e) Asset Information:

₹ in Lakh

Particulars	Gratuity Plan				
	As at March 31, 2018		As at March 31, 2017		
	%	₹ in Lakh	%	₹ in Lakh	
1 Government of India Securities	23%	183.29	32%	190.43	
2 Corporate Bonds	26%	207.21	35%	207.33	
3 Special Deposit Scheme	4%	30.33	5%	28.85	
4 Equity Shares of Listed Companies	0%	-	0%	-	
5 Property	0%	-	0%	-	
6 Insurer Managed Funds	7%	58.63	6%	36.66	
7 Others	39%	311.95	22%	126.20	

Notes to the Financial Statements for the period ended March 31, 2018

f) Financial assumptions at the valuation date :

Particulars	As at March 31, 2018	As at March 31, 2017
1 Discount rate (per annum)	7.25%	7.20%
2 Expected rate of return on assets (per annum)	7.50%	8.00%
3 Salary escalation rate (per annum)	9.00%	6.00%
4 Mortality rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

g) Experience Adjustments:

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Defined Benefit Obligation	954.66	908.80	134.87	117.80	103.34
Plan Assets	791.43	589.47	78.20	93.56	128.16
Surplus/(Deficit)	(163.23)	(319.33)	(56.67)	(24.24)	24.82
Experience Adjustments on Plan Liabilities	(56.45)	(117.91)	8.86	9.88	(6.11)
Experience Adjustments on Plan Assets	(6.50)	14.24	(0.27)	(1.38)	2.35

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The contributions expected to be made by the company during the financial year 2018-19 amounts to ₹ 300 lakh (Previous year ₹ 300 lakh)

III) Defined Benefit Provident Fund Plan:

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

Particulars	Provident Fund Plan	
	As at March 31, 2018	As at March 31, 2017
A. Net (Liability) / Asset recognized in the Balance Sheet		
Present Value of Funded Obligation	(2,406.96)	-
Present Value of Unfunded obligation	-	-
Add: Assets acquired on acquisition	-	(5,152.12)
Less: Fair value of Plan Assets	2,427.12	5,182.88
Amount to be recognised in the Balance Sheet as (liability) or asset	20.16	30.76
B. Amounts to be recognised in the Balance Sheet		
Liability	-	-
Assets	20.16	30.76

Notes to the Financial Statements for the period ended March 31, 2018

b) Expenses recognised in the Statement of Profit and Loss:

		₹ in Lakh	
Particulars	Provident Fund Plan		
	2017-2018	2016-2017	
1 Current Service Cost	0.01	394.97	
2 PF Transfer In	-	-	
3 Interest on Defined Benefit Obligation	275.49	425.74	
4 Expected Return on Plan Assets	(275.49)	(425.74)	
5 Net Actuarial Losses/(Gains)	(255.63)	62.62	
6 Actuarial gain/(loss) not recognized in books	255.63	(62.62)	
7 Expenses recognized in the statement of Profit & Loss Account	0.01	394.97	
8 Actual Return of Plan Asset	531.12	363.12	

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

		₹ in Lakh	
Particulars	Provident Fund Plan		
	As at March 31, 2018	As at March 31, 2017	
Opening balance of the present value of Defined Benefit Obligation	5,152.12	-	
Add: Assets acquired on acquisition	-	5,311.22	
Transfer in/out	(7.95)	(316.46)	
Add: Current Service Cost	0.01	394.97	
Add: Interest Cost	275.49	425.74	
Add: Contribution by Plan Participants	194.93	780.81	
Add: Actuarial Losses / (Gain)	-	-	
Less: Benefits paid	(3,207.64)	(1,444.16)	
Closing balance of the present value of Defined Benefit Obligation	2,406.96	5,152.12	

Notes to the Financial Statements for the period ended March 31, 2018

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

Particulars	₹ in Lakh	
	Provident Fund Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the fair value of the plan assets	5,182.88	-
Add: Assets acquired on acquisition		5,325.47
Transfer in/out	(79.83)	(316.46)
Add: Expected Return on plan assets	275.49	425.74
Add/(less): Actuarial gains/(losses)	255.63	(62.62)
Add: Contributions by Employer	0.16	431.23
Add: Contribution by Plant participants	0.43	823.68
Less: Benefits Paid	(3,207.64)	(1,444.16)
Less: Transfer to Regional Provident Fund		
Closing balance of the plan assets	2,427.12	5,182.88

e) The major categories of plan assets as a percentage of total plan assets, are as follows:

Particulars	Provident Fund Plan	
	As at March 31, 2018	As at March 31, 2017
	1 Government of India Securities	23%
2 State Government Scheme	20%	21%
3 Special Deposit Scheme	6%	8%
4 Public Sector Unit Bond	29%	33%
5 Corporate Bonds	17%	15%
6 Others (cheques on hand)	5%	3%
	100%	100%

29.2 Segment Reporting : Accounting Standard (AS) 17

(i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural, Housing, Wholesale and Defocused Business. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :

Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

Notes to the Financial Statements for the period ended March 31, 2018

(ii) Information about Business Segment composition : (Contd.)

Sr. Particulars No.	Rural Business		Housing Business		Wholesale Business		Defocused Business		TOTAL	
	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017
1. Revenue	2,47,510.35	1,80,098.97	68,409.72	41,103.41	1,61,319.82	1,39,269.69	22,505.06	47,733.16	4,99,744.95	4,08,205.23
2. Less : Inter segment revenue	-	-	-	-	-	-	-	-	-	-
3. Total revenue (1) - (2)	2,47,510.35	1,80,098.97	68,409.72	41,103.41	1,61,319.82	1,39,269.69	22,505.06	47,733.16	4,99,744.95	4,08,205.23
4. Segment result	57,654.66	30,638.77	33,928.69	18,787.83	36,297.14	40,211.07	(19,081.25)	(21,344.65)	1,08,799.24	68,293.02
5. Unallocable expenses ¹	-	-	-	-	-	-	-	-	65,345.77	65,451.27
6. Operating profit (4)-(5)	57,654.66	30,638.77	33,928.69	18,787.83	36,297.14	40,211.07	(19,081.25)	(21,344.65)	43,453.47	2,841.75
7. Income tax expenses (Including deferred tax)	-	-	-	-	-	-	-	-	-	-
8. Net profit (6)-(7)	57,654.66	30,638.77	33,928.69	18,787.83	36,297.14	40,211.07	(19,081.25)	(21,344.65)	43,453.47	2,841.75
9. Segment assets	16,50,265.92	10,26,167.14	5,91,232.55	3,72,908.66	8,27,977.81	16,40,346.43	1,27,651.75	2,48,912.76	41,97,128.03	32,88,334.99
10. Unallocable assets ²	-	-	-	-	-	-	-	-	2,68,569.01	3,09,347.84
11. Total assets (9) + (10)	16,50,265.92	10,26,167.14	5,91,232.55	3,72,908.66	8,27,977.81	16,40,346.43	1,27,651.75	2,48,912.76	44,65,697.04	35,97,682.83
12. Segment liabilities	14,17,436.14	9,08,022.92	5,07,817.79	3,29,975.11	15,70,075.33	14,51,490.78	1,09,641.84	2,20,255.15	36,04,971.10	29,09,743.96
13. Unallocable liabilities ³	-	-	-	-	-	-	-	-	2,050.82	-
14. Total liabilities (12)+(13)	14,17,436.14	9,08,022.92	5,07,817.79	3,29,975.11	15,70,075.33	14,51,490.78	1,09,641.84	2,20,255.15	36,07,021.92	29,09,743.96
15. Capital Expenditure (tangible and intangible fixed assets)	1,770.25	2,104.27	610.16	738.88	1,920.59	3,302.51	4,578.09	10,638.31	8,879.09	16,783.97
16. Depreciation & amortisation expenses (included in segment expense)	1,286.74	1,477.16	46.47	44.81	430.05	373.41	2,214.12	3,525.21	3,977.38	5,420.59

Note :

1. Relates to amortisation of Goodwill generated on merger.
2. Includes tax paid in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.
3. Includes provision for tax (net) and deferred tax liabilities (net).

Notes to the Financial Statements for the period ended March 31, 2018

29.3 Related Party Disclosures: Accounting Standard - 18

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

A. Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3. L&T Infrastructure Finance Company Limited
4. Larsen & Toubro Infotech Limited
5. L&T Capital Company Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. L&T Infra Investment Partners Advisory Private Limited
11. L&T Electricals and Automation Limited

D. Associates

12. L&T Infra Debt Fund Limited

E. Key Management Personnel

13. Mr. Vamsidhar Chevendra - upto April 28, 2016
14. Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017
15. Mr. Sunil Prabhune - w.e.f February 13, 2017

Notes to the Financial Statements for the period ended March 31, 2018

(b) Disclosure of related party transactions :-		₹ in Lakh	
Sr. No.	Nature of Transaction*	2017-18	2016-17
	Transactions		
1	Inter corporate deposits borrowed		
	L&T Finance Holdings Limited	7,42,103.00	7,65,606.10
	L&T Infrastructure Finance Company Limited	1,37,000.00	81,350.00
	L&T Housing Finance Limited	63,600.00	42,915.00
	L&T Capital Company Limited	837.00	760.00
	L&T Investment Management Limited	96,794.00	1,435.00
	L&T Capital Market Limited	13,446.00	-
	L&T Infra Investment Partners Advisory Private Limited	15,995.00	-
2	Inter corporate deposits repaid		
	L&T Finance Holdings Limited	6,96,260.00	7,54,590.10
	L&T Infrastructure Finance Company Limited	1,40,500.00	77,850.00
	L&T Housing Finance Limited	63,600.00	42,915.00
	L&T Capital Company Limited	960.00	557.00
	L&T Investment Management Limited	96,794.00	1,435.00
	L&T Capital Market Limited	13,446.00	-
	L&T Infra Investment Partners Advisory Private Limited	15,995.00	-
3	Interest expense on inter corporate deposits		
	L&T Finance Holdings Limited	3,129.05	2,149.46
	L&T Infrastructure Finance Company Limited	211.50	78.34
	L&T Capital Company Limited	63.72	55.51
	L&T Housing Finance Limited	50.86	80.70
	L&T Investment Management Limited	197.04	2.03
	L&T Capital Market Limited	37.60	-
	L&T Infra Investment Partners Advisory Private Limited	75.30	-
4	Inter corporate deposits given		
	L&T Infrastructure Finance Company Limited	10,000.00	67,752.00
	L&T Housing Finance Limited	565.00	33,800.00
5	Inter corporate deposits received back		
	L&T Infrastructure Finance Company Limited	10,000.00	67,752.00
	L&T Housing Finance Limited	565.00	33,800.00
6	Interest received on inter corporate deposits		
	L&T Infrastructure Finance Company Limited	2.41	34.32
	L&T Housing Finance Limited	0.68	29.98
7	Advisory Fees received		
	Larsen & Toubro Limited	12.50	-

Notes to the Financial Statements for the period ended March 31, 2018

(b) Disclosure of related party transactions :-		₹ in Lakh	
Sr. No.	Nature of Transaction*	2017-18	2016-17
8	Portfolio related transaction L&T Housing Finance Limited	57.57	62.89
9	Investment in Equity Shares L&T Infra Debt Fund Limited	1,980.44	-
10	Purchase of assets L&T Capital Company Limited	0.02	-
11	Corporate support charges paid L&T Finance Holdings Limited	262.00	497.00
12	Branch sharing cost paid to Larsen & Toubro Limited L&T Financial Consultants Limited	11.40 2,308.54	- 1,769.97
13	Branch sharing cost recovered from L&T Infrastructure Finance Company Limited L&T Electricals and Automation Limited L&T Finance Holdings Limited L&T Infra Investment Partners Advisory Private Limited L&T Investment Management Limited L&T Capital Market Limited L&T Housing Finance Limited	17.26 5.06 - - 176.75 63.82 303.75	23.60 - 7.53 3.43 163.85 70.84 294.72
14	Managerial Remuneration** Vamsidhar Chevendra Muralidharan Rajamani Sunil Prabhune	- - 812.99	4.63 87.70 16.87
15	IT/Professional fees Larsen & Toubro Limited Larsen & Toubro Infotech Limited L&T Finance Holdings Limited	612.67 215.10 8.43	602.35 71.34 -
16	Sale/Assignment of Loan Portfolio L&T Infra Debt Fund Limited L&T Infrastructure Finance Company Limited L&T Housing Finance Limited	41,820.96 66,211.70 73,585.32	27,474.29 - -
17	Purchase of Loan Portfolio L&T Infrastructure Finance Company Limited	96,300.00	-
18	Purchase of Loan Portfolio L&T Infrastructure Finance Company Limited	33,000.00	-
19	Brand License Fees Larsen & Toubro Limited	1,473.18	96.31
20	ESOP Cost L&T Finance Holdings Limited	427.22	8.29
21	Equity Capital Infused (including share premium) L&T Finance Holdings Limited	1,40,000.00	6,42,460.02

Notes to the Financial Statements for the period ended March 31, 2018

(b) Disclosure of related party transactions :-		₹ in Lakh	
S. No.	Nature of transactions	As at March 31,2018	As at March 31,2017
	Balances		
1	Inter Corporate Borrowings		
	L&T Finance Holdings Limited	65,934.00	20,091.00
	L&T Infrastructure Finance Company Limited	-	3,500.00
	L&T Capital Company Limited	637.00	760.00
2	Interest accrued but not due on Inter Corporate Borrowings		
	L&T Finance Holdings Limited	119.89	27.43
	L&T Infrastructure Finance Company Limited	-	0.78
	L&T Capital Company Limited	22.35	0.02
3	Investment in equity share		
	L&T Infra Debt Fund Limited	17,650.44	15,670.00
4	Rent Deposit		
	L&T Financial Consultants Limited	381.44	381.44
5	Account payable		
	Larsen & Toubro Limited	-	-
	L&T Finance Holdings Limited	198.70	24.94
	L&T Infrastructure Finance Company Limited	13.58	-
	L&T Investment Management Limited	3.48	-
	L&T Capital Company Limited	0.02	-
	L&T Capital Market Limited	7.52	69.61
	L&T Housing Finance Limited	18.96	-
	L&T Financial Consultants Limited	11.74	-
6	Account receivable		
	Larsen & Toubro Limited	223.10	27.83
	L&T Infrastructure Finance Company Limited	66.99	44.38
	L&T Investment Management Limited	56.17	9.71
	L&T Capital Market Limited	15.72	-
	L&T Housing Finance Limited	83.15	24.27
	L&T Electricals and Automation Limited	5.42	-
	L&T Financial Consultants Limited	0.40	-
7	Security Deposit Payable		
	L&T Investment Management Limited	22.05	22.05
8	Reimbursement of expenses		
	Larsen & Toubro Limited	-	292.43
9	Brand License Fees Payable		
	Larsen & Toubro Limited	1,605.77	-

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

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

Notes to the Financial Statements for the period ended March 31, 2018

29.4 Finance Lease:

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals As at March 31, 2018 and As at March 31, 2017 in respect of these assets are as under:

Particulars	₹ in Lakh	
	2017-2018	2016-2017
Gross Investments :		
- Within one year	2,589.01	2,827.26
- Later than one year and not later than five years	8,727.65	5,039.97
- Later than five years	0.52	-
Total	11,317.18	7,867.23
Unearned Finance Income :		
- Within one year	745.16	649.75
- Later than one year and not later than five years	1,509.77	864.56
- Later than five years	0.02	-
Total	2,254.95	1,514.31
Present Value of Rentals :		
- Within one year	1,843.85	2,177.27
- Later than one year and not later than five years	7,217.88	4,175.32
- Later than five years	0.49	-
Total	9,062.22	6,352.59

29.5 Operating Lease :

- (i) The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 155.22 lakh (previous year ₹ 31.56 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

Particulars	₹ in Lakh	
	2017-2018	2016-2017
- Within one year	27.03	26.75
- Later than one year and not later than five years	36.79	37.23
- Later than five years	-	-
Total	63.82	63.98

- (ii) The Company has taken IT assets under operating lease. Lease Payments includes ₹ 200.45 lakh (previous year ₹563.53 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

Particulars	₹ in Lakh	
	2017-2018	2016-2017
- Within one year	22.66	108.98
- Later than one year and not later than five years	31.31	-
- Later than five years	-	-
Total	53.97	108.98

Notes to the Financial Statements for the period ended March 31, 2018

- (iii) The Company has taken premises under operating lease. Lease Payments includes ₹1,258.81 lakhs (previous year ₹1,208.35 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

Particulars	₹ in Lakh	
	2017-2018	2016-2017
- Within one year	2,275.74	2,025.48
- Later than one year and not later than five years	7,410.00	1,407.54
- Later than five years	-	-
Total	9,685.74	3,433.02

Assets given on lease:

The total of future minimum lease payments under non-cancellable operating leases are:

Particulars	₹ in Lakh	
	2017-2018	2016-2017
- Within one year	1,244.02	3,404.30
- Later than one year and not later than five years	1,886.45	4,006.49
- Later than five years	145.10	145.43
Total	3,275.57	7,556.22

29.6 Earnings Per Share:

Particulars		2017-2018	2016-2017
Basic			
Profit after tax as per statement of profit and loss (₹ in Lakh)	A	28,992.16	1,604.17
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,44,92,00,469	1,44,00,47,294
Basic Earning Per Share (₹)	A/B	2.00	0.11
Diluted			
Profit after tax as per statement of profit and loss (₹ in Lakh)	A	28,992.16	1,604.17
Weighted average number of equity shares outstanding (Nos.)	B	1,44,92,00,469	1,44,00,47,294
Diluted Earning Per Share (₹)	A/B	2.00	0.11
Nominal value of shares (₹)		10.00	10.00

29.7 Contingent Liabilities and commitments:

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	71.49	71.49
- Sales tax/ VAT / Service Tax matter in dispute*	6,541.29	2,380.45

Notes to the Financial Statements for the period ended March 31, 2018

29.7 Contingent Liabilities and commitments: (Contd.)

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
- Legal matter in dispute*	131.34	106.00
b) Bank Guarantees;	3,951.79	2,120.00
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	92,247.90	5,258.89
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	16,161.14	698.67
b) Undisbursed Commitment	-	4,100.00

*In respect of disputes, the company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

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

₹ in Lakh				
Financial Year	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged/ (Reversed) to statement of profit and loss for the year	Remaining expenses to be recovered in future year / period
(A)	(B)	(C)	(D)	(E = B-C)
2017-18	1,890.40	435.51	427.22	1,454.89
2016-17	86.36	8.29	8.29	78.07

29.9 Expenditure in foreign currency:

₹ in Lakh		
Particulars	2017-2018	2016-2017
Professional Fees	36.80	15.02
License Fees	151.72	1.08

29.10 Frauds committed against the company:

₹ in Lakh		
Particulars	2017-2018	2016-2017
No. of cases of fraud which occurred during the year	12	20
Amount involved	62.52	59.21
Amount recovered	2.03	11.23
Amount provided/loss	60.49	0.72

Notes to the Financial Statements for the period ended March 31, 2018

29.11 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. Accordingly the company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

Particulars	As at	
	March 31, 2018	March 31, 2017
Liability – External Commercial Borrowings	USD 1,55,06,284	USD 2,00,00,000
Assets – Currency Swap Contracts	USD 1,55,06,284	USD 2,00,00,000

- 29.12** (i) Appropriations to the Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961 and Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 are carried out of the distributable profits of the company.
- (ii) Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71 (4) of the Companies Act, 2013 is carried out of distributable profits of the Company.
- (iii) During the year, the Company has charged off debenture issue expenses net of tax ₹173.59 lakh (Previous year ₹124.39 lakh) to the Securities Premium Account in accordance with Section 52 of the companies Act, 2013.

29.13 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 176.41 lakh (previous year: ₹ 208.38 lakh).

- (a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 181.28 lakh (previous year: ₹ 212.57 lakh) (Refer note no. 27 of financial statements), which comprises of:

Particulars	₹ in Lakh					
	2017-18			2016-17		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	181.28	-	181.28	212.57	-	212.57

Notes to the Financial Statements for the period ended March 31, 2018

29.14: Details of accounts restructured during the year ended March 31, 2018

₹ in Lakh

Type of Restructuring Asset Classification	Under CDR Mechanism				Others				Total			
	SubStandard	Doubtful	Loss	Total	SubStandard	Doubtful	Loss	Total	SubStandard	Doubtful	Loss	Total
1 Restructured Accounts as on April 1, 2017	-	1.00	-	1.00	3,890.00	-	3.00	3,893.00	3,890.00	-	4.00	3,894.00
Amount outstanding Restructured facility only	-	1,501.35	-	1,501.35	26,508.25	-	4,661.14	31,169.39	26,508.25	-	6,162.49	32,670.74
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	1,614.35	-	1,614.35	4,115.26	-	2,904.67	7,019.93	4,115.26	-	4,519.02	8,634.28
2 Movement in balance for accounts appearing under opening balance	-	1.00	-	1.00	3,890.00	-	3.00	3,893.00	3,890.00	-	4.00	3,894.00
Amount outstanding Restructured facility only	-	(13.17)	-	(13.17)	(5,344.91)	-	(1,535.87)	(6,880.78)	(5,344.91)	-	(1,549.04)	(6,893.95)
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	(16.50)	-	(16.50)	839.97	-	(398.62)	441.35	839.97	-	(415.13)	424.84
3 Fresh restructuring during the year	-	-	-	-	-	1.00	-	1.00	-	1.00	-	1.00
Amount outstanding Restructured facility only	-	-	-	-	-	1,082.38	-	1,082.38	-	1,082.38	-	1,082.38
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	229.38	-	229.38	-	229.38	-	229.38
4 Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
5 Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
6 Downgradations of restructured accounts during the FY	-	-	-	-	(811.00)	775.00	36.00	-	(811.00)	775.00	36.00	-
Amount outstanding Restructured facility only	-	-	-	-	(9,617.99)	9,484.28	133.71	-	(9,617.99)	9,484.28	133.71	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	(3,557.80)	3,494.33	63.47	-	(3,557.80)	3,494.33	63.47	(0.00)
7 Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
8 Restructured Accounts as on March 31, 2018	-	1.00	-	1.00	2,385.00	776.00	38.00	3,199.00	2,385.00	776.00	39.00	3,200.00
Amount outstanding Restructured facility only	-	1,488.18	-	1,488.18	10,566.67	3,258.97	-	25,370.99	11,545.35	10,566.67	4,747.16	26,859.18
Amount outstanding other facility	-	-	-	-	11,545.35	-	-	-	11,545.35	-	-	-
Provision thereon	-	1,597.85	-	1,597.85	1,397.43	3,723.71	2,569.51	7,690.65	1,397.43	3,723.71	4,167.36	9,288.50

Notes to the Financial Statements for the period ended March 31, 2018

- 29.15** The Company has invoked pledge of equity shares in the following companies, pledged with the Company as collateral by the borrowers and these shares are being held by the Company as bailee. As and when the shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

Name of Company	No. of shares held as bailee	
	As at March 31, 2018	As at March 31, 2017
i) Saumya Mining Limited	513,012	513,012
ii) Sew Vizag Coal Terminal Private Limited*	703,833	703,833
iii) Bhushan Steel Limited	7,189,089	7,189,089
iv) Sterling International Enterprises Limited	217,309	217,309
v) Tulip Telecom Limited	1,401,762	1,401,762
vi) Punj Lloyed Limited	5	5
vii) Golden Tobacco Limited	10,000	10,000
viii) Gujarat Highway Corporation Limited	70,000	70,000
ix) Vakrangee Limited	81,524	-
x) Hindusthan National Glass & Industries Ltd	3,802,235	-

*Shares held on behalf of L&T Infrastructure Finance Company Limited.

- 29.16** The following additional information (other than what is already disclosed elsewhere) is disclosed in the terms 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.

1. Capital :

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
i) CRAR (%)	17.92%	16.42%
ii) CRAR - Tier I Capital (%)	15.64%	13.36%
iii) CRAR - Tier II Capital (%)	2.28%	3.06%
iv) Amount of subordinated debt raised during the year as Tier-II capital	-	-
v) Amount raised during the year by issue of Perpetual Debt Instruments	-	-

Notes to the Financial Statements for the period ended March 31, 2018

2. Investments :

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	247,761.35	314,090.01
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	6,467.51	4,393.03
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	241,293.84	309,696.98
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	4,393.03	153.94
(ii) Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	1,650.91
(iii) Add : Provisions made during the year*	3,592.08	2,827.01
(iv) Less : Write-off / write-back of excess provisions during the year	1,517.61	238.83
(v) Closing balance	6,467.50	4,393.03

Note: Includes ₹250.12 lakh debited to Surplus in the Statement of Profit and Loss in terms of notification RBI/2015-16/422 DBR.No.BP.BC.103/21.04.132/2015-16.

3. Derivatives :

- I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

Particulars	₹ in Lakh	
	2017-18	2016-17
(i) The notional principal of swap agreements	10,000.00	12,970.00
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	10.06	266.00
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	10.06	266.00

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2018 (Previous year: NIL).

Notes to the Financial Statements for the period ended March 31, 2018

III) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

"The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI. "

4. Securitisation:

- i) The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

Particulars	₹ lakh	
	No. / Amount	
	As at March 31, 2018	As at March 31, 2017
1 No of SPVs sponsored by the NBFC for securitization transactions*	2	1
2 Total amount of securitised assets as per books of the SPVs sponsored	50,605.18	20,476.51
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	6,473.74	2,252.47
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Loss	-	-
ii) Exposure to third party securitizations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitizations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitizations		
First loss	-	-
Others	-	-

Notes to the Financial Statements for the period ended March 31, 2018

Details of securitisation transactions undertaken by applicable NBFCs

Particulars	₹ lakh	
	2017-18	2016-17
(i) No. of accounts	181,572	12,037
(ii) Aggregate value (net of provisions) of accounts securitised	30,128.67	20,476.51
(iii) Aggregate consideration	30,128.67	20,476.51
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value	-	-

II) Details of Assignment transactions undertaken by applicable NBFCs

Particulars	₹ lakh	
	2017-18	2016-17
(i) No. of accounts	-	7,388
(ii) Aggregate value (net of provisions) of accounts sold	-	12,252.14
(iii) Aggregate consideration	-	12,720.38
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value*	-	468.24

* Gain / (Loss) on assignment is amortised over the life of Portfolio.

III) Details of Non performing financial assets purchased/sold: During the current and previous year, no non-performing financial assets has been purchased/sold from/to other NBFCs.

IV) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction:

Particulars	₹ in Lakh	
	2017-18	2016-17
1 No. of accounts sold	5	2
2 Aggregate value (net of provision) of accounts sold to SC/RC (₹ lakh)	19,469.97	10,683.04
3 Aggregate consideration (₹ lakh)	18,397.05	7,687.00
4 Additional consideration realized in respect of accounts transferred in earlier years (₹ lakh)	-	-
5 Aggregate Gain/(Loss) over net book Value (₹ lakh)	(1,072.92)	(2,996.04)

* During the previous year, the Company sold certain Non Performing Assets (NPA) to Reconstruction Company. In term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, any shortfall of sale value over the net book value has been spread over period of four quarters.

Notes to the Financial Statements for the period ended March 31, 2018

5. Exposures

(I) Exposure to Real Estate Sector

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	14,553.41	304,486.38
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	629,100.46	136,021.14
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	643,653.87	440,507.52

(II) Exposure to Capital Market

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	29,144.85	28,047.87
(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;	-	-
(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;	305,132.55	255,450.11
(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;		-

Notes to the Financial Statements for the period ended March 31, 2018

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	12,211.17	10,532.49
Total Exposure to Capital Market	346,488.57	294,030.47

(III) Details of financing of parent company products: Nil (Previous year : Nil)

(IV) The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI.

(V) Unsecured Advances (net off provision):

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Term loans	1,064,012.41	702,483.03
Debentures	23,500.00	54,130.00
Personal Loans	-	-
Total	1,087,512.41	756,613.03

Note : There are no advances outstanding as on 31st March 2018 against which intangible securities has been taken as collateral. (Previous year : Nil)

6. Miscellaneous

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

(II) **Penalties imposed by RBI and other regulators :** No penalties have been imposed by RBI or other regulators during the year. (Previous Year: NIL)

(III) **Ratings assigned by credit rating agencies and migration of ratings during the year**

Particular	2017-2018		2016-2017	
	CARE	ICRA	CARE	ICRA
(i) Commercial Paper	CARE A1+	ICRA A1+	CARE A1+	Not Rated
(ii) Non-Convertible Debentures	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(iii) Bank Loans :				

Notes to the Financial Statements for the period ended March 31, 2018

Particular	2017-2018		2016-2017	
Long Term	CARE AAA (Stable)	Not Rated	CARE AA+ (Stable)	Not Rated
Short Term	CARE AAA (Stable)	Not Rated	CARE AA+ (Stable)	Not Rated
(iv) Subordinate Debts	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(v) Perpetual Debt	CARE AA+ (Stable)	ICRA AA (Stable)	CARE AA (Stable)	ICRA AA (Stable)
(vi) Non-Convertible Debentures(Public Issue)	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)

(IV) **Postponements of revenue recognition:** Current year: NIL (Previous year: NIL)

Note: In respect of Non performing assets, the revenue is recognised in terms of requirement of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

7. Provisions and Contingencies :

(I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	₹ in Lakh	
	2017-2018	2016-2017
Provision for depreciation on Investments	(866.90)	2,588.18
Provision towards Non Performing Assets	(13,061.74)	35,900.85
Provision made towards Income tax		
- Current Tax	29,702.14	13,783.40
- Deferred Tax	(15,240.83)	(12,545.83)
Other Provision and Contingencies (with details)		
Provision for Standard Assets	-	16,400.22
Provision of Restructured Assets	53,135.12	180.23
Loss on foreclosure of loans (net)	-	23,764.26

(II) **Drawn down from reserves:** No draw down from reserves during the financial year (Previous year: NIL)

8. Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Total Advances to twenty largest borrowers	730,178.16	587,747.03
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	18.65%	20.10%

Notes to the Financial Statements for the period ended March 31, 2018

(II) Concentration of Exposures

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers / customers#	779,767.86	683,746.03
Percentage of Total Exposure to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers #	18.81%	20.06%

Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements.

(III) Concentration of NPA

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
Total Exposure to top four NPA accounts	37,899.88	23,212.41

(IV) Sector-wise NPAs

Particulars	₹ in Lakh	
	Percentage to Total Advances in that Sector	
	As at March 31, 2018	As at March 31, 2017
1 Agriculture & allied activities	9.69%	13.35%
2 MSME	7.97%	4.61%
3 Corporate borrowers	4.11%	3.85%
4 Services	4.44%	3.30%
5 Unsecured personal loans	4.74%	0.59%
6 Auto loans	12.34%	17.68%
7 Other personal loans	7.09%	6.32%

9. Movement of NPAs

Particulars	₹ in lakh	
	2017-18	2016-17
(i) Net NPAs to Net Advances (%)	2.81%	3.99%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	190,521.56	26,735.95
(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	91,162.68
(c) Additions during the year	223,187.50	213,534.35
(d) Reductions during the year	176,045.25	140,911.42
(e) Closing balance	237,663.81	190,521.56
(iii) Movement of Net NPAs		
(a) Opening balance	113,764.96	16,919.17

Notes to the Financial Statements for the period ended March 31, 2018

Particulars	₹ in lakh	
	2017-18	2016-17
(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	60,453.12
(c) Additions during the year	117,375.14	146,599.02
(d) Reductions during the year	124,663.98	110,206.35
(e) Closing balance	106,476.12	113,764.96
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	76,756.60	9,816.78
(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	30,709.56
(c) Provisions made during the year	105,812.36	66,935.33
(d) Write-off / write-back of excess provisions	51,381.27	30,705.07
(e) Closing balance	131,187.69	76,756.60

Note: Loan assets identified as NPA and upgraded to standard assets during the same quarter have been excluded in above disclosure except for NPA identified and sold to Securitisation/Reconstruction company for Asset reconstruction.

10. Disclosure of Customer Complaints

Particulars	2017-18	2016-17
(i) No. of complaints pending at the beginning of the year	-	-
(ii) No. of complaints transferred from Transferor company	-	1
(iii) No. of complaints received during the year	2,105	3,964
(iv) No. of complaints redressed during the year	2,105	3,965
(v) No. of complaints pending at the end of the year	-	-

29.17 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2018 is disclosed in terms of RBI circular DBR.No.BP.BC.33/21.04.132/2016-17 dated November 10, 2016.

No. of accounts where S4A has been applied	Aggregate amount outstanding	₹ in lakh		Provision Held
		Amount outstanding		
		In Part A	In Part B	
Classified as Standard				
1.00	1,455.23	-	1,455.23	915.50
Classified as NPA				
-	-	-	-	-

29.18 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

March 31, 2018	₹ in Lakh									
	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total	
Deposits	-	-	-	-	-	-	-	-	-	-
Advances (Gross)	138,631.17	171,528.21	136,094.98	287,325.11	508,391.79	1,217,524.22	488,184.11	966,881.15	3,914,560.74	
Investments (Net)	740.57	2,232.87	-	143,690.00	3,695.23	38,449.40	68.20	52,417.57	241,293.84	
Borrowings*	104,250.00	116,025.00	336,515.33	416,853.33	398,274.25	1,614,940.96	432,633.33	74,000.00	3,493,492.20	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign Currency liabilities*	-	-	-	-	-	10,116.28	-	-	10,116.28	
* Including ECB loan										
March 31, 2017	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total	
Deposits	-	-	-	-	-	-	-	-	-	
Advances (Gross)	122,097.51	166,272.90	129,050.04	222,023.10	407,396.80	973,266.35	385,499.45	518,838.97	2,924,445.12	
Investments (Net)	46,557.01	-	-	-	189,515.16	34,878.24	3,994.85	34,751.72	309,696.98	
Borrowings*	80,925.00	311,150.00	333,853.67	261,072.67	277,144.67	1,279,340.21	163,600.00	89,000.00	2,796,086.22	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign Currency liabilities	-	-	-	13,635.97	-	-	-	-	13,635.97	
* Including ECB loan										

Notes to the Financial Statements for the period ended March 31, 2018

- 29.19** Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - 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)

Liabilities Side:

- 1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**

Particulars	₹ in Lakh			
	As at March 31, 2018		As at March 31, 2017	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures :				
- Secured	1,046,013.75	-	747,823.06	-
- Unsecured	112,434.88	-	119,042.34	-
(Other than falling within the meaning of Public Deposits)*	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	886,370.46	-	958,967.94	36.52
(d) Inter-Corporate Loans and borrowings	66,713.24	-	24,379.23	-
(e) Commercial Paper (Net off unexpired discounting charges)	652,581.68	-	965,042.18	-
(f) Public Deposits	-	-	-	-
(g) Other Loans	-	-	-	-
i) Foreign Currency Loan	10,115.59	-	12,973.26	-
ii) Bank Overdraft, Cash credit & Working Capital Demand Loan	772,146.91	-	9,658.42	-

* Refer footnote 1 below

- 2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**

Particulars	₹ in Lakh			
	As at March 31, 2018		As at March 31, 2017	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

* Refer footnote 1 below

Notes to the Financial Statements for the period ended March 31, 2018

Assets Side:

3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :

Particulars	₹ in Lakh	
	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
(a) Secured (net of provision)	2,694,811.48	2,072,060.81
(b) Unsecured (net of provision)	1,087,512.41	756,613.03

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

Particulars	₹ in Lakh	
	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease (net of provision)	9.49	318.69
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

Notes to the Financial Statements for the period ended March 31, 2018

5. Break-up of Investments (net off diminution) :

Particulars	₹ in Lakh	
	Amount Outstanding	
	As at March 31, 2018	As at March 31, 2017
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	740.57	2,262.18
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	-	294.83
(b) Preference	142.63	407.51
(ii) Debentures and Bonds	144,229.73	148,466.34
(iii) Units of Mutual Funds	-	44,000.00
(iv) Government Securities	-	24,535.38
(v) Others (Pass Through Certificates)	5,245.74	16,105.93
Long Term Investments		
1 Quoted		
(i) Shares :		
(a) Equity	-	397.45
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	17,863.04	16,969.23
(b) Preference	455.60	582.25
(ii) Debentures and Bonds	37,766.91	37,766.92
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	0.05	0.05
(v) Others :		
(a) Security receipts	22,638.39	7,376.42
(b) Investment in Units/Pass Through Certificates	12,211.17	10,532.49

Notes to the Financial Statements for the period ended March 31, 2018

6. Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below) :

₹ in Lakh

Category	As at March 31, 2018		As at March 31, 2017	
	Secured (net of provision)	Unsecured (net of provision)	Secured (net of provision)	Unsecured (net of provision)
1 Related Parties **				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	7,500.00	35.67
2 Other than related parties	2,694,811.48	1,087,512.41	2,064,560.81	756,577.36
Total	2,694,811.48	1,087,512.41	2,072,060.81	756,613.03

** As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in Lakh

Category	As at March 31, 2018		As at March 31, 2017	
	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
1 Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	18,250.44	18,250.44	16,270.00	16,270.00
2 Other than related parties	229,510.91	223,043.40	297,820.01	293,426.98
Total	247,761.35	241,293.84	314,090.01	309,696.98

** As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

Notes to the Financial Statements for the period ended March 31, 2018

8. Other Information

Particulars	₹ in Lakh	
	As at March 31, 2018	As at March 31, 2017
(i) Gross Non-Performing Assets	237,663.81	190,521.56
(a) Related parties	-	-
(b) Other than related parties	237,663.81	190,521.56
(ii) Net Non-Performing Assets	106,476.12	113,764.96
(a) Related parties	-	-
(b) Other than related parties	106,476.12	113,764.96
(iii) Assets acquired in satisfaction of debt (Gross)	10,042.56	6,435.51

Footnotes:

1. As defined in point (xix) of paragraph 3 of chapter-2 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Accounting Standards represents to Companies Act,2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (5) above.

29.20 Previous year figures have been regrouped/ reclassified wherever necessary.

**For and on behalf of board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi

Chairperson
(DIN : 03545900)

Amol Joshi

Head Accounts
(Chief Financial Officer)

Amit Bhandari

Company Secretary

Place : Mumbai

Date : May 2, 2018