

ANNUAL REPORT 2020-21

L&T FINANCE LIMITED

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Twenty Eighth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY 2020-21 as compared to the previous FY 2019-20 is given below:

Particulars	(₹ in Cr)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Income	12,693.07	13,042.27
Less: Total Expenses	(12360.83)	(11,438.19)
Profit before tax/ (Loss)	332.24	1,604.08
Less: Provision for tax	(330.88)	(903.32)
Profit after tax/ (Loss)	1.36	700.76
Profit for the period carried to the balance sheet	1.36	700.76
Add: Balance brought forward from previous year (Deficit)/Surplus	(474.02)	(692.59)
Add: Other Comprehensive Income net of Income tax	0.79	(3.55)
Appropriations		
Less: Transferred to Special Reserve u/s 45-IC of RBI Act, 1934	0.27	(129.11)
Less: Dividend paid (including dividend distribution tax)	-	(266.56)
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	-	(80.75)
Less: Unamortised write down on Investment	-	-
Less: Transition impact of Ind-AS 116	-	(2.22)
Surplus/ (deficit) in the Statement of Profit and Loss	(472.14)	(474.02)

APPROPRIATIONS

During the year under review, the Company has transferred ₹ 106.10 Cr to General Reserve from Debenture Redemption Reserve. The Company transferred ₹ 0.27 Cr (previous year ₹ 129.11 Cr) to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 and ₹ 107.58 Cr (previous year ₹ 80.75 Cr) to Special Reserve created under Section 36(1) (viii) of Income Tax Act, 1961.

FINANCIAL PERFORMANCE OF THE COMPANY

The Company's performance during the year March 31, 2021 in comparison with the year ended March 31, 2020, in spite of the challenging economic environment and slowdown in several sectors is summarised as follows:

- Disbursements and collection activities were at a standstill in Q1FY21 due to closure of branches, Meeting Centers and point of sales during COVID 1.0 on account of lockdown. Accordingly, due to the said constraints the business volumes were impacted in the first half of the year leading to lower disbursements and degrowth in book. This resulted in revenue de-growth. Income from operations as at March 31, 2021 was ₹ 12,747.98 Crore and as at March 31, 2020 was ₹ 12,349.31. Total income as at March 31, 2021 was ₹ 13,042.27 Crore and as at March 31, 2020 was ₹ 12,693.07 Crore.
- Net loan book size increased from ₹ 78,593.64 Cr as at March 31, 2020 to ₹ 82,701.82 Cr as at March 31, 2021.
- Profit before Tax was ₹ 1,604.08 Cr in FY 2019-20 and ₹ 332.24 Cr in FY 2020-21.
- Profit after Tax was ₹ 700.76 Cr in FY 2019-20 and ₹ 1.36 Cr in FY 2020-21.
- Net worth of the Company as on March 31, 2021 was ₹ 15,546.99 Cr vis-à-vis ₹ 15,571.44 Cr as on March 31, 2020.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

MATERIAL CHANGES AND COMMITMENTS

In FY 2019-20, the Boards of Directors of the Company, L&T Infrastructure Finance Company Limited ("LTIF") and L&T Housing Finance Limited ("LTHF"), the wholly owned subsidiaries of L&T Finance Holdings Limited, the holding company, have approved the amalgamation of LTIF and LTHF with the Company by way of merger by absorption under the provisions of Sections 230 - 232 of the Act (including the rules thereunder) and other relevant provisions of the Act. Further, post receipt of the sanction orders from National Company Law Tribunal, Mumbai and National Company Law Tribunal, Kolkata and the approval of the Board of LTF, LTIF and LTHF merged with the Company w.e.f. April 12, 2021.

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

For the year ended on March 31, 2021, your Company has not considered the proposal to pay dividend, in view of the current challenging times arising on account of COVID-19 pandemic as the focus has been on strengthening the balance sheet and making it more robust.

CREDIT RATING

During the year under review, CRISIL Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE"), India Ratings and Research Private Limited ("India Ratings") and ICRA Limited ("ICRA") have reviewed the ratings on various debt instruments of the Company.

CRISIL reaffirmed its "CRISIL AAA/Stable" (Triple A; Outlook: Stable by CRISIL) rating on the Secured Redeemable Non-Convertible Debentures ("NCDs"), Secured NCDs (Public Issue) and long-term bank borrowings of the Company. CRISIL assigned its "CRISIL AAA/Stable" (Triple A; Outlook: Stable by CRISIL) rating to the Subordinated Debt. CRISIL also reaffirmed at "CRISIL A1+" (A One Plus by CRISIL) rating to the Commercial Papers ("CPs") issued by the Company.

CARE has reaffirmed its long-term rating of "CARE AAA/Stable" (Triple A; Outlook: Stable by CARE) on the outstanding rated issues of NCDs, Secured NCDs

(Public Issue), Secured NCDs (Public Issue) Unsecured Redeemable NCDs (Subordinated Debt) and long-term bank borrowings. The rating on the Unsecured NCDs issued by the Company, in the nature of perpetual debt, was reaffirmed at "CARE AA+/Stable" (Double A plus; Outlook: Stable by CARE). The rating on the Principal Protected Market-linked Debenture was reaffirmed at "CARE PP-MLD AAA/Stable" (Principal Protected Market-linked Debenture Triple A; Outlook: Stable by CARE) issued by the Company. CARE has also reaffirmed the rating assigned to the CPs issued by the Company at "CARE A1+" (A One Plus by CARE).

India Ratings has reaffirmed its rating of "IND AAA/Stable" (Triple A; Outlook: Stable by India Ratings) to the NCDs and Secured NCDs (Public Issue) issues of the Company. India ratings assigned a rating of "IND AAA/Stable" (Triple A; Outlook: Stable by India Ratings)" to Subordinated Debt and a rating of "IND PP-MLD AAA/Stable" (Principal Protected Market-linked Debenture Triple A [embedded market risk]; Outlook: Stable by India Ratings) to the Principal Protected Market-linked Debenture.

ICRA has reaffirmed its long-term ratings on the outstanding rated issues of NCDs, Secured NCDs (Public Issue) Unsecured Redeemable NCDs (Subordinated Debt) and long-term bank borrowings at "ICRA AAA/Negative" (Triple A; Outlook: Negative by ICRA). The ratings on the unsecured NCDs, in the nature of perpetual debt, has also been reaffirmed at "ICRA AA+/Negative" (Double A Plus; Outlook: Negative by ICRA). ICRA's rating on the Principal Protected Market-linked Debenture has been reaffirmed at "PP-MLD [ICRA] AAA/Negative" (Principal Protected Market-linked Debenture Triple A; Outlook: Negative by ICRA). ICRA has also reaffirmed the rating assigned to the CPs issued by the Company at "ICRA A1+" (A One Plus by ICRA).

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+ 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 issuance of NCDs (private placement basis), CPs, Inter Corporate Deposits (“ICDs”) and borrowings from banks.

During the year under review, the net borrowings have decreased from ₹ 1,009.50 Cr as at March 31, 2020 to ₹ (3,560.01) Cr as at March 31, 2021.

The aggregate debt outstanding as on March 31, 2021 was ₹ 79,390.18 Cr.

SHARE CAPITAL

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

As on March 31, 2021, the authorised share capital of the Company was ₹ 26,64,30,96,100 (Rupees Two Thousand Six Hundred and Sixty Four Crore Thirty Lakh Ninety Six Thousand One Hundred Only) divided into 2,65,43,09,610 (Two Hundred and Sixty Five Crore Forty Three Lakh Nine Thousand Six Hundred and Ten) Equity Shares of ₹ 10 (Rupees Ten Only) each and 10,00,000 (Ten Lakh) Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred Only) each.

As on March 31, 2021, the paid up equity share capital of the Company was ₹ 15,99,13,81,990 (Rupees One Thousand Five Hundred and Ninety Nine Crore Thirteen Lakh Eighty One Thousand Nine Hundred and Ninety Only) divided into 1,59,91,38,199 (One Hundred and Fifty Nine Crore Ninety One Lakh Thirty Eight Thousand One Hundred and Ninety Nine) Equity Shares of ₹ 10 each.

Further, in the light of the merger of LTIF and LTHF with the Company, as on the date of this report, the authorised share capital of the Company stands at ₹ 48,86,30,96,100 (Rupees Four Thousand Eight Hundred and Eighty Six Crore Thirty Lakh Ninety Six Thousand One Hundred Only) divided into 4,87,43,09,610 (Four Hundred and Eight Seven Crore Forty Three Lakh Nine Thousand Six Hundred and Ten) Equity Shares of ₹ 10 (Rupees Ten Only) each and 12,00,000 (Twelve Lakh) Redeemable Cumulative

Preference Shares of ₹ 100 (Rupees One Hundred Only) each.

As on the date of this report, the paid up equity share capital of the Company is ₹ 26,84,17,23,600 (Rupees Two Thousand Six Hundred and Eighty Four Crore Seventeen Lakh Twenty Three Thousand Six Hundred Only) divided into 26,84,17,23,60 (Two Hundred and Sixty Eight Crore Forty One Lakh Seventy Two Thousand Three Hundred and Sixty) Equity Shares of ₹ 10 each.

FIXED DEPOSITS

The Company being a non-deposit taking 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 Executive Director, Non-Executive Directors and Independent Directors.

Dr. Rajani R. Gupte was appointed as an Independent Director of the Company at the Extra –Ordinary General Meeting held on April 10, 2015 for a term of 5 consecutive years upto March 31, 2020. Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an Independent Director can hold the office for a term of upto 5 consecutive years on the Board of a company, but is eligible for reappointment on passing of a special resolution by the company, based on the report of evaluation of their performance, for another term of upto 5 years. No independent director can hold office for more than two consecutive terms. Further to the aforesaid and based on the recommendation of the Nomination and Remuneration Committee of the Company, Dr. Rajani R. Gupte was re-appointed as an Independent Director for a second term of upto 5 consecutive years with effect from April 1, 2020 to March 31, 2025 pursuant to the approval of the Board at its meeting held on March 20, 2020 and approval of the Members by way of a Special Resolution at the EGM of the Company held on March 20, 2020.

In the light of the merger of LTHF and LTIF with

the Company (all businesses being housed under one entity), Mr. Thomas Mathew T. and Ms. Nishi Vasudeva were appointed as Additional Directors (Independent Directors) of the Company based on the recommendation of the Nomination and Remuneration Committee of the Company for a term of upto 5 consecutive years with effect from April 12, 2021 to April 11, 2026 pursuant to the approval of the Board at its meeting held on April 12, 2021 and subject to the approval of the Members at the ensuing Annual General Meeting (“AGM”).

As on the date of the report, the Board comprised of the following Directors:

Name of Directors	Designation
Mr. Dinanath Dubhashi	Non-Executive Director & Chairperson
Mr. P. V. Bhide	Independent Director
Mr. Thomas Mathew T. ⁽¹⁾	Independent Director
Ms. Nishi Vasudeva ⁽¹⁾	Independent Director
Dr. Rajani R.Gupte ⁽²⁾	Independent Director
Mr. Sunil Prabhune	Whole-time Director
Mr. Rishi Mandawat	Non-Executive Director

Notes:

⁽¹⁾ Mr. Thomas Mathew T. and Ms. Nishi Vasudeva were appointed as Independent Directors, subject to approval of the Members, w.e.f. April 12, 2021.

⁽²⁾ Dr. Rajani R. Gupte was re-appointed as an Independent Director for the second term w.e.f. April 1, 2020.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Sunil Prabhune, Whole-time Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

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

The Board is of the opinion that the Independent Directors of the Company possess requisite

qualifications, experience and expertise and hold highest standards of integrity.

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.

All Independent Directors have submitted the declaration of compliance of sub-rule (1) and sub-rule (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the Board.

FIT AND PROPER CRITERIA & CODE OF CONDUCT

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

KEY MANAGERIAL PERSONNEL (“KMPs”)

During the year under review, Mr. Manish Jethwa stepped down as the Head – Accounts and consequently, Mr. Sanjay Wadhwa was appointed as the Head – Accounts to discharge the functions of Chief Financial Officer and was designated as KMP under the Companies Act with effect from July 15, 2020.

Further, Mr. Gufran Ahmed Siddiqui resigned from the position of the Company Secretary of the Company with effect from July 16, 2020 and consequently, Mr. Yashesh P. Bhatt was appointed as the Company Secretary of the Company and was designated as KMP under the Act with effect from July 16, 2020.

Further, Mr. Yashesh P. Bhatt resigned from the position of the Company Secretary of the Company with effect from April 14, 2021 (from the close of the business hours) and Ms. Apurva Rathod was appointed as the Company Secretary of the Company and was designated as KMP under the Act with effect from April 28, 2021.

As on date of this report, the Company had the following KMPs:

- Mr. Sunil Prabhune – Whole-time Director
- Mr. Sanjay Wadhwa – Head-Accounts (discharging functions of the Chief Financial Officer)

- Ms. Apurva Rathod – 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 of the Directors, Senior Management / KMPs and other employees of the Company and recommend the same for approval of the Board.

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

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

B) Brief framework of the Policy

The objective of this Policy is:

- to guide on matters relating to appointment and removal of Directors and Senior Management;
- to lay down criteria / evaluate performance of the Members of the Board including Independent Directors;
- to determine for payment of remuneration to the Directors, Senior Management / KMPs and other employees.
- to recommend to the Board on remuneration payable to the Directors including Senior Management / KMP and Employees, if required.
- to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

C) Appointment of Director(s) - Criteria Identification

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

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

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

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

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

• Independent Directors / Non-Executive Directors

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

- Membership & Attendance – Committee and Board Meetings;
- Contribution during such meeting;
- Active participation in strategic decision making;
- 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 31. The evaluation is on the basis of Key Performance Indicators (“KPIs”), which are identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of each ED. The identified KPIs for EDs are approved by the Board, pursuant to recommendation of the NRC, if required.

- **Senior Management/ KMPs/ Employees**

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

The HR Department of the Company is authorized to design the framework for evaluating the Senior Management 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.

During the year under review, changes were carried out to the Policy to reflect applicable regulatory provisions.

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 and the Committees of the Board.

Manner of Evaluation

The NRC and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors and the Chairperson. 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, (“LTFH”), the holding Company in a sealed envelope

/ through electronic means 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 LTFH, the holding Company in a sealed envelope / through electronic means and individual feedback is provided to the Chairperson by the Chairperson of NRC of LTFH.

d. Whole-time Director Evaluation:

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

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 FY2020-21 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 AGM held on June 15, 2016, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of Twenty Third AGM till the conclusion of the Twenty Eighth AGM.

Further, in accordance with the Guidelines for Appointment of Statutory Central Auditors /Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India dated April 27, 2021, the statutory audit of the

Company is required to be conducted under joint audit of a minimum of two audit firms (Partnership firms/Limited Liability Partnerships). Further, the Statutory Auditors can be appointed for a period of three continuous years.

Since the tenure of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants would end at the forthcoming AGM, the Board of Directors of the Company have recommended the appointment of M/s Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Firm's Registration No. 104607W/ LLP W100166) and MSKA & Associates, Chartered Accountants (ICAI Firm's Registration No. 105047W) as the Joint Statutory Auditors of the Company for a period of three continuous years, in accordance with the guidelines stipulated by the RBI, to hold office from the conclusion of the forthcoming AGM i.e. Twenty Eighth AGM till the conclusion of the Thirty First AGM, subject to the approval of the Members at the ensuing AGM of the Company.

M/s Kalyanwalla & Mistry LLP, Chartered Accountants and M/s MSKA & Associates, Chartered Accountants have confirmed that their appointment, if made, will comply with the eligibility criteria in terms of Section 141(3) of the Act and RBI regulations. Further, the Auditors have confirmed that they have subjected themselves to Peer Review process by the Institute of Chartered Accountants of India ("ICAI") and hold valid certificate issued by the Peer Review Board of ICAI.

AUDITORS' REPORT

The Auditors' Report to the Members during the year under review is unmodified and 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, Practising Company Secretary (Membership No.: F1351; Certificate of Practice No.: 13365) to undertake the secretarial audit of the Company for FY2020-21. The Secretarial Audit Report is appended as **Annexure B** to this Report.

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

REPORTING OF FRAUDS BY AUDITORS

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

PARTICULARS OF EMPLOYEES

The information required 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 second 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 till the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at the registered office address.

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

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

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

During the year under review, there were no foreign exchange earnings (previous year also Nil). The

expenditure in foreign currency was ₹ 105.54 Cr (previous year ₹ 106.28 Cr) for professional fees, license fees, finance cost and other miscellaneous expenses.

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

The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited.

Pursuant to the merger of LTIF and LTHF with the Company, as on the date of this report, the Company has two wholly-owned subsidiaries – L&T Infra Investment Partners Advisory Private Limited and L&T Infra Investment Partners Trustee Private Limited.

Further, as on the date of this report, the Company holds 76.64% of equity shares of L&T Infra Debt Fund Limited, which is a subsidiary company of the Company.

Further, as on the date of this report, the Company holds 26% of equity shares of Grameen Capital India Private Limited which is an associate company.

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 to provisions of Section 134(5) of the Act, that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 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 LTFs monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the AC of the Company from time to time.

BOARD MEETINGS

The details of the Board Meetings held by the Company during FY2020-21 are disclosed in the Corporate Governance Report appended to this Report.

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

COMPOSITION OF THE AUDIT COMMITTEE

The Company has constituted an AC 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”) and ESG Committee. The composition and terms of reference of the CSR and ESG Committee is provided in the Corporate Governance Report.

The Company has also formulated a CSR Policy (“Policy”) in accordance with the requirements of the Act and containing details specified therein which is available on the website of the Company at www.ltf.com/csr.html.

The Policy of the Company is a clear alignment with the United Nations’ global development agenda of Sustainable Development Goals (SDG) particularly ‘No Poverty’ (SDG -1), ‘Gender equality’ (SDG -5), Sustainable cities and Communities (SDG 11), ‘Climate Action’ (SDG 13) and ‘Partnership for the Goals’ (SDG 17). The inclusion of all stakeholders based on a priority matrix is clearly articulated in the Policy and all the programmes are passed through this matrix before being implemented on the ground for creating maximum stakeholder value. Our key initiatives are woven around Sustainable Livelihoods of Rural communities facilitated by focused areas of intervention – Digital Financial Inclusion, Disaster Management and other programmes.

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

- Revision in Thrust Areas based on company strategy
- Changes as a result of amendments in CSR related provisions in the Companies Act and relevant rules which includes addition of Board responsibilities, defining ongoing project and various types of expenses

In accordance with the clarification provided by MCA vide its circular dated May 20, 2021, of the excess amount (i.e., over and above the amount required to be spent on CSR activities for FY 2019-20) contributed to PM CARES Fund in FY2019-20, Rs. 16.20 Crore has been set - off against the eligible CSR expenditure of FY 2020-21.

An annual report on activities as required under 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 Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/suspected violations. The implementation of the framework is monitored through the Committee which meets on a quarterly basis and all cases are discussed in detail before it's presented to the AC. It addresses all concerns raised on questionable practices. The framework ensures protection to the whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Chairperson of the AC has direct access to all complaints raised through the framework.

At the AC, brief update is presented to the Members for their review. The Committee takes necessary actions to maintain confidentiality within the organization on matters brought to its attention.

During the year under review, the Company received 12 complaints in this regard.

The mechanism framed by the Company is in compliance with requirements of the Act and available on the website viz. www.ltfs.com.

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

Details of loans given, investments made, guarantees given and securities provided, if any, are covered under the provisions of Section 186 of the Act and 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 AC. The RPT

Policy is also available on the website of the Company viz. 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. All RPTs irrespective of whether they are in the ordinary course of business or at an arm's length basis requires approval of AC. The process of approval of RPTs by the Board and Shareholders is as under:

a) Board:

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

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

b) Shareholders

All Material RPTs 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.

- All RPTs that were entered into during FY 2020-21 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not

applicable. The Directors draw attention to notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee (“RMC”) and has also adopted a Risk Management Policy.

The Company has a risk management framework and Board members are informed about risk assessment and minimization procedures and periodical review to ensure management controls risk by means of a properly designed framework. The AC is kept apprised of the proceedings of the meetings of the RMC. The Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk and operational risk are some of the risks that the Company is exposed to.

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

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

Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register their complaints against sexual harassment. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, the Company had received 4 complaints out of which 3 have been resolved and 1 complaint was pending as on March 31, 2021.

ANNUAL RETURN AS PRESCRIBED UNDER THE ACT AND RULES MADE THEREUNDER

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going

concern status of the Company and its future operations.

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

RBI REGULATION

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

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

The Directors express their sincere gratitude to RBI, Securities and Exchange Board of India, 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. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels, for exhibiting outstanding performance during such challenging times.

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: July 15, 2021

ANNUAL REPORT 2020-21 - 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 of 7 (seven) Directors viz. Mr. Dinanath Dubhashi, Mr. P. V. Bhide, Mr. Thomas Mathew T., Ms. Nishi Vasudeva, Dr. Rajani R. Gupte, Mr. Sunil Prabhune and Mr. Rishi Mandawat. Mr. Dinanath Dubhashi is the Non-Executive Chairperson, Mr. Thomas Mathew T., Mr. P. V. Bhide, Ms. Nishi Vasudeva and Dr. Rajani R. Gupte are the Independent Directors, Mr. Sunil Prabhune is the Whole Time Director and Mr. Rishi Mandawat is the Non-Executive Director on the Board.

Dr. Rajani R. Gupte was appointed as an Independent Director of the Company at the Extra –Ordinary General Meeting held on April 10, 2015 for a term of 5 consecutive years upto March 31, 2020. Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an Independent Director can hold the office for a term of upto 5 consecutive years on the Board of a company, but is eligible for reappointment on passing of a special resolution by the company, based on the report of evaluation of their performance, for another term of upto 5 years. No independent director can hold office for more than two consecutive terms. Further to the aforesaid and based on the recommendation of the Nomination and Remuneration Committee of the Company, Dr. Rajani R. Gupte was re-appointed as an Independent Director for a second term of upto 5 consecutive years with effect from April 1, 2020 to March 31, 2025 pursuant to the approval of the Board at its meeting held on March 20, 2020 and approval of the Members by way of a Special Resolution at the EGM of the Company held on March 20, 2020.

The Board appointed Mr. Thomas Mathew T. and Ms. Nishi Vasudeva as Independent Directors in accordance with provisions of Sections 149, 152 and 161 of the Act with effect from April 12, 2021, subject to the approval of the Members at the ensuing Annual General Meeting.

During the year under review, 4 (four) meetings of the

Board of Directors were held on May 14, 2020, July 15, 2020, October 20, 2020 and January 13, 2021.

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

Name of the Director	DIN	Nature of Directorship	No. of Board Meeting(s) held/ conducted during the tenure of the Director / year	No. of Board Meeting(s) attended
Mr. Dinanath Dubhashi	03545900	C-NED	4	4
Mr. P. V. Bhide	03304262	ID	4	4
Mr. Thomas Mathew T. ⁽¹⁾	00130282	ID	-	-
Ms. Nishi Vasudeva ⁽¹⁾	03016991	ID	-	-
Dr. Rajani R. Gupte ⁽²⁾	03172965	ID	4	4
Mr. Sunil Prabhune	07517824	WTD	4	4
Mr. Rishi Mandawat	07639602	NED	4	4

Notes:

⁽¹⁾ Appointed as an Independent Director w.e.f. April 12, 2021.

⁽²⁾ Re-appointed as an Independent Director w.e.f. April 1, 2020.

C - Chairperson, ID - Independent Director, NED - Non-Executive Director, WTD – Whole time Director

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 Act are:

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

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Reviewing and monitoring the auditor’s 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

reviewing the half yearly and annual financial statements before submission to the Board and ensuring compliance of internal control system;

- xv. Ensuring 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. Recommendation 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:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. P.V. Bhide	Chairperson	ID
Mr. Dinanath Dubhashi	Member	NED
Mr. Thomas Mathew T. ⁽¹⁾	Member	ID
Dr. Rajani R. Gupte	Member	ID

Note:

⁽¹⁾ Mr. Thomas Mathew T. was appointed as a Member of the Committee w.e.f. April 24, 2021.

Meetings and Attendance:

The AC met 4 (four) times during the financial year on May 14, 2020, July 15, 2020, October 20, 2020 and January 13, 2021. The details of attendance of the Members at the meetings are as follows:

Name of the Director	No. of Meeting(s) held / conducted during the tenure of the Director / year	No. of Meeting(s) attended
Mr. P.V. Bhide	4	4
Mr. Dinanath Dubhashi	4	4
Mr. Thomas Mathew T. ⁽¹⁾	-	-
Dr. Rajani R. Gupte	4	4

Note:

⁽¹⁾ Mr. Thomas Mathew T. was appointed as a Member of the Committee w.e.f. April 24, 2021.

(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 carry out evaluation of Board and Committees.
- 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 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:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Thomas Mathew T. ⁽¹⁾	Chairperson	ID
Mr. Dinanath Dubhashi	Member	NED
Mr. P. V. Bhide	Member	ID
Ms. Nishi Vasudeva ⁽¹⁾	Member	ID

Note:

⁽¹⁾ Mr. Thomas Mathew T. and Ms. Nishi Vasudeva were appointed as Members of the Committee w.e.f. April 24, 2021.

Meetings and Attendance:

The NRC met 2 (two) times during the financial year on May 14, 2020 and October 20, 2020. The details of attendance of the Members at the meetings are as follows:

Name of the Director	No. of Meeting(s) held / conducted during the tenure of the Director / year	No. of Meeting(s) attended
Mr. Thomas Mathew T. ⁽¹⁾	-	-
Mr. Dinanath Dubhashi	2	2
Mr. P. V. Bhide	2	2
Ms. Nishi Vasudeva ⁽¹⁾	-	-
Dr. Rajani R Gupte ⁽²⁾	2	2

Notes:

- 1) Mr. Thomas Mathew T. and Ms. Nishi Vasudeva were appointed as Members of the Committee w.e.f. April 24, 2021.
- 2) Dr. Rajani R Gupte ceased to be a Member of the Committee w.e.f. April 24, 2021.

3) Corporate Social Responsibility (“CSR”) and ESG Committee (CSR Committee was renamed as CSR and ESG Committee w.e.f. April 24, 2021)

Terms of reference:

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

Composition:

Name of the Director	Designation in the Committee	Nature of Directorship
Dr. Rajani R. Gupte	Chairperson	ID
Mr. Dinanath Dubhashi ⁽¹⁾	Member	NED
Ms. Nishi Vasudeva ⁽²⁾	Member	ID
Mr. Sunil Prabhune ⁽³⁾	Member	WTD

Notes:

- 1) Mr. Dinanath Dubhashi ceased to be a Member of the Committee w.e.f. April 28, 2021.
- 2) Ms. Nishi Vasudeva was appointed as a Member of the Committee w.e.f. April 24, 2021.
- 3) Mr. Sunil Prabhune was appointed as a Member of the Committee w.e.f. April 28, 2021.

Meetings and Attendance:

The CSR and ESG Committee met once during the year on October 20, 2020. The details of attendance of the Members at the meeting was as follows:

Name of the Director	No. of Meeting(s) held / conducted during the tenure of the Director / year	No. of Meeting(s) attended
Dr. Rajani R. Gupte	1	1
Mr. Dinanath Dubhashi ⁽¹⁾	1	1
Mr. P.V. Bhide ⁽²⁾	1	1
Ms. Nishi Vasudeva ⁽³⁾	-	-
Mr. Sunil Prabhune ⁽⁴⁾	-	-

Notes:

- 1) Mr. Dinanath Dubhashi ceased to be a Member of the Committee w.e.f. April 28, 2021.
- 2) Mr. P. V. Bhide ceased to be a Member of the Committee w.e.f. April 24, 2021.
- 3) Ms. Nishi Vasudeva was appointed as a Member of the Committee w.e.f. April 24, 2021.
- 4) Mr. Sunil Prabhune was appointed as a Member of the Committee w.e.f. April 28, 2021.

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 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.

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

Meetings and Attendance:

The Committee met 1 (one) time during the year on January 13, 2021. The details of attendance of the Members at the meeting was as follows:

Name of the Director	No. of Meeting(s) held / conducted during the tenure of the Director / year	No. of Meeting(s) 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:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dinanath Dubhashi	Chairperson	NED
Mr. Sunil Prabhune	Member	NED
Mr. Rishi Mandawat	Member	NED

Meetings and Attendance:

There were no COD Meetings held during the year, however COD approved various proposals through resolutions passed by way of circulation.

MEETING OF INDEPENDENT DIRECTORS

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met once on December 14, 2020 pursuant to the provisions of the Act.

REMUNERATION OF DIRECTORS

The Non-Executive Directors (except those Directors who are in the services of L&T Financial Services) 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, 2021 are as follows:

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings/ Independent Director Meetings	Sitting fees for Committee Meetings	Commission	Total ⁽²⁾
Mr. P. V. Bhide	4,00,000	5,20,000	21,85,000	31,05,000
Mr. Thomas Mathew T. ⁽¹⁾	2,00,000	2,60,000	10,00,000	14,60,000
Ms. Nishi Vasudeva ⁽¹⁾	2,00,000	3,00,000	12,85,000	17,85,000
Dr. Rajani R. Gupte	3,60,000	6,00,000	25,15,000	34,75,000
Mr. Rishi Mandawat	4,80,000	2,80,000	21,60,000	29,20,000

Notes:

- (1) Appointed as an Independent Director w.e.f. April 12, 2021.
(2) Includes the amount paid to the Directors in respect of L&T Infrastructure Finance Company Limited and L&T Housing Finance Limited, the companies which got merged with the Company w.e.f. April 12, 2021.

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 the senior management and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal / informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable / discharge the 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, 2021:

- 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 the 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: +91 022 4080 7002
E-mail: itsl@idbitrustee.com
Website: <http://www.idbitrustee.com>

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

Beacon Trusteeship Ltd
4C & D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club,
Bandra (East), Mumbai 400 051
T +91 (0)22 2655 8759
E-mail: veena@beacontrustee.co.in
Website: www.beacontrustee.co.in

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 requirements of the Uniform Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Annual Report is displayed on the website of the Company viz. www.ltfs.com.

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

Dinanath Dubhashi

Chairperson

DIN: 03545900

Place: Mumbai

Date: July 15, 2021

ANNUAL REPORT 2020-21 - ANNEXURE B TO BOARD'S REPORT

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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, 2021, 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, 2021 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 the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **presently the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;**
- (vi) Other specific business/industry related laws 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, as amended from time to time and the Listing Agreements** entered into by the Company with Stock Exchange(s), if applicable.
 - **Uniform Listing Agreement with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);**

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

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

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

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

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

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc., viz.-
 - **Issuance and allotment of Secured Redeemable Non-Convertible Debentures (NCDs) as detailed below:**
 - **NCDs Series A to Series N aggregating to ₹ 4,195 Crore on private placement basis by the Company;**
 - **NCDs Series A to Series D aggregating to ₹ 579 Crore on private placement basis by L&T Housing Finance Limited (“Amalgamating Company1”, described under point (iv) below);**
 - **NCDs Series A to Series N aggregating to ₹ 4,967.50 Crore on private placement basis by L&T Infrastructure Finance Company Limited (“Amalgamating Company2”, described under point (iv) below).**
- (ii) Redemption/buy-back of securities–
 - **Redemption of Non-Convertible Debentures (NCDs) as detailed below:**
 - **NCDs aggregating worth ₹ 5,017.30 Crore by the Company;**

- NCDs aggregating worth ₹ 1,196 Crore by L&T Housing Finance Limited (“Amalgamating Company1”, described under point (iv) below);
- NCDs aggregating worth ₹ 1,751.25 Crore by L&T Infrastructure Finance Company Limited (“Amalgamating Company2”, briefly described under point (iv) given below).

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

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

The Board at its Meetings held on March 20, 2020 and July 15, 2020, had approved the proposal of scheme of amalgamation by way of merger by absorption of L&T Housing Finance Limited and L&T Infrastructure Finance Company Limited (collectively termed as “Amalgamating Companies and individually as Amalgamating Company1 and Amalgamating Company2, respectively”) with the Company (“Scheme”) under Sections 230 to 232 of the Companies Act, 2013 (“Act”). The Company and the Amalgamating Companies are the wholly owned subsidiaries of L&T Finance Holdings Limited. Pursuant to the Scheme, following shall be the swap ratio:

- 201 fully paid-up equity shares of the Company be issued for every 100 equity shares of the Amalgamating Company1.
- 50 fully paid-up equity shares of the Company be issued for every 100 equity shares of the Amalgamating Company2.

Further, the National Company Law Tribunal (“NCLT”), Mumbai, vide order dated March 15, 2021 received on March 16 2021, and the NCLT Kolkata vide order dated March 19, 2021 received on March 24, 2021 (collectively, the “Sanction Orders”), have approved the Scheme.

On satisfaction of all the conditions as specified in Clause 30 of the Scheme, the merger would be effective from April 12, 2021.

Pursuant to the Scheme and the Sanction Order, all the assets and liabilities of the Amalgamating Company1 and Amalgamating Company2 will be transferred to the Company except the Licenses of Housing Finance and Infrastructure Finance, respectively. All the resolutions and policies of the Amalgamating Companies shall have the same effect as if passed by the Company.

Further, pursuant to the Scheme, revised Share Capital of the Company shall be as follows:

- **Authorised Share Capital:** ₹ 48,86,30,96,100 comprising of 4,87,43,09,610 equity shares of ₹ 10 each and 12,00,000 preference shares of ₹ 100 each.
- **Paid-up Share Capital:** ₹ 26,84,17,23,600 comprising of 2,68,41,72,360 equity shares of ₹ 10 each.

(v) Foreign technical collaborations – NIL

NAINA R DESAI

Practising Company Secretary

Membership No. F1351

Certificate of Practice No.13365

Peer Review Certificate No.590/2019

UDIN : F001351C000161434

Place: Mumbai

Date: April 22, 2021

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

Annexure 'I'

To,
The Members
L&T 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.

NAINA R DESAI
Practising Company Secretary
Membership No. F1351
Certificate of Practice No.13365
Peer Review Certificate No.590/2019
UDIN : F001351C000161434

Place: Mumbai

Date: April 22, 2021

ANNUAL REPORT 2020-21 - 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.	N.A. ⁽¹⁾	
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⁾	N.A. ⁽¹⁾	
3	The percentage increase in the median remuneration of employees in the financial year.	N.A. ⁽¹⁾	
4	The number of permanent employees on the rolls of Company.	21,446	
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 thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel	Managerial personnel
		N.A. ⁽¹⁾	
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.	

Notes:

⁽¹⁾ On account of exceptional circumstances, no increase in remuneration was proposed in FY 2020-21.

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: July 15, 2021

ANNUAL REPORT 2020-21 - 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

(₹ in Cr)

Sr. No.	1	2	3
Name of subsidiary	L&T Infra Investment Partners Advisory Pvt. Ltd.	L&T Infra Investment Partners Trustee Pvt. Ltd.	L&T Infra Debt Fund Limited
Date of acquisition	-	-	-
Share capital	5.00	0.10	490.18
Reserves & surplus	12.94	(0.03)	845.43
Total Assets	18.34	0.08	9,907.14
Total Liabilities	0.40	0.01	8,571.53
Investments	16.93	-	159.22
Turnover	6.46	0.03	891.77
Profit before taxation	4.43	0.01	159.16
Provision for taxation {expenses/ (income)}	1.12	-	95.93
Profit after taxation	3.31	0.01	63.23
Proposed Dividend	-	-	-
% of shareholding	100%	100%	76.64%

Part: B: Associates and Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No.	1
Name of Associates	Grameen Capital India Private Limited
Latest audited Balance Sheet Date	31 st March 2020
Date on which the Associate or Joint Venture was associated or acquired	-
Shares of associates held by the Company as at March 31, 2020	-
Number of Shares	21,26,000
Amount of investment in Associates (₹ in Cr)	2.13
Holding % / Description of significant influence	26%
Reason of non consolidation of the associate	No significant influence as per IndAS 28
Net worth attributable to Shareholding as per latest Audited Balance Sheet (₹ in Cr)	No significant influence as per IndAS 28
Profit/ Loss for the year 2020-21	
i. Considered in Consolidation (₹ in Cr)	-
ii. Not Considered in Consolidation (₹ in Cr)	-

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 of
L&T Finance Limited**

Dinanath Dubhashi
Chairperson
(DIN: 03545900)

Sajnay Wadhwa
Head Accounts

Apurva Rathod
Company Secretary

Place: Mumbai

Date: July 15, 2021

ANNUAL REPORT 2020-21 -ANNEXURE 'E' TO THE BOARD REPORT
CORPORATE SOCIAL RESPONSIBILITY ("CSR")
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

CSR Vision:

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

CSR Mission:

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

Commitment:

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

Our key initiatives are woven around Sustainable Livelihoods of rural communities facilitated by focused areas of intervention – Digital Financial Inclusion, Disaster Management and other programmes.

We implement the CSR programmes as a collaborative effort between various companies within L&T Financial Services. Company undertakes the CSR activities through partnership with the organization registered under public trust or a society, section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961).

CSR Approach:

Accountability and assurance are anchored in corporate ethics. Programme-based accountability approach is adopted to emphasize the long-term sustainability of CSR programmes. For each programme, we conduct baseline and end line assessments with clearly defined measurable results for presentation to the CSR Committee and Board of Directors. We conduct and share the impact assessment reports and investigations at the CSR section of the Company's website at <https://www.ltfs.com/csr.html>.

Monitoring & Evaluation:

The CSR and ESG Committee (CSR Committee was renamed as CSR and ESG Committee w.e.f. April 24, 2021) formulates & recommend annual action plan to the Board consisting list of CSR programmes, implementation methods, fund disbursement plan, monitoring and evaluation plan, strategy study/research undertaken in line with the greater CSR vision of the Company. The Board verifies that CSR funds have been utilised for the programme and monitor implementation as per the action plan/programme plan.

2. Composition of CSR Committee as on the date of the Report:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Rajani R. Gupte - Chairperson	Independent Director and Chairperson of the Committee	1	1
2	Ms. Nishi Vasudeva	Independent Director	1	1
3	Mr. Sunil Prabhune*	Whole-Time Director	-	-

* Appointed as a Member w.e.f. April 28, 2021.

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR programmes approved by the board are disclosed on the website of the Company:

The composition of CSR committee, CSR Policy and CSR programmes approved by the Board can be accessed on the website at the following link - <https://www.ltf.com/csr.html>

4. Provide the details of impact assessment of CSR programmes carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

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

Sr. No.	Financial year	Amount available for set-off from preceding financial years (₹ in Cr.)	Amount required to be set-off for the financial year, if any (₹ in Cr.)
1	2020-21	16.20	16.20
	TOTAL	16.20	16.20

Note:

1) Of the contribution made by the Company (including the companies i.e. L&T Infrastructure Finance Company Limited and L&T Housing Finance Company Limited, which got amalgamated with the Company w.e.f. April 12, 2021), towards PM CARES Fund, ₹ 16.20 Cr is proposed to be set - off in FY2020-21.

6. Average net profit of the Company as per Section 135(5): ₹ 852.58 Cr.

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 17.05 Cr.

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

(c) Amount required to be set off for the financial year, if any: ₹ 16.20 Cr.

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ 0.85 Cr

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

Total amount spent for the financial year (₹ in Cr.)	Amount Unspent (₹ in Cr.)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
11.79	Nil	Nil	Nil	Nil	Nil

Note – Total amount spent excludes the set off in FY2020-21

(b) Details of CSR amount spent against ongoing programmes for the financial year:

(1) Sr. No.	(2) Name of the programme	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes / No)	(5) Location of the programme		(6) Programme duration	(7) Amount allocated for the programme (₹ in Cr.)	(8) Amount spent in the current financial year (₹ in Cr.)	(9) Amount transferred to Unspent CSR account for the programme as per Section 135 (6) (₹ in Cr.)	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of Implementation - through implementing agency	
				State	District						Name	CSR
1	Digital Sakhi –Odisha Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development programme	No	Odisha	Balangir and Boudh	3 to 4 years	5.37	0.27	Nil	No	SEWA Bharat	CSR00001733
2	Digital Sakhi –West Bengal Interventions of Digital Financial Literacy & Entrepreneurship Development by 450 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development programme	No	West Bengal	East Medinipur	3 to 4 years	10.17	0.77	Nil	No	Sabuj Sangha	CSR00000299

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the programme	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the programme		Programme duration	Amount allocated for the programme (₹ in Cr.)	Amount spent in the current financial year (₹ in Cr.)	Amount transferred to Unspent CSR account for the programme as per Section 135 (6) (₹ in Cr.)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - through implementing agency	
				State	District						Name	CSR
4	Digital Sakhi Maharashtra (Phase II) Interventions of Digital Financial Literacy & Entrepreneurship Development by 110 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space x) Rural Development programme	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development programme	No	Maharashtra	Osmanabad, Pune, Latur and Solapur	3 to 4 years	4.73	1.08	Nil	No	Action for Agricultural Renewal in Maharashtra	CSR00000092
5	Digital Sakhi -Tamil Nadu Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 500 women (micro-entrepreneurs) in digital payments space x) Rural Development programme	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development programme	No	Tamil Nadu	Villupuram	3 to 4 years	3.90	1.29	Nil	No	Sri Aurobindo Society	CSR00000200
6	Digital Sakhi Madhya Pradesh Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space x) Rural Development programme	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development programme	No	Madhya Pradesh	Barwani and Dhar	3 to 4 years	6.75	1.20	Nil	No	SEWA Bharat	CSR00001733

(1) Sr. No.	(2) Name of the programme	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes / No)	(5) Location of the programme		(6) Programme duration	(7) Amount allocated for the programme (₹ in Cr.)	(8) Amount spent in the current financial year (₹ in Cr.)	(9) Amount transferred to Unspent CSR account for the programme as per Section 135 (6) (₹ in Cr.)	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of Implementation - through implementing agency	
				State	District						Name	CSR
8	Integrated Water Resource Management (IWRM) Improve the crop yield for the marginalized farmers in the semi-arid regions through IWRM, reaching to 15,000 farmers from 30 villages of Solapur, Latur and Osmanabad	(i) eradicating extreme hunger and poverty; (iv) ensuring environmental sustainability x) Rural Development programme	No	Maharashtra	Solapur, Latur and Osmanabad	3 years	6.87	0.67	Nil	No	Action for Agricultural Renewal in Maharashtra	CSR00000092
TOTAL							50.92	5.96				

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

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

(1) Sr. No.	(2) Name of the programme	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the programme		(6) Amount spent for the programme (₹ in Cr.)	(7) Mode of implementation on - Direct (Yes/No)	(8) Mode of implementation - through implementing agency.	
				State	District			Name	CSR registration number
1	Disaster Relief	(xii) disaster management, including relief, rehabilitation and reconstruction activities	No	Assam, Bihar, Tamil Nadu, West Bengal	Multiple - across states	2.55	No	Habitat for Humanity	CSR00000402
2	Disaster Relief (Covid-19 relief efforts (Contribution towards PM CARES Fund)	((i) promoting health care including preventive health care" and sanitation (xii) disaster management, including relief, rehabilitation	Yes	-	-	16.20	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the programme	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the programme		Amount spent for the programme (₹ in Cr.)	Mode of implementation on - Direct (Yes/No)	Mode of implementation – through implementing agency.	
				State	District			Name	CSR registration number
4	Road safety – Mumbai Traffic Police Promotion of Road Safety among municipal school children & larger eco system; training and deployment of community youth as traffic wardens	ii) Promotion of Education	No	Maharashtra	Mumbai	0.29	No	Ballygunj society for Children in Pain (CHIP)	CSR00003066
5	Providing livelihood workshops on tailoring and conducting veterinary camps for the larger community	(i) eradicating extreme hunger and poverty; x) Rural Development programme	No	Assam	Nagaon, Dhemaji, Golaghat, Lkhimpur	0.03	No	Institute of Livelihood Research & training (ILRT)	CSR00001484
	TOTAL					21.18			

Note – Of the amount spent towards PM Cares funds ₹ 16.20 Cr has been set off in FY2020-21 as per latest notification issued by MCA and total budget available.

(d) Amount spent in Administrative Overheads: ₹ 0.85 Cr.

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 27.99 Cr.

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ in Cr.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	17.05
(ii)	Total amount spent for the financial year	27.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10.93
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10.93

Note : The total amount spent for the FY2020-21 includes ₹ 16.20 Cr., i.e., the excess spends in FY2019-20, which is being set off in FY2020-21.

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

Sr. No.	Preceding financial year	Amount transferred to unspent CSR account under Section 135 (6) (₹ in Cr.)	Amount spent in the reporting financial year (₹ in Cr.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Cr.)
				Name of the fund	Amount (₹ in Cr.)	Date of transfer	
1.	FY2017-18	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY2019-20	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Programme ID	Name of the programme	Financial year in which the programme was commenced	Programme duration	Total amount allocated for the programme (₹ in Cr.)	Amount spent on the programme in the reporting financial year (₹ in Cr.)	Cumulative amount spent at the end of reporting financial year (₹ in Cr.)	Status of the programme - Completed
1.	Digital Sakhi Odisha	Digital Sakhi – Odisha Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	FY 2018-19	3 to 4 years	5.37	0.27	2.67	On-going
2.	Digital Sakhi West Bengal	Digital Sakhi –West Bengal Interventions of Digital Financial Literacy & Entrepreneurship Development by 450 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	FY 2019-20	3 to 4 years	10.17	0.77	3.65	On-going
3	Digital Sakhi Maharashtra (Phase I)	Digital Sakhi -Maharashtra (Phase I) Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	FY 2017-18	3 to 4 years	6.39	0.14	6.39	On-going

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Programme ID	Name of the programme	Financial year in which the programme was commenced	Programme duration	Total amount allocated for the programme (₹ in Cr.)	Amount spent on the programme in the reporting financial year (₹ in Cr.)	Cumulative amount spent at the end of reporting financial year (₹ in Cr.)	Status of the programme - Completed
4	Digital Sakhi Maharashtra (Phase II)	Digital Sakhi -Maharashtra (Phase II) Interventions of Digital Financial Literacy & Entrepreneurship Development by 110 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	FY 2018-19	3 to 4 years	4.73	1.08	3.17	On-going
5	Digital Sakhi Tamil Nadu	Digital Sakhi -Tamil Nadu Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 500 women (micro-entrepreneurs) in digital payments space	FY 2018-19	3 to 4 years	3.90	1.29	2.76	On-going
6	Digital Sakhi Madhya Pradesh	Digital Sakhi – Madhya Pradesh Interventions of Digital Financial Literacy & Entrepreneurship Development by 100 Digital Sakhis and inclusion of 1000 women (micro-entrepreneurs) in digital payments space	FY 2017-18	3 to 4 years	6.75	1.20	5.40	On-going
7	Jalvaibhav 2	Integrated Water Resource Management (IWRM) Improve the crop yield for the marginalized farmers in the semi-arid regions through Integrated Water Resource Management, reaching to 30,000 farmers from 60 villages of Aurangabad, Jalna and Buldhana	FY 2019-20	2 years	6.74	0.53	6.74	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Programme ID	Name of the programme	Financial year in which the programme was commenced	Programme duration	Total amount allocated for the programme (₹ in Cr.)	Amount spent on the programme in the reporting financial year (₹ in Cr.)	Cumulative amount spent at the end of reporting financial year (₹ in Cr.)	Status of the programme - Completed
8	Jalvaibhav 1	Integrated Water Resource Management (IWRM) Improve the crop yield for the marginalized farmers in the semi-arid regions through Integrated Water Resource Management, reaching to 15,000 farmers from 30 villages of Solapur, Latur and Osmanabad	FY 2018-19	3 years	6.87	0.67	6.87	Completed
					50.92	5.96	37.64	

Note: The CSR programmes are implemented as a collaborative effort between various companies within LTFS and the amount allocated for the programme disclosed herein is the amount pertaining to all companies within LTFS.

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

Programme ID	(a) Date of creation or acquisition of the capital asset(s)	(b) Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr.)	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
Digital Sakhi, West Bengal	15-09-2020	0.32	Sabuj Sangha (Implementing partner & registered under public trust of the Income Tax Act, 1961 (43 of 1961))	Asset – Tablet PC Acer UT.027SI.026 Quantity – 300 Address: Sabuj Sangha 30/9 Rajdanga Main Road (East), Kolkata 700 107
Digital Sakhi, Tamil Nadu	09-09-2020	0.06	Sri Aurobindo Society (Implementing partner & registered under public trust of the Income Tax Act, 1961 (43 of 1961))	Asset – LENIOVO TB7305X Quantity – 50 Address: Sri Aurobindo Society Society House No. 11, St. Martin Street, Puducherry - 605 001

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

Rajani R. Gupte
Chairperson
CSR Committee
DIN: 03172965

Sunil Prabhune
Whole-Time Director
DIN:07517824

Place: Mumbai

Date: July 15, 2021

Management Discussion and Analysis Report

Macro-Economic Review

It's been over a year since the COVID-19 pandemic caused volatility and chaos across the globe. There was a strong initial knee-jerk reaction as the pandemic's impact on society and economy started unfolding gradually. However, this was soon replaced with a gleam of hope as most economies put up a brave front in what seemed like a classic live experiment of human flexibility and adaptability. 'From slowdown to lockdown', is one of the simplest ways to explain what India, one of the emerging economies of the world, went through in the first half of CY2020. The Government imposed a strict lockdown to contain the virus, which resulted in sudden halt of economic activities. Thus, bringing the economy to a near standstill. The impact of the lockdown was felt across sectors as demand and exports, trade and travel plummeted sharply. The National Statistical Office's (NSO) provisional estimate of GDP for FY21 projects the Indian economy to register its first-ever contraction in the past four decades at 7.3%. With an adverse impact on the economy, the investment rate fell to a decade's low, primarily due to drag in private investment. Consumer demand remained muted with severe stress on the household balance sheets due to high unemployment. The Government scaled up its spending significantly to mitigate short term adversities rising from the pandemic. On the sectoral level, the industrial and service sectors faced severe ramifications due to the disruptions caused by the virus-containing lockdown. However, despite preceding events, FY21 was also a classic live experiment of flexibility, adaptability & resilience. The agriculture and allied sectors stood their ground strong, emerging with a hint of optimism backed by a favourable monsoon in CY2020. A robust Kharif and Rabi season, adequate reservoir level, enhanced procurement by the Government and rich fiscal spending on schemes like The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) and Pradhan Mantri Kisan, assisted agricultural growth further. Contrarily, despite a robust recovery witnessed in H2FY21, the industrial sector registered a second successive annual contraction in FY21 – dragged down by mining & quarrying, manufacturing and construction. Contactsensitive services sector bore the major brunt of the pandemic and is witnessing its first-ever degrowth in a decade. To address the adversities arising from the pandemic led economic disruptions, calibrated and prudent fiscal and monetary support was extended by the policy makers. The Central Government announced

₹ 29.87 Lakhs Cr (15% of GDP) Aatmanirbhar Bharat package to support the economy's most distressed segments. The RBI provided monetary support by slashing the policy rates to its record low levels along with both conventional and unconventional liquidity measures to support credit creation. As part of the relief package, it also allowed borrowers to halt repayment of loans between March and August 2020 without impacting their credit history. In addition to the stress in asset quality across most lenders (banks as well as NBFCs), the moratorium also resulted in liquidity concerns for lenders, mostly for NBFCs. Well governed NBFCs with strong parentage remained buoyant throughout FY21, thanks to their strong capital buffers and also on the back of timely policy moves in the form of TLTRO 2.0 and special liquidity scheme for NBFCs under Aatmanirbhar Bharat package. Just while the economy was fathoming the repercussions of the pandemic, financial markets faced another major setback on April 24, 2020. Subsequent to the Government-imposed lockdown, financial markets nosedived as investor sentiments were rattled. However, proactive and timely measures announced by the Government and RBI helped revive confidence amongst investors resulting in sustained foreign capital inflows. This helped markets regain its pre-pandemic levels. Financial markets remained buoyant thereafter, supported first by easy monetary conditions, and later from optimism arising out of the vaccine rollout. Additionally, most organisations realigned their strategies to focus on cost optimisation and building stress absorption capacity through raising capital and increasing provision on balance sheet. On the fiscal front, the pandemic weighed heavily on the Government's revenues. And yet, the Government had to scale up expenditures to prevent the economy from caving in. The Government resorted to higher market borrowings to take care of the fiscal deficit in FY21 that was upscaled to 9.3% of GDP from the budgeted 3.5%.

OUTLOOK FOR FY22

World over, the support from the governments and the central banks, has brightened the global growth outlook for CY2021. As per the International Monetary Fund's projection, the global economy is anticipated to expand by 6% in CY2021, on a lower base of estimated 3.3% degrowth in CY2020. With massive vaccination drives underway, risks to recovery are likely to abate, thus leading to a gain in the momentum of economic activities in H2CY2021. But with the second wave of COVID-19 and the emergence of newer virus variants have made

India the new hotspot of infections – adding uncertainty to the anticipation of a smooth recovery. Various multilateral organisations and rating agencies have projected the Indian economy to grow at around 9%. The economic growth is likely to be aided by a very low statistical base, mass vaccination drive and a supportive fiscal stance. In India, commercial and business activities are expected to gather pace in H2FY22 of FY22 as by then majority of the population is likely to be inoculated by then. But with the second wave of COVID-19 and the emergence of newer virus variants have made India the new hotspot of infections – adding uncertainty to the anticipation of a smooth recovery.

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Economic Growth Projections

- **IMF** **12.5%**
- **World Bank** **8.3%**
- **RBI** **9.5%**
- **OECD** **9.9%**
- **Fitch** **9.5%**
- **Moody** **9.3%**
- **S&P** **9.5%**

Retail inflation might rear its ugly head yet again in the coming months. Although the food inflation is likely to moderate with expectations of bumper harvest, the core inflation has remained stubbornly elevated for the past few months. Recently, commodity prices started rising faster across the globe in response to the COVID-19 vaccine rollouts and resumption of economic activities.

Broad-based escalation in cost-push pressures in services and manufacturing prices could further impart upward pressure. Expectations of demand normalisation, production cut by the Organisation of the Petroleum Exporting Countries (OPEC) and allies, and higher taxes on petroleum products are likely to further surge the fuel prices.

On the positive side, a favourable monsoon outlook, minimum support price hikes coupled with enhanced procurement will support rural cash flows in FY22.

Moreover, the Central Government has remained committed to providing further impetus to the economy through the Union Budget 2021-22. Additionally, it has also proposed a sharp increase in capital expenditure of the magnitude of ₹ 5.54 Tln. Collectively, these have the potential to create a plethora of fresh investment opportunities and eventually support economic growth.

POSSIBLE THREATS

Despite the optimism surrounding the ongoing vaccination drive, the recent resurgence in the country's COVID-19 infections has raised the threat of fresh pandemic restrictions. As of May 2021, many states had enforced complete lockdown thus, posing a risk to a smooth economic recovery. The RBI expects that gross Non-Performing Asset (NPAs) of Scheduled Commercial Banks (SCBs) might rise to 13.5% under the baseline stress scenario. It is also estimated to further escalate to 14.8% under a severe stress scenario by September 2021.

The banks would, thus, need to make higher provisions to cover the stressed assets. This in turn could impair the credit available for investment spending. Similarly, the RBI expects asset quality of NBFCs to deteriorate further due to disruption of business operations caused by the pandemic.

On the fiscal front, both the Centre and the State Governments are expected to run higher fiscal deficits to fuel the economic recovery. In the absence of imposition of fresh taxes by the Government, the revenue inflows will depend on the uptick in economic activities. A deluge of market borrowings by the General Government could push up the cost of borrowing. Thus, impacting the sovereign credit rating outlook if the growth does not pan out as anticipated.

Your Company is committed to addressing these changes bolstered by its strengths in market position, agile execution capabilities, robust early warning systems and extensive use of analytics for risk mitigation and resource allocation. It will ensure to take advantage of the tailwinds that may emerge during the course of the year.

MORATORIUM 1.0 AND 2.0

As per RBI guidelines, your Company offered the option of moratorium to customers for instalments falling due between March 1, 2020 and August 31, 2020 across businesses.

Product	LTFS Moratorium Policy 1.0	LTFS Moratorium Policy 2.0
Micro Loans	<ul style="list-style-type: none"> Moratorium for 3 installments by default as per MFIN framework 	<ul style="list-style-type: none"> Moratorium grant only upon receiving specific request (Opt-in)
Farm Equipment Finance, Two-Wheeler Finance & Consumer Loans	<ul style="list-style-type: none"> Moratorium for 3 installments by default where no mandate of central clearance existed For others, grant only upon receiving specific request (Opt-in) on a month-on-month basis 	<ul style="list-style-type: none"> A month at a time decision on moratorium for retail customers
HL & LAP	<ul style="list-style-type: none"> For others, grant only upon receiving specific request (Opt-in) on a month-on-month basis 	
Real Estate Finance	<ul style="list-style-type: none"> Case by case decision upon receiving specific customer request 	
Infrastructure Finance	<ul style="list-style-type: none"> Case by case decision upon receiving specific customer request, additionally, subject to consensus among co-lenders 	

Customer engagement remained a key priority as your Company reached out to customers through various channels to educate them on the financial implications of the moratorium. With the intent to facilitate revival

of real sector activities and mitigate the impact on the ultimate borrowers, RBI announced various measures from time to time. RBI on August 6, 2020, decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan for corporate as well as personal loans to individual borrowers.

EMPLOYEE HEALTH AND SAFETY

With the onset of the pandemic, Work from Home was immediately put into effect in the organisation. To ensure smooth transition, initiatives like sanitizing all branches and offices and connecting with employees daily to check on their health as well as the health of their families were introduced.

Your Company takes cognizance of the changing business landscape and workforce in delivering various benefits to its employees. Your Company constantly innovates and evolves its benefits programs to meet the needs of its workforce. It offers various policies for employee health and insurance which include:

- Group Medclaim Policy - Hospitalisation cover for employees and their families.
- Group Term Life Insurance - Insurance cover in the event of death of the employee while in service.
- Group Personal Accident Insurance - Insurance cover in an unfortunate event of any accident leading to loss in earning capacity of an employee or death of employee.

In addition, your Company also launched various initiatives and provided specific employee benefits during COVID-19:

- COVID-19 Domiciliary Policy - Coverage of COVID-19 treatment expenses during home quarantine for employees and their families.
- Online Health Care Facility - Doctor on Call Service – An app based medical consultation in association with Practo, a renowned healthcare provider.
- One-time grant of ₹ 500 for purchase of masks and hand sanitizers for the field staff
- Face shields to field staff
- Salary advance of R10,000 to the frontline staff to take care of initial medical expenses
- Company sponsored vaccination drives through tieups with hospitals for employees and their family members across locations

- Reimbursement towards cost of vaccination upto a certain amount
- Online health & wellness session for employees

To provide care and assistance for the family in case of unfortunate demise of employee due to COVID-19, your Company was amongst the first to take the following initiatives:

- One-time ex-gratia payment of ₹ 2 Lakhs to support the family.
- Continuation of payment of monthly salary to the nominee for a period of 2 years.
- Children's education assistance up to graduation.
- Spouse's education assistance for pursuing vocational/ professional education up to graduation for enhancing employability.

Around 2,500 employees have been diagnosed with COVID-19 since the advent of the pandemic. A daily tracker was instituted to check on the health of the employees who tested positive for COVID-19 and shared with senior management team and relevant stakeholders. This ensured provision of necessary support to the employees at the right time.

The leadership team quickly provided directions and reacted by showing care and generosity to the employees and treating them like family. Care is at the heart of your Company's employee philosophy, and it will continue to bring about more initiatives to keep its people safe and healthy.

Your Company follows the practice of periodic town halls, conducted by senior business leaders. Your Company increased the frequency of the same in the past year, to keep employees aligned to your Company's priorities and connected with their teams.

In order to fulfill its social responsibility, your Company continues to provide the products and services necessary to maintain social infrastructure while carrying out thorough preventive measures against infection. Your Company implements timely and appropriate information disclosure to fulfil accountability to all its employees and stakeholders.

BUSINESS PERFORMANCE

Rural Finance business of your Company saw a book growth of 9% YoY while disbursements were down 15% YoY at ₹15,914 Cr during FY21. This was achieved due to your Company's determined efforts backed

by strong digital and analytics capabilities, despite the complete halt of business activities during the early months of lockdown. Your Company followed a collections-led disbursement strategy and gradually started doing business in locations where collection efficiencies had restored to normal.

FARM EQUIPMENT FINANCE

Farm segment relatively resisted the impact of COVID-19 and started gaining back the traction from May 2020 itself. This was on account of resumption of rural activities and improved Rabi crop harvesting, enhanced water reservoir levels and positive macro indicators for farm business. Positive farm sentiments kept demand robust; with ~9 Lakh tractors being sold during FY21. Manufacturers overcame the early setback of supply chain issues due to lockdown in months of April and May and kept growing with the increased demand.

With a disbursement of ₹ 4,477 Cr of Farm Loans in FY21, your Company witnessed a 17% YoY growth, making it the leading Farm Equipment Financier and further cementing its position in the market. Your Company adopted the top dealer strategy and increased business with top dealers with the help of strengthened trade advances proposition. For FY21, 76% of your Company's total Farm business was generated from trade advances conversion.

Your Company maintained business controls with prudent product calls with Loan-to-value (LTV) well within 70% level. Your Company observed significant improvement in collections from May 2020 onwards while the industry took time to return to normalcy. Further, your Company also improved the collection efficiency and surpassed the pre-Covid levels for every month since June 2020. The regular collection efficiency in March 2021 stood at 91.5%.

Strategy

- Increase penetration of repeat customers with refinance, Kisan Suidha and used tractor offerings.
- Prudent calls taken to increase market share in specific geographies while maintaining asset quality.
- Analytics driven scheme offerings and trained manpower at dealerships helped drive top dealer strategy and increase counter share.
- Enhanced portfolio quality by leveraging analytics along with on-ground collection efforts.

TWO-WHEELER FINANCE

Two-Wheeler demand was severely impacted due to widespread COVID-19 cases and nationwide lockdown at the beginning of FY21. The industry grappled with sluggish demand reflecting the impact of the lockdown and closure of point of sales, upward price revision post implementation of BS VI and rising fuel prices. The demand in urban areas was impacted to a greater extent with stricter lockdown norms and closure of dealerships. Decline in manufacturing activity post-Covid affected rural demand, although to a lesser degree than urban. However, the demand gradually picked-up momentum from Q2FY21 with the rise in preference of personal vehicles over public transport. During FY21, the demand for motorcycles was better than scooters reflecting better rural income sentiments.

LTFH disbursed ₹ 4,436 Cr worth of Two-Wheeler loans in FY21, a 9% YoY de-growth owing to challenging market conditions. Your Company gained market share by using analytics to increase counter share with top dealers while maintaining LTV within 70% range and tightened credit norms. Your Company reported a regular collection efficiency of 98.4% in March 2021. Collection efficiency reached pre-Covid levels owing to enhanced call center capacity, on-field strength and use of analytics for collections.

Strategy

- Driving growth with focus on unfinanced high creditworthy customers and existing customers with excellent repayment history.
- Leverage best in industry Turnaround Time (TAT) as a key service proposition.
- Focus on capturing higher counter share at top dealers.
- Introduce innovative products to target unfinanced high creditworthy customers.
- Usage of Propensity to Pay model for collection prioritisation.

MICRO LOANS

The industry was adversely affected with the onset of COVID-19 with moratorium, nationwide lockdown, localised lockdowns as well as elections in some states. Operations such as field visits and cash collections were affected. A number of regulatory measures such as refinance support from RBI to NABARD, One-Time Restructuring and liquidity support to smaller MFIs,

among others, were undertaken to mitigate the impact of the pandemic.

Your Company's main focus remained on collections and credit quality rather than portfolio growth. While disbursements picked up gradually Q2FY21 onwards, disbursements for the year remained much lower than the pre-Covid levels. Overall collection efficiency picked up QoQ, however, remaining lower than the pre-Covid levels.

The pandemic resulted in a significant impact on the earning capacity of this customer segment. Your Company executed analytics driven plans for both collections and disbursements, drawn down for individual branches, based on collection volumes. As part of the actions, your Company undertook close to NIL disbursements during Q1FY21 as a large proportion of customers were under moratorium. Incremental unwavering attention on collections during Q2FY21 translated into improved collections efficiencies which was coupled with focused disbursements for existing good customers. New business sourcing was also initiated for branches with higher collection efficiency.

The end of moratorium in August 2020, conjoined with improved liquidity position for customers resulted in increased collection efficiencies during Q3FY21. The disbursements were also normalized by end-Q3FY21 based on analysis of repayment behavior post moratorium. Your Company disbursed ₹ 6,613 Cr of loans, benefiting 16 Lakh+ women during FY21.

Your Company enhanced the collections infrastructure as well as strengthened the higher bucket collections team. Overall collection efficiencies improved on a quarterly basis and reached 99% by Q4FY21. The collection efficiency as on March 31, 2021 stood at 99.1%

Strategy

- Leverage customer base to increase the proportion of repeat customers.
- Sourcing led by data analytics and credit appraisal.
- Diversify through focus on under-penetrated/new geographies and unleveraged customers.
- Strengthen collection vertical with rigorous on-field efforts to restore collection back to pre-Covid levels.

CONSUMER LOANS

The consumer loans industry stood at over ₹6 Lakhs Cr and grew by 15% during FY21, buoyed by revival in market sentiments and lower interest rates offered by

lenders. Your Company commenced Consumer Loans financing business in Q3FY20 with the aim to provide personal loan to existing customer base with a proven track record of timely payments. The Consumer Loans business uses analytics to create a pool of eligible customers from strong database of existing customers. These eligible customers with excellent repayment history are provided with a seamless end-to-end digital service proposition. With eligibility and credit check in place, disbursed amount directly reaches the customer's bank account. During the year, in the backdrop of COVID-19, your Company leveraged its strong customer database to steadily build a quality portfolio. As of FY21, the book stood at ₹ 490 Cr with over 42,000 customers.

Strategy

- Provide an end-to-end digital platform with 100% paperless journey and fast turnaround time.
- Harness analytics capabilities towards creating bureau-based underwriting scorecard.
- Leverage partnerships to build additional channels of sourcing for future up-sell and cross-sell.

HOUSING FINANCE

Home Loan growth declined in H1FY21 owing to the COVID-19 restrictions. However, it recovered at the end of FY21 supported by the Government's push for the sector and attractive incentives by the developers. Housing Finance business saw disbursement of ₹ 2,607 Cr of loans during FY21. This was down by 68% YoY while book growth was (11%) YoY. Your Company restricted disbursements in the LAP business and focused on existing projects for disbursements in Real Estate segment.

HOME LOAN

The Home Loan portfolio growth of Housing Finance Companies (HFCs) and NBFCs declined marginally in the H1FY21 due to the pandemic. Industry recovery post lockdown was driven by consistent policy support from the Government and regulators coupled with historically low interest on home loan and attractive schemes offered by the builders.

On one hand, the salaried segment remained relatively immune to the lockdown-induced disruptions. The self employed segment, on the other hand, faced severe brunt due to slowdown in business activities.

Your Company focuses on the Home Loan market through its presence in 17 locations across India. A digital

lending model coupled with paperless sanction of home loan to salaried customers, led to a unique offering that helped in quick turnaround of proposals. The model also enabled your Company to reduce face-to-face meetings and frequent visits by customers to the branches.

Your Company disbursed ₹1,402 Cr worth of Home Loan in FY21 (down by 46% YoY) with the focus on sourcing salaried customer profiles. The contribution of Home Loan, as a part of total Retail housing disbursements, increased from 82% in FY20 to 85% in FY21. The share of salaried customers to the Home Loan disbursements increased from 61% in FY20 to 92% in FY21.

LOAN AGAINST PROPERTY (LAP)

An adverse business environment for MSME segment coupled with the COVID-19 related lockdown affected the cashflow and liquidity position of the LAP segment. Consistent policy support from Government is expected to drive growth in this segment.

Your Company continued its cautious approach towards this segment and restricted the disbursements only to existing customers. Due to this, LAP disbursements witnessed a de-growth of 59% from ₹ 591 Cr in FY20 to ₹ 243 Cr in FY21.

Strategy for Home Loan & LAP

- Digital-lending model for Home Loan to provide best-in-class TAT.
- Growing up volumes through use of data analytics.
- Focus on arresting early-bucket delinquency through dynamic alignment of credit and collection policies.

REAL ESTATE FINANCE

The Real Estate sector started stabilising by FY20 after market developments like implementation of new regulatory framework such as Real Estate Regulatory Authority (RERA) and Goods and Services Tax (GST) reforms and demonetisation. This saw improvement in both residential and commercial space, with absorption outpacing new supply, thus leading to a decline in unsold residential inventory.

Overall sales and supply remained highly subdued during the H1FY21, given the Covid-19 induced nationwide

lockdown. Top developers drove the demand in this period through enhanced usage of digital platforms to engage with customers. Additionally, they also offered financial benefits, discounts and easy payment options. H2FY21 brought in buoyant sales owing to historically low home loan rates, pent up demand and support

from select State Governments through stamp duty reductions.

Gradual recovery was also witnessed in commercial absorption and new launches post the unlocking phase.

Commercial office leasing rentals remained stable despite rental negotiations and discounts on renewals sought by occupiers.

Given the challenging market environment, your Company deployed calibrated approach towards fresh disbursements. During the year, your Company did not initiate underwriting to new project or developer and continued focusing on close monitoring of the existing portfolio. Your Company disbursed ₹ 962 Cr (down by 80%) while book was down 13% YoY.

Even though sales improved reasonably across the industry as well as for your Company's portfolio, your Company will be very selective for undertaking new sanctions. In the meantime, entire focus is shifted on project management, to ensure project progression as per plan. Improvement in housing sales and continued support to developers in construction progress have together facilitated strong uptick in escrow collections which surpassed YoY levels since Q3FY21.

Strategy

- Continue lending to select chosen developers with focus on financial closure for project completion.
- Continue Construction Funding (CF) support to maintain portfolio quality and ensure completion of funded projects.
- Rigorous portfolio monitoring for identification and implementation of corrective action plan, if any.

INFRASTRUCTURE FINANCE

The slowdown in the economy due to pandemic, impacted the overall infrastructure sector. Construction activities came to a halt, there were delays in payments from few off-takers and suspension of toll operations affected the infrastructure developers. However, the regulators took cognizance of this force majeure event, appropriately considered and implemented measures to compensate and/or facilitate the infrastructure project development.

Infrastructure investment continues to be the key area of attention for the Indian Government. The Union Budget 2021-22 laid special emphasis on infrastructure sector, particularly on roads and renewables – your Company's focused sectors. With the enhanced outlay of ₹ 1.18 Tln

for the Ministry of Road Transport and Highways, the allocation is ~32% higher than previous year, and augurs well for the sector. Allocation for NHAI increased by 17% (YoY) to ₹ 573.5 Bn. The Budget has placed prominence on monetising operating public infrastructure assets, foreign participation through InVIT route. Under renewables, an additional capital infusion of ~₹1,000 Cr to Solar Energy Corporation of India Limited (SECI) and ~₹ 1,500 Cr to Indian Renewable Energy Development Agency Limited (IREDA) are being done.

Your Company decided to pay special attention towards its core strength areas in Infrastructure Finance. This strategic choice of sectors has been advantageous especially in the challenging covid-19 scenario. Your Company's emphasis will continue to be on Infrastructure Finance – both greenfield and operational.

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Package for discom liquidity support, 'Must Run' status conferred for operational renewable projects and timeline extensions for under construction projects were forthcoming moves from renewable sector regulators to tide over these challenges. Working capital liquidity support from NHAI and extension in scheduled commercial operation date on account of COVID are some of the relief measures, which helped pass through the critical times for the roads sector. NHAI also brought about changes in model concession agreement to boost investment in the sector amidst uncertain times. Toll collections have returned to normalcy post lockdown, also on account of higher FastTag adoption measures. The Company continues to maintain a dominant position in its focus sectors- road, renewable and transmission, with its solution-based approach to financing.

Renewables: Industry's overall energy consumption turned positive since Q3FY21 with Renewables continuing to drive growth, underpinned by 'must run' status granted to operational renewable projects. Under the Discom package, more than ₹ 75,000 Cr has been disbursed to Discoms from over ₹ 36,000 Cr sanctioned – improving cashflows for these entities. In terms of your Company's portfolio, operational projects are being paid on time and most of the Discoms have also remitted payments.

Roads: The National Highways Authority of India (NHAI) granted a relief to the operational toll projects in the form of extension in concession period till the time collections achieve 90% of the average daily fee. Your Company's annuity projects are receiving timely payments from the NHAI. Lockdown imposed by the Government along with suspension of toll operations impacted the cash flows of toll projects across the country. Post gradual lifting of the lockdown and subsequent improvement in economic activity, toll collection for LTFH portfolio surpassed YoY level since Q3FY21 – reaching ~113% in Q4FY21.

Due to concentrated effort on stressed assets, the Company saw a reduction of ₹ 330 Cr in Gross Stage 3 assets during the year. The Company has also proactively made provisions on identified stressed assets, well over

the regulatory requirement, which has resulted in a healthy provision coverage ratio of 73% on stressed assets. The Company has been proactive in dealing with stressed assets portfolio, by engaging with Promoters and co-lenders to achieve resolution.

Initiative undertaken during the year:

- **Wholesale business Project finance group**

The Company proved strength and sustainability of churn model and leveraged its strengths in focused sectors. The Company achieved disbursement of ₹ 9,153 Cr in FY2020-21 with a mix of refinance of operational assets and greenfield financing. Disbursements continued towards focused sectors of renewable, roads and transmission.

The Company maintained its market leadership position in renewable energy financing.

- **Sell down desk:**

In spite of tight liquidity environment, selldown volumes continued to be higher on y-o-y basis at ~₹ 6,350 Cr in FY2020-21. Government institutions, NBFCs and private sector banks accounted for a substantial share of the selldown.

Strategy

- Continue focusing on financing greenfield and operational projects in Renewables, Roads and Transmission.
- Focus on strong corporates and developers backed by global private equity players in Renewables and Road sector Conservative underwriting by considering cash flow volatility, offering appropriate tenor-based loans on project cash flow.
- Focus on sell-down of both fund-based and non-fund-based exposures to various investors, thereby enabling churn of portfolio.
- Continuous monitoring of portfolio to control credit costs.
- Focus on early warning signals to identify risks and cash flow stress.

Independent Auditor's Report

To The Members of L&T Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of L&T Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are

further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 52 of the Standalone Financial Statements, in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Measurement of loan assets: (Refer Notes 1 and 6 to the financial statements)</p> <p>As at March 31, 2021, loan assets aggregated Rs. 78,593.64 crore (net of expected credit losses and fair value changes), constituting 82% of the Company's total assets. Of these, loan assets aggregating Rs. 55,715.97 crore and Rs 22,877.67 crore are measured at amortised cost and fair value, respectively. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") and fair valuation on such loan assets is a critical estimate involving greater level of management judgement.</p>	<p>Principal audit procedures:</p> <p>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL and fair valuation for assessing and measuring all lending exposures.</p> <p>Additionally, we have confirmed that adjustments to the output of the ECL model is consistent with the documented rationale and basis for such adjustments which has been approved by the Audit Committee of the Board of Directors.</p> <p>Our audit procedures related to the allowance for ECL and fair valuation included the following, among others:</p>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>As part of our risk assessment, we determined that the allowance for ECL and fair valuation on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p>	<ul style="list-style-type: none"> • Testing the design and effectiveness of internal controls over the: <ul style="list-style-type: none"> – completeness and accuracy of the Exposure at Default (“EAD”) and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. – accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; • Also, for a sample of loan assets: <ul style="list-style-type: none"> – we tested the input data such as ratings and period of default and other related information used in estimating the PD; – we evaluated the reasonableness of applicable assumptions, including loss given defaults; – computation of the fair value of loans and ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model; – we tested the arithmetical accuracy of the computations and also performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimates determined by the management; – we also assessed the disclosures made in relation to the ECL allowance and fair valuation to confirm compliance with the IndAS provisions.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

We draw attention to Note 44 of the Standalone Financial Statements regarding the scheme of amalgamation of L&T Infrastructure Finance Company Limited and L&T Housing Finance Limited (the 'merged entities') with the Company, which is accounted as a common control business combination in accordance with Appendix C of the Indian Accounting Standard (Ind AS) 103 - "Business Combinations". Accordingly, the figures reported represents the financial position and results of the Amalgamated Company from appointed date April 1, 2020.

Further, the financial statements of the merged entities for the previous year were audited by the respective

previous statutory auditors and are recasted to represent the financial position and results of the Amalgamated Company in accordance with Indian Accounting Standard 103.

Our opinion is not modified in respect of this matter.

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 and the reports of the other auditors.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 the requirements of section 197(16) of

- the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
- 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)

Neville M. Daruwalla

Partner
(Membership No. 118784)
(UDIN: 21118784AAAACA9053)

Mumbai, April 28, 2021

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 (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 March 31, 2021, 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)

Neville M. Daruwalla

Partner

(Membership No. 118784)

(UDIN: 21118784AAAACA9053)

Mumbai, April 28, 2021

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 Property, Plant and Equipment.
- (b) The property, plant and equipment 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 property, plant and equipment 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	Gross block as at March 31, 2021 ₹ crore	Carrying amount as at March 31, 2021 ₹ crore	Remarks
Building located at Baroda	0.38	0.34	The title deeds are in the name of erstwhile entity, 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) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act 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 and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 with respect to maintenance of cost records under Section 148(1) of the Act is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-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 Sales Tax, Service Tax, Value Added Tax, 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, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax and Service Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (AY)	Sum of Amount involved Rs. Crore	Sum of Amount unpaid Rs. Crore
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	Deputy Commissioner (Appeal)	1995-96	0.00	0.00
			1996-97	0.05	0.04
			1998-99	0.01	0.01
			2000-01	0.00	0.00
			2002-03	0.00	0.00
			2011-12	0.28	0.22
		Tribunal	2012-13	0.04	0.04
			2004-05	1.11	1.04
			2006-07	0.17	0.00
			2007-08	0.30	0.00
	Local hire purchase turnover considered taxable	High Court	1999-00	0.07	0.07
	Refusal of input tax credit (ITC)	Joint Commissioner (Appeal)	2012-13	0.06	0.06
			2013-14	1.02	0.97
			2014-15	0.06	0.06
		Deputy Commissioner (Appeal)	2011-12	3.39	3.05
2012-13	3.43		3.13		
	Appellate Board	2007-08	2.10	2.10	
	Demand of Tax on Repossessed Assets	Joint Commissioner (Appeal)	2007-08	0.53	0.53
			2011-12	2.37	2.37
			2013-14	6.16	6.16
			2014-15	7.00	6.99
		Deputy Commissioner (Appeal)	2012-13	3.32	3.32
			2014-15	13.32	13.32
			2015-16	4.63	4.63
		Sr. Joint Commissioner (Appeal)	2011-12	0.03	0.03
			2013-14	0.01	0.01
			2016-17	0.39	0.39

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (AY)	Sum of Amount involved Rs. Crore	Sum of Amount unpaid Rs. Crore
Service Tax under Finance Act, 1994	Refusal of input tax credit (ITC)	Appellate Board	2011-12	2.62	2.62
			2012-13	3.50	3.50
			2013-14	5.19	5.19
	Service tax levied on receipt of interest on delayed payment	Appellate Board	2005-06 to 2010-11	0.84	0.84
			2011-12	0.06	0.06
	Additional Interest / Penal Interest / Default Interest under Declared Services	CESTAT	2013-14	39.86	39.86
			2013-18	0.00	0.00
			2014-15	70.01	70.01
			2015-16	105.02	105.02
			2016-17	143.68	143.68
	Cenvat Credit on account of Branches disallowed	CESTAT	2007-08	0.12	0.12
			2007-10	0.00	0.00
			2008-09	0.15	0.15
			2009-10	6.52	6.52
	Refusal of input tax credit (ITC)	Appellate Board	2008-09	3.25	3.25
			2009-10	3.60	3.60
			2010-11	5.02	5.02
			2008-11	0.00	0.00
Service tax levied on upfront fees collected	The Commissioner	2006-07	0.27	0.27	
		2007-08	3.68	3.68	
		2008-09	0.85	0.85	
Service tax levied on Recovery of the cost of salary & other expenses pertaining to the employees deputed to the group companies	The Additional Commissioner	2007-08	0.25	0.25	
		2008-09	0.03	0.03	
		2007-09	0.00	0.00	

0.00 represents less than Rs. 1 lakh.

(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 dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments and term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

- (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 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, as amended.
- (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 standalone financial statements 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. 117366W/W-100018)

Neville M. Daruwalla

Partner

(Membership No. 118784)

(UDIN: 21118784AAAACA9053)

Mumbai, April 28, 2021

Balance Sheet as at March 31, 2021

₹ in crore

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A. ASSETS:			
1. Financial assets			
(a) Cash and cash equivalents	2	4,312.83	5,258.30
(b) Bank balance other than (a) above	3	1,449.29	2,176.55
(c) Derivative financial instruments	4	32.60	155.06
(d) Receivables	5		
(i) Trade receivables		23.00	46.67
(ii) Other receivables		65.63	26.41
(e) Loans	6	78,593.64	82,701.82
(f) Investments	7	8,427.01	5,503.91
(g) Other financial assets	8	68.06	75.69
		92,972.06	95,944.41
2. Non-financial assets			
(a) Current tax assets (net)		516.65	674.81
(b) Deferred tax assets (net)		1,584.36	1,417.42
(c) Property, plant and equipment	9	22.56	36.31
(d) Intangible assets under development	10	23.84	61.99
(e) Goodwill	10	-	565.70
(f) Other Intangible assets	10	110.89	157.52
(g) Right of use assets	35	29.79	32.54
(h) Other non-financial assets	11	948.60	308.77
		3,236.69	3,255.06
Total Assets		96,208.75	99,199.47
B. LIABILITIES AND EQUITY :			
1. LIABILITIES			
a. Financial liabilities			
(a) Payables	12		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		27.78	50.82
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.07	0.83
(b) Debt securities	13	37,230.48	34,310.91
(c) Borrowings (other than debt securities)	14	38,658.11	45,335.36
(d) Subordinated liabilities	15	3,501.59	3,303.92
(e) Lease liabilities	35	34.05	36.34
(f) Other financial liabilities	16	893.73	390.78
		80,350.81	83,428.96
b. Non-financial liabilities			
(a) Current tax liabilities (net)		170.44	99.26
(b) Provisions	17	26.57	31.89
(c) Other non-financial liabilities	18	39.70	4.77
		236.71	135.92
2. Equity			
(a) Equity share capital	19	2,684.17	2,684.17
(b) Other equity	20	12,937.06	12,950.42
		15,621.23	15,634.59
Total Liabilities and Equity		96,208.75	99,199.47
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2 to 54		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Neville M. Daruwalla
Partner
Membership No: 118784

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

Dinanath Dubhashi
Chairperson
DIN : 03545900

Sanjay Wadhwa
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ in crore

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	21	12,206.78	12,374.41
(ii) Dividend income	22	-	0.04
(iii) Rental income	23	4.52	9.04
(iv) Fees and commission income	24	138.01	364.49
I Total revenue from operations		12,349.31	12,747.98
II Other income	26	343.76	294.29
III Total income (I + II)		12,693.07	13,042.27
Expenses			
(i) Finance costs	27	6,357.30	6,728.91
(ii) Net loss on fair value changes	25	393.20	44.49
(iii) Net loss on derecognition of financial instruments under amortised cost category	28	237.25	273.01
(iv) Impairment on financial instruments	29	2,975.14	1,991.99
(v) Employee benefits expenses	30	906.63	898.72
(vi) Depreciation, amortisation and impairment	31	726.48	710.65
(vii) Other expenses	32	764.83	790.42
IV Total expenses (IV)		12,360.83	11,438.19
V Profit before tax (III - IV)		332.24	1,604.08
VI Tax expense			
(1) Current tax		481.77	595.27
(2) Deferred tax		(150.89)	(164.66)
VII Profit before impact of change in the rate on opening deferred tax (V-VI)		1.36	1,173.47
VIII Impact of change in the rate on opening deferred tax (Refer note 49)		-	472.71
IX Profit for the year (VII - VIII)		1.36	700.76
X Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		1.06	(4.75)
b) Change in fair value of equity instruments measured at fair value through other comprehensive income		55.05	(56.16)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.27)	1.20
Subtotal (A)		55.84	(59.71)
B. (i) Items that will be reclassified to profit or loss			
a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(10.47)	0.16
b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		(2.94)	(133.02)
(ii) Income tax relating to items that will be reclassified to profit or loss		0.74	33.48
Subtotal (B)		(12.67)	(99.38)
Total other comprehensive income (A+B)		43.17	(159.09)
XI Total comprehensive income for the year (IX+X)		44.53	541.67
XII Earnings per equity share:	38		
Basic earnings per equity share (₹)		0.01	2.61
Diluted earnings per equity share (₹)		0.01	2.61
Significant accounting policies	1		
See accompanying notes forming part of the financial statements	2 to 54		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Neville M. Daruwalla
Partner
Membership No: 118784

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

Dinanath Dubhashi
Chairperson
DIN : 03545900

Sanjay Wadhwa
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021

Statement of Cash Flow for the year ended March 31, 2021

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities :		
Profit before tax	332.24	1,604.08
Adjustments for:		
Net loss on sale of property, plant and equipment	0.53	2.66
Net (gain)/loss arising on financial assets (investments) measured at fair value through profit or loss	229.11	(47.47)
Net loss on derecognition of financial instruments under amortised cost category	237.25	273.01
Impairment on financial instruments	2,975.14	1,991.99
Net loss arising on financial assets (Loans) measured at fair value through profit or loss	139.74	93.31
Depreciation, amortisation and impairment	726.48	710.65
Net loss on derivatives at fair value through profit or loss	5.32	-
Operating profit before working capital changes	4,645.81	4,628.23
Changes in working capital		
Adjustments for increase/(decrease) in operating liabilities		
Other financial liabilities	218.95	107.85
Lease liabilities	(2.29)	36.34
Provisions	(4.26)	1.58
Trade and other payables	(18.80)	(77.00)
Other non-financial liabilities	34.93	(15.43)
Adjustments for (increase)/decrease in operating assets		
Other non-financial assets	(51.99)	(49.52)
Right of use assets	(7.63)	(40.34)
Other financial assets	6.00	74.51
Trade and other receivables	0.86	(4.35)
Cash generated from operations	4,821.58	4,661.87
Direct taxes refund/(paid) (net)	(252.43)	(708.43)
Loans disbursed (net of repayments)	191.86	(1,709.73)
Net cash generated from operating activities (A)	4,761.01	2,243.71
B. Cash flows from investing activities :		
Change in other bank balance not available for immediate use	727.26	(2,131.56)
Purchase of property, plant and equipment	(2.85)	(23.71)
Proceeds from sale of property, plant and equipment	3.20	3.56
Purchase of intangible assets	(45.73)	(54.22)
Purchase of investments	(3,763.25)	(2,220.88)
Proceeds on sale of investments	610.17	4,803.05
Net cash (used in)/generated from investing activities (B)	(2,471.20)	376.24

Statement of Cash Flow for the year ended March 31, 2021

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	1,000.00
Payment for share issue costs	-	(1.00)
Proceeds from borrowings	17,607.02	31,744.40
Repayment of borrowings	(20,842.30)	(31,158.11)
Dividend paid	-	(474.20)
Additional tax on dividend	-	(97.47)
Net cash (used in)/generated from financing activities (C)	(3,235.28)	1,013.62
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(945.47)	3,633.57
Cash and cash equivalents at beginning of the year	5,258.30	1,624.73
Cash and cash equivalents at the end of the year	4,312.83	5,258.30
Net increase/(decrease) in cash and cash equivalents	(945.47)	3,633.57

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.
- Net cash used in investing activity excludes investments aggregating to ₹100.64 crore (Previous period 'Nil') acquired against claims.
- Net cash generated from operating activity is determined after adjusting the following:

	Year ended March 31, 2021	Year ended March 31, 2020
Interest received	10,530.35	11,908.14
Dividend received	-	0.04
Interest paid	6,492.81	6,342.13

Significant accounting policies 1

See accompanying notes forming part of the financial statements 2 to 54

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Neville M. Daruwalla
Partner
Membership No: 118784

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

Dinanath Dubhashi
Chairperson
DIN : 03545900

Sanjay Wadhwa
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital		Particulars		Number of Shares	Equity share capital	₹ in crore							
Issued, subscribed and fully paid up equity shares outstanding as at April 1, 2019				1,599,138,199	1,599.14								
Changes in equity share capital during the year													
Issue of equity shares on account of merger (Refer note: 44)													
				1,085,034,161	1,085.03								
Issued, subscribed and fully paid up equity shares outstanding as at March 31, 2020				2,684,172,360	2,684.17								
Changes in equity share capital during the year													
Issue of equity shares													
Issued, subscribed and fully paid up equity shares outstanding as at March 31, 2021				2,684,172,360	2,684.17								
B. Other equity													
Particulars	Capital redemption reserve	Debt redemption reserve	Securities premium	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve u/s 29C of National Housing Bank Act, 1987	Reserve u/s 36(1) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings	Fair value changes of debt instruments measured at fair value through other comprehensive income	Fair value changes of equity instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
Balance as at April 1, 2019	3.20	428.24	10,109.78	97.98	1,184.87	27.42	722.68	(538.06)	(692.59)	(0.63)	-	-	11,342.89
Profit for the year	-	-	-	-	-	-	-	-	700.76	-	-	-	700.76
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	(3.55)	-	-	-	(3.55)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	-	0.16	(56.16)	(99.54)	(155.54)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	697.21	0.16	(56.16)	(99.54)	541.67
Transition impact of Ind-AS 116	-	-	-	-	-	-	-	-	(2.22)	-	-	-	(2.22)
Capital reserve on merger	-	-	-	-	-	-	-	-	-	-	-	-	585.64
Interim dividends paid	-	-	-	-	-	-	-	-	(221.11)	-	-	-	(221.11)
Tax on interim dividend	-	-	-	-	-	-	-	-	(45.45)	-	-	-	(45.45)
Issue of equity shares	-	-	750.00	-	-	-	-	-	-	-	-	-	750.00
Share issue expenses	-	-	(1.00)	-	-	-	-	-	-	-	-	-	(1.00)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	129.11	-	-	-	(129.11)	-	-	-	-
Transfer to general reserve	-	(34.27)	-	34.27	-	-	-	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	(74.76)	-	-	-	-	74.76	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	-	80.75	-	(80.75)	-	-	-	-
Balance as at March 31, 2020	3.20	319.21	10,858.78	132.25	1,313.98	27.42	803.43	(463.30)	(474.02)	(0.47)	(56.16)	(99.54)	12,950.42

Statement of Changes in Equity for the year ended March 31, 2021

₹ in crore

Particulars	Reserves and Surplus					Income tax Act, 1961	Amalgamation adjustment account	Retained earnings	Fair value changes of debt instruments measured at fair value through other comprehensive income	Fair value changes of equity instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
	Capital redemption reserve	Debt redemption reserve	Securities premium reserve	Capital reserve	General reserve							
Balance as at April 1, 2020	3.20	319.21	10,858.78	585.64	132.25	1,313.98	27.42	803.43	(463.30)	(474.02)	(99.54)	12,950.42
Profit for the year	-	-	-	-	-	-	-	-	1.36	-	-	1.36
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	0.79	-	-	0.79
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	(10.47)	55.05	(2.20)	42.38
Total comprehensive income for the year	-	-	-	-	-	-	-	-	(10.47)	55.05	(2.20)	44.53
Interim dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Tax on interim dividend	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-	-
Merger Related expenses	-	-	(57.89)	-	-	-	-	-	-	-	-	(57.89)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	0.27	-	-	-	-	-	-	-
Transfer to general reserve	-	(106.10)	-	-	106.10	-	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	(107.92)	-	-	107.92	-	-	-	-
Transfer to Retained earnings	-	-	-	-	-	-	-	-	-	1.11	-	-
Balance as at March 31, 2021	3.20	213.11	10,800.89	585.64	130.43	1,314.25	27.42	911.35	(463.30)	(10.94)	(101.74)	12,937.06

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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

Neville M. Daruwalla
Partner
Membership No: 118784

Dinanath Dubhashi
Chairperson
DIN : 03545900

Sanjay Wadhwa
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021

Notes forming part of the financial statements for the year ended March 31, 2021

1. Significant Accounting Policies:

1.1. Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, applicable regulations of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations.

1.2. Basis of preparation:

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

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

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

1.3. Presentation of financial statements:

The Balance Sheet, Statement of Changes in Equity for the year and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1.4. Non-current assets held for sale:

Non-current assets and disposable group are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal Company) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification except in some circumstances this period can be extended if it is beyond the control of management and there are sufficient evidence that the entity remains committed to its plan to sell the asset.

Non-current assets and disposal group classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Notes forming part of the financial statements for the year ended March 31, 2021

1.5. Business Combination under Common Control

A Common control business combination, involving entities or business in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where control is not transitory, is accounted for in accordance with Appendix C to Ind AS 103 "Business Combination".

Business combinations involving entities or business under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- The identity of the reserves are preserved and appear in the financial statements of the transferee in same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserve with disclosure of its nature and purpose in the notes.

1.6. Financial instruments:

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

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

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

(i) Financial assets

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

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

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

The Company considers all relevant information available when making the business model assessment. However, this assessment is performed on the basis of scenarios that the Company expects to occur and

Notes forming part of the financial statements for the year ended March 31, 2021

not to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets.

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

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

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

(a) Financial assets at amortised cost

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

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

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

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income.

Notes forming part of the financial statements for the year ended March 31, 2021

(d) Debt instruments at amortised cost or at FVTOCI

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

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

(e) De-recognition

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

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

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

(ii) Financial liabilities

- (a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

- (b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.7. Write off:

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

1.8. Impairment:

The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;

Notes forming part of the financial statements for the year ended March 31, 2021

- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

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

Definition of default

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

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

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

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

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Notes forming part of the financial statements for the year ended March 31, 2021

The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

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

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

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

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

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

Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

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

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

Hitherto, in respect of the Company's corporate loan assets, the threshold for shifting to Stage 2 was being rebutted using historical evidence from the Company's own portfolio to 60 (instead of 30) days past due.

Effective from current year, consequent to the recommendation of the Reserve Bank of India, made during the annual inspection, the Company has changed its definition of "Significant Increase in Credit Risk". Consequently, such loan assets with defaults ranging between 31 and 60 days past due, which were previously classified as "Stage 1" are now classified as "Stage 2" and estimated the expected credit loss applying the corresponding probability of default. The said change does not have any significant impact on the accumulated ECL allowance as of March 31, 2020.

Notes forming part of the financial statements for the year ended March 31, 2021

For the purpose of counting of day past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with COVID19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the company.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

1.9. Modification and derecognition of financial assets

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

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

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

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

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

- (a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.
- (b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
 - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
 - the remaining lifetime PD at the reporting date based on the modified terms.

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

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

1.10. Presentation of allowance for ECL in the Balance Sheet

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

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: loss allowance is recognised separately in Balance Sheet and the carrying amount is at fair value.

1.11. Derivative financial instruments :

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

Notes forming part of the financial statements for the year ended March 31, 2021

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

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

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

1.12. 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. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI) except for those classified as held for trading.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Fee and commission income:

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

Fee and commission expenses with regards to services are accounted for as the services are received.

Notes forming part of the financial statements for the year ended March 31, 2021

(iii) Net gain or fair value change:

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

(iv) Income from financial instruments at FVTPL:

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

(v) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. Guarantee fees is recognised on pro rata basis over the period of the guarantee.

1.13. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.14. Property, plant and equipment (PPE):

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

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

Notes forming part of the financial statements for the year ended March 31, 2021

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

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

1.15.Intangible assets:

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

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

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

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

1.16.Impairment of tangible and intangible assets other than goodwill

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

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

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the

Notes forming part of the financial statements for the year ended March 31, 2021

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

1.17. Employee benefits:

(i) Short term employee benefits:

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

(ii) Post-employment benefits:

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

(b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

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

(iv) Termination benefits:

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

Notes forming part of the financial statements for the year ended March 31, 2021

1.18. Leases:

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

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

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

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

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

c. Transition Disclosure:

The Company has applied Ind AS 116 "Leases" ("Standard") effective April 1, 2019 (Initial application date). Ind AS 116 supersedes Ind AS 17 "Leases". The Standard sets out the principles for recognition, measurement, presentation and disclosure of leases. The Standard has brought major changes with respect to lease accounting for the lessee. It requires a lessee to account for right-of-use asset and lease liability for all the leases without lease classification into operating and finance lease.

Under modified retrospective method of transition, the Company has applied the Standard retrospectively and recognised the cumulative effect of initially applying the Standard as an adjustment to the opening balance of retained earnings at the date of initial application (refer note 34). Accordingly, the figures of the previous year have not been restated.

The Company has availed of following practical expedients as on the transition date as provided by the Standard:

- Leases for which the lease term ends within 12 months of the date of initial application are accounted in the same way as short-term leases.

Notes forming part of the financial statements for the year ended March 31, 2021

- The Company has not reassessed whether a contract is or contains a lease at the date of initial application and instead applied the Standard to those contracts that were previously identified as leases under Ind AS 17.
- The Company has excluded initial direct costs from the measurement of the right of use asset at the date of initial application.

1.19. Cash and bank balances:

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

1.20. Securities premium account:

(i) Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.21. Share-based payment arrangements:

The stock options granted to employees by the holding company's (i.e. L&T Finance Holdings Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

1.22. Accounting and reporting of information for Operating Segments:

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

1.23. Foreign currencies:

- (i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

Notes forming part of the financial statements for the year ended March 31, 2021

- (iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
 - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
 - B. income and expenses for each income statement are translated at average exchange rates; and
 - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.24. Taxation:

Current Tax:

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

Deferred Tax:

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

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

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

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

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

1.25. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- (i) an Company entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

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

Notes forming part of the financial statements for the year ended March 31, 2021

Contingent liability is disclosed in case of:

- a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b. a present obligation arising from past events, when no reliable estimate is possible.

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

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

1.26. Commitment

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

- (a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (b) uncalled liability on shares and other investments partly paid;
- (c) funding related commitment to associate companies; and
- (d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

1.27. Statement of cash flows

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

- (i) changes during the period in operating receivables and payables transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

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

1.28. Earnings per share:

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

1.29. Key source of estimation :

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

Notes forming part of the financial statements for the year ended March 31, 2021

2 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	6.90	0.20
Balances with banks in current accounts #	548.91	734.54
Cheques, drafts on hand	4.09	-
Bank deposits with original maturity less than three months	3,752.93	4,523.56
Total cash and cash equivalents	4,312.83	5,258.30

includes ₹ 0.14 crore (PY : ₹4.44 Crore) towards unutilised funds raised through public issue.

3 Bank balance other than note 2 above

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks	244.66	17.99
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	944.59	683.17
Banks deposits with maturity greater than three months and less than twelve months	260.04	1,475.39
Total bank balance other than note 2 above	1,449.29	2,176.55

4 Derivative financial instruments

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Part I		
(i) Currency derivatives:		
Notional amounts		
- Currency swaps	3,114.34	3,014.34
Fair value assets		
- Currency swaps	32.60	155.06
Total derivative financial instruments	32.60	155.06
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Notional amounts		
- Currency derivatives	3,114.34	3,014.34
Fair value assets		
- Currency derivatives	32.60	155.06
Total derivative financial instruments	32.60	155.06

Notes forming part of the financial statements for the year ended March 31, 2021

5 Receivables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
(a) Receivables considered good - secured	-	-
(b) Receivables considered good - unsecured	23.00	40.00
(c) Receivables - credit impaired		
Receivables	2.98	26.06
Less : Impairment loss allowance	(2.98)	(19.39)
Total trade receivables (i)	23.00	46.67
(ii) Other receivables		
(a) Receivables considered good - unsecured	56.03	15.64
(b) Receivables from related parties (refer note : 33)	9.60	10.77
Total other receivables (ii)	65.63	26.41
Total receivables (i+ii)	88.63	73.08

6 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) At amortised cost		
- Bills purchased and bills discounted	32.74	87.22
- Loans repayable on demand	657.44	476.29
- Term loans	59,217.26	59,837.89
- Leasing	23.92	45.48
- Debentures (refer note 6(i))	825.54	1,967.24
Total gross loans at amortised cost	60,756.90	62,414.12
Less: Impairment loss allowance	(5,040.93)	(4,589.94)
Total net loans at amortised cost (i)	55,715.97	57,824.18
(ii) At fair value through profit or Loss		
- Loans repayable on demand	-	103.73
- Term loans	22,842.43	24,332.68
- Debentures (refer note 6(i))	395.81	662.06
Total gross loans at fair value through profit or loss	23,238.24	25,098.47
Less: Impact of fair value changes	(360.57)	(220.83)
Total net loans at fair value through profit or loss (ii)	22,877.67	24,877.64
Total net loans (A) = (i)+(ii)	78,593.64	82,701.82

Notes forming part of the financial statements for the year ended March 31, 2021

6 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(B)		
(i) At amortised cost		
- Secured by tangible assets	45,257.78	47,625.21
- Unsecured	15,499.12	14,788.91
Total gross loans at amortised cost	60,756.90	62,414.12
Less: Impairment loss allowance	(5,040.93)	(4,589.94)
Total net loans at amortised cost (i)	55,715.97	57,824.18
(ii) At fair value through profit or loss:		
- Secured by tangible assets	23,238.24	25,098.47
- Unsecured	-	-
Total gross loans at fair value through profit or loss	23,238.24	25,098.47
Less: Impact of fair value changes	(360.57)	(220.83)
Total net loans at fair value through profit or loss (ii)	22,877.67	24,877.64
Total net loans (B) = (i)+(ii)	78,593.64	82,701.82
(C)		
(I) Loans in India		
(i) At amortised cost		
- Public sector	-	-
- Others	60,756.90	62,414.12
Total gross loans at amortised cost	60,756.90	62,414.12
Less: Impairment loss allowance	(5,040.93)	(4,589.94)
Total net loans in India at amortised cost (i)	55,715.97	57,824.18
(ii) At fair value through profit or loss:		
- Public sector	-	-
- Others	23,238.24	25,098.47
Total gross loans at fair value through profit or loss	23,238.24	25,098.47
Less: Impact on fair value changes	(360.57)	(220.83)
Total net loans at fair value through profit or loss (ii)	22,877.67	24,877.64
Total net loans in India (C)(I) = (i)+(ii)	78,593.64	82,701.82
(II) Loans outside India		
(i) At amortised cost	-	-
Less: Impairment loss allowance	-	-
Total net loans outside India at amortised cost (i)	-	-
(ii) At fair value through profit or loss:		
Less: Impact on fair value changes	-	-
Total net loans at fair value through profit or loss (ii)	-	-
Total net loans outside India (C)(II) = (i)+(ii)	-	-
Total net loans (C) = (I)+(II)	78,593.64	82,701.82

Notes forming part of the financial statements for the year ended March 31, 2021

6(i) Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in crore	Nos.	₹ in crore
Debenture				
Diamond Power Infrastructure Limited	3,000	29.56	3,000	28.78
Oriental Nagpur Betul Highway Limited	-	-	15,734	156.71
Regen Infrastructure And Services Private Limited	-	-	2,794	248.13
Renew Akshay Urja Private Limited	180	17.84	180	17.89
SP Jammu Udhampur Highway Limited	1,986	206.82	2,950	307.30
GB Global Limied (erstwhile Mandhana Industries Limited)	200	15.42	200	14.58
Pennar Renewables Private Limited	-	-	3,800	34.49
Avantha Holding Limited	-	-	4,500	582.59
Bhoruka Power Holdings Private Limited	349,998	61.71	349,998	61.71
Soma Highways Private Limited	1,810	181.53	1,810	181.39
O B Infrastructure Limited	4,852	48.78	7,432	74.72
SU Toll Road Private Limited	7,912	82.48	7,912	78.61
West Gujarat Express Way Limited	8,876	106.22	8,876	103.68
Ace Urban Developers Private Limited	15,250	253.00	15,250	231.28
Western UP Tollway Private Limited	3,045	16.27	3,045	17.61
Sai Maithili Power Company Private Limited	561	7.52	561	6.71
Renew Akshay Urja Private Limited - 8.65% NCD	1,720	147.23	1,720	156.69
Renew Akshay Urja Private Limited - 8.75% NCD	115	11.39	115	11.43
Premier Photovoltiac Medak Private Limited	468	4.04	468	4.26
New Era Enviro Ventures (Mahabubnagar) Private Limited	1,600	13.82	1,600	14.56
Greenko Solar Power (Medak) Limited	2,000	17.72	2,000	18.50
Ksk Electricity Financing India Private Limited	-	-	2,000	277.68
Total Debenture		1,221.35		2,629.30

Notes forming part of the financial statements for the year ended March 31, 2021

7 Investments

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
A. Investments in fully paid equity shares						
(a) Subsidiaries (at cost)						
(i) Unquoted						
L&T Infra Debt Fund Limited	10.00	375,689,110	478.26	10.00	375,689,110	478.26
L&T Infra Investment Partners Advisory Private Limited	10.00	5,000,000	5.00	10.00	5,000,000	5.00
L&T Infra Investment Partners Trustee Private Limited	10.00	100,000	0.10	10.00	100,000	0.10
(b) Other equity shares						
(i) Quoted						
(a) Investments carried at fair value through profit or loss						
Unity Infraprojects Limited	2.00	694,370	0.06	2.00	694,370	0.01
Monnet Ispat & Energy Limited	10.00	593,420	1.55	10.00	594,412	0.55
KSK Energy Ventures Limited	10.00	10,688,253	0.59	10.00	10,688,253	0.37
Integrated Digital Info Services Limited	10.00	383,334	-	10.00	383,334	-
Elque Polyesters Limited	10.00	194,300	-	10.00	194,300	-
Monnet Industries Limited	10.00	4,638	-	10.00	5,640	-
Monnet Project Developers Limited	10.00	11,279	-	10.00	11,280	-
Bhushan Steel Limited	-	-	-	2.00	367,119	0.60
Jaihind Projects Limited	-	-	-	10.00	24,797	-
Diamond Power Infrastructure Limited	10.00	2,889,921	-	10.00	2,889,921	-
3I Infotech Limited	10.00	2,426,383	1.81	10.00	2,426,383	0.32
Gol Offshore Limited	10.00	11,344,315	-	10.00	11,344,315	-
SVOGL Oil Gas and Exploration Services Limited	10.00	3,437,172	-	10.00	3,437,172	-
Glodyne Technoserve Limited	6.00	319,262	-	6.00	319,262	-
MIC Electronics Limited	2.00	5,384,616	-	2.00	5,384,616	-
Usher Agro Limited	10.00	335,344	-	10.00	335,344	-
Hindusthan National Glass & Industries Ltd	2.00	376,928	1.22	2.00	409,674	1.13
Ballarpur Industries Limited	10.00	126,052,000	13.24	-	-	-
Dish TV India Limited	10.00	35,927,667	33.23	-	-	-
Zee Learn Limited	10.00	22,162,667	22.94	-	-	-
Zee Media Corporation Limited	10.00	25,398,667	16.25	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Siti Networks Limited	10.00	57,383,732	4.88	-	-	-
Future Retail Limited	10.00	501,000	2.14	-	-	-
(b) Investment carried at fair value through other comprehensive income						
CG Power and Industrial Solutions Limited	-	-	-	10.00	62,600,000	31.61
(ii) Unquoted						
(a) Investments carried at fair value through profit or loss						
The Kalyan Janatha Sahakari Bank Limited	10.00	20,000	0.05	10.00	20,000	0.05
The Malad Sahakari Bank Limited	10.00	100	-	10.00	100	-
Coastal Projects Limited	10.00	7,896,884	-	10.00	7,896,884	-
ICOMM Tele Limited	10.00	41,667	-	10.00	41,667	-
Hanjer Biotech Energies Private Limited	10.00	208,716	-	10.00	208,716	-
Soma Enterprises Limited	10.00	500,000	-	10.00	500,000	-
Mediciti Healthcare Services Private Limited	10.00	1,635,003	-	10.00	1,635,003	-
Tikona Infinet Limited	10.00	425,912	-	10.00	425,912	0.17
Bhoruka Power Corporation Limited	10.00	100	-	10.00	100	-
Bhoruka Power India Investments Private Limited	10.00	10	-	10.00	10	-
Soma Tollways Private Limited	10.00	19,265,780	329.10	10.00	19,265,780	329.10
Indian Highways Management Company Limited	10.00	1,500,000	1.73	10.00	1,500,000	1.73
KSK Mahanadi Power Co. Ltd.	10.00	26,385,109	-	10.00	26,385,109	-
NSL Sugars Limited	10.00	2,925,656	-	10.00	2,925,656	-
Athena Chattisgarh Power Limited	10.00	69,300,000	-	10.00	69,300,000	-
Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited	10.00	5,026	-	10.00	5,026	-
Grameen Capital India Private Limited	10.00	2,126,000	-	10.00	2,126,000	-
Alpha Micro Finance Consultants Private Limited	10.00	200,000	-	10.00	200,000	-
Metropoli Overseas Limited	10.00	99,400	-	10.00	99,400	-
Anil Chemicals and Industries Limited	10.00	40,000	-	10.00	40,000	-
VMC Systems Limited	10.00	907,264	-	10.00	907,264	-
Saumya Mining Limited	10.00	1,077,986	-	10.00	1,077,986	-
Total investment in equity shares (A)			912.15			849.00

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
B. Investments in debt securities						
(a) Investment carried at fair value through profit or loss						
Bhoruka Power Corporation Limited	100,000.00	25,771	392.50	100,000.00	25,771	392.50
Soma Enterprises Limited	10.00	80,712,081	18.52	10.00	80,712,081	38.56
Tikona Infinet Limited	2,840.00	579,772	85.58	2,840.00	579,772	149.58
NSL Sugars Ltd.	100.00	2,132,310	12.71	100.00	2,132,310	14.74
NSL Renewable Power Private Limited	-	-	-	20,000.00	4,811	6.67
(b) Investment carried at fair value through other comprehensive income						
TATA AIG General Insurance Company Limited	-	-	-	1,000,000.00	310	32.25
U. P. Power Corporation Limited	-	-	-	1,000,000.00	522	56.04
Cholamandlam MS General Insurance Company Limited	-	-	-	1,000,000.00	418	44.84
Dewan Housing Finance Corporation Limited	1,000,000.00	2,496	241.45	1,000,000.00	2,496	241.45
Dewan Housing Finance Corporation Limited	1,000.00	2,750,000	295.10	1,000.00	2,750,000	295.10
The South Indian Bank Limited	100,000.00	38,759	416.87	100,000.00	38,759	416.20
ECL Finance Limited	1,000.00	1,500,000	161.93	1,000.00	3,000,000	326.38
Total investment in debt securities (B)			1,624.66			2,014.31
C. Investments in mutual funds						
(a) Investment carried at fair value through profit or loss						
Canara Robeco Liquid fund - Direct Growth	-	-	-	1,000.00	21,004	5.02
L&T Low Duration Fund Direct Plan - Growth	10.00	87,415,476	200.06	-	-	-
L&T Money Market Fund Direct Plan - Growth	10.00	93,207,621	200.01	-	-	-
Total investment in mutual funds (C)			400.07			5.02
D. Investments in fully paid preference shares (Unquoted)						
(a) Investment carried at fair value through profit or loss						
Grameen Capital India Private Limited	10.00	3,874,000	-	10.00	3,874,000	-
SKS Ispat Power Limited	-	-	-	10.00	9,773,621	3.05
3I Infotech Limited	5.00	3,896,954	0.68	5.00	3,896,954	0.68
10% SEW Vizag Coal Terminal Private Limited	10.00	4,795,256	-	10.00	4,795,256	-
Total investment in preference shares (D)			0.68			3.73

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
E. Investments in government securities						
(a) Investment carried at amortised cost						
12% National Saving Certificate 2002	-	-	*0.00	-	-	*0.00
(b) Investment carried at fair value through profit or loss						
7.50% Government of India Stock 2034	-	-	-	100.00	14,000	0.14
6.13% Government of India Stock 2028	-	-	-	100.00	40,000	0.39
(c) Investment carried at fair value through other comprehensive income						
8.15% Govt Stock -11-06-2022	100.00	50,000,000	535.20	-	-	-
364 Day T-Bills 16-09-2021	100.00	75,000,000	738.57	-	-	-
364 Day T-Bill 24-03-2022	100.00	20,000,000	192.89	-	-	-
Total investment in government securities (E)			1,466.66			0.53
F. Investment in other securities						
(a) Subsidiaries : Investment carried at fair value through profit or loss						
L&T Infra Investments Partner Fund						
Class B	100.00	20,710,522	234.32	100.00	20,829,026	263.76
Class C	100.00	500,000	6.07	100.00	500,000	5.00
Class D	10.00	10,000	0.01	10.00	10,000	0.01
(b) Investment carried at fair value through profit or loss						
KKR India debt Opportunities Fund II	1,000.00	742,182	53.06	1,000.00	1,356,565	101.32
KKR India debt Opportunities Fund III	1,000.00	21,226	0.17	1,000.00	21,226	0.20
LICHFL Urban Development Fund	10,000.00	10,000	2.97	10,000.00	10,000	3.76
LICHFL Housing And Infrastructure Trust	100.00	516,000	5.16	100.00	116,000	1.16
(c) Investment carried at fair value through other comprehensive income						
Indinfravit Trust	100.00	100,000	0.94	100.00	100,000	0.94
Total investment in other securities (F)			302.70			376.15
G. Investment in pass through certificates						
(a) Investment carried at fair value through other comprehensive income						
Goldstein IFMR Capital	43.00	857,170	2.45	43.00	857,170	2.45
Smith IFMR Capital	4.00	12,096,782	3.29	4.00	12,096,782	3.30
Syme IFMR Capital	1.00	14,210,515	1.11	1.00	14,210,515	1.12
Moses IFMR Capital	1.00	2,250,000	0.22	1.00	2,250,000	0.22
Total investment in pass through certificate (G)			7.07			7.09

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
H. Investment in security receipts						
(a) Investment carried at fair value through profit or loss						
Phoenix ARF Scheme 6	1,000.00	9,843	-	1,000.00	9,843	-
Phoenix ARF Scheme 9	1.00	6,612	*0.00	1.00	6,612	*0.00
Phoenix ARF Scheme 11	1.00	44,208	*0.00	1.00	44,208	*0.00
Phoenix ARF Scheme 13	5.00	27,404	0.01	5.00	27,404	0.01
Phoenix ARF Scheme 14	1,000.00	34,882	0.87	1,000.00	34,882	2.62
Phoenix Trust FY19-6	649.00	1,249,500	81.09	899.00	1,249,500	112.33
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000.00	6,885	-	1,000.00	6,885	-
EARC Trust SC - 258 - Series I	547.16	3,230,000	1.76	551.40	3,230,000	8.90
JMFARC LTF June 2017 Trust	710.67	297,500	8.55	710.67	297,500	9.71
JMFARC LTF June 2017 Trust	710.67	480,849	17.95	710.67	480,849	17.95
Suraksha ARC - 024 Trust	1,000.00	1,087,175	108.72	1,000.00	1,087,175	108.72
Suraksha ARC - 020 Trust	768.17	867,000	50.60	768.17	867,000	66.60
Suraksha ARC - 020 Trust (Series - II)	888.89	126,310	7.75	888.89	126,310	7.75
Phoenix Trust FY 20-4	257.00	3,026,000	77.77	522.00	3,026,000	157.96
Omkara PS10/2019-20 Trust	1,000.00	216,750	10.63	1,000.00	348,500	23.91
EARC TRUST SC 367	985.51	11,730,000	1,151.76	999.91	11,730,000	1,168.68
ARCIL-CPS-062-I-Trust	1,000.00	5,185,000	518.51	1,000.00	5,185,000	518.51
Suraksha ARC - 037 Trust	1,000.00	1,107,125	109.47	1,000.00	1,107,125	109.47
Phoenix Trust FY 14-9	1,000.00	1,108,935	16.63	1,000.00	1,108,935	27.72
EARC Trust - SC 105	976.26	1,190,000	29.04	976.26	1,190,000	63.90
EARC Trust - SC 132	903.20	8,500	0.77	903.20	8,500	0.77
JM Financials (JMFARC) Series	680.90	2,621,651	89.25	710.67	2,621,651	93.16
ARCIL-AST-065-I-Trust	1,000.00	1,955,000	184.00	-	-	-
ARCIL-CPS-I-Trust	1,000.00	4,420,000	442.00	-	-	-
Arcil-AST- IX Trust	1,000.00	7,658,500	765.85	-	-	-
CFMARC Trust 67	1,000.00	722,500	42.80	-	-	-
CFMARC Trust 73	1,000.00	2,308,090	218.83	-	-	-
CFMARC Trust 74	1,000.00	1,107,210	102.82	-	-	-
CFMARC Trust 76	1,000.00	592,705	56.19	-	-	-
Pegasus Group Thirty Eight Trust 1	1,000.00	328,729	21.25	-	-	-
Total investment in security receipts (H)			4,114.87			2,498.67

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Total investments (I)			8,828.86			5,754.50
(i) Investments outside India			-			-
(ii) Investments in India			8,828.86			5,754.50
Total Investments (II)			8,828.86			5,754.50
Less: Allowance for Impairment loss (III)						
Investment carried at fair value through other comprehensive income			401.85			250.59
Net total investment (IV)= (I)-(III)			8,427.01			5,503.91

*Amount less than ₹ 1 lakh

8 Other financial assets

₹ in crore

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Security deposit	66.25	70.89
Other advances	0.47	3.96
Margin money deposits	1.34	0.84
Total other financial assets	68.06	75.69

Notes forming part of the financial statements for the year ended March 31, 2021

9 Property, plant and equipment

₹ in crore

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value	
	As at April 1, 2020	Additions March 31, 2021	Disposals April 1, 2020	As at April 1, 2020	For the year ended March 31, 2021	Disposals March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings : Owned	0.38	-	-	0.38	0.01	-	0.04	0.34
Lease hold renovation : Owned	11.78	-	-	11.78	1.25	-	9.48	2.30
Plant and equipments : Lease out	6.70	-	3.90	2.80	0.22	1.79	2.16	0.64
Computers : Owned	40.11	0.25	-	40.36	7.73	-	30.51	9.85
Furniture and fixtures								
Owned	10.39	0.68	0.36	10.71	0.84	0.21	7.11	3.60
Leased out	4.74	-	-	4.74	0.38	-	3.94	0.80
Sub total - Furniture and fittings	15.13	0.68	0.36	15.45	1.22	0.21	11.05	4.40
Office equipment								
Owned	8.56	1.36	0.10	9.82	1.46	0.09	6.39	3.43
Leased out	0.01	-	-	0.01	-	-	-	0.01
Sub total - Office equipment	8.57	1.36	0.10	9.83	1.46	0.09	6.39	3.44
Vehicles								
Owned	2.28	0.56	0.40	2.44	0.56	0.10	1.60	0.84
Leased out	4.37	-	2.65	1.72	0.42	1.49	0.97	0.75
Sub total - Vehicles	6.65	0.56	3.05	4.16	0.98	1.59	2.57	1.59
Total	89.32	2.85	7.41	84.76	12.87	3.68	62.20	22.56

Notes forming part of the financial statements for the year ended March 31, 2021

9 Property, plant and equipment

₹ in crore

Particulars	Gross carrying value		Accumulated depreciation		Net carrying value					
	As at April 1, 2019	As at March 31, 2020	As at April 1, 2019	For the year ended March 31, 2020	As at March 31, 2020	As at March 31, 2019				
Buildings : Owned	0.38	-	0.38	0.02	0.01	-	0.03	0.35	0.36	
Lease hold renovation : Owned	14.82	0.61	3.65	11.78	8.87	2.74	3.38	8.23	3.55	5.95
Plant and equipments : Lease out	11.84	-	5.14	6.70	4.92	1.58	2.77	3.73	2.97	6.92
Computers : Owned	33.79	6.32	-	40.11	13.16	9.62	-	22.78	17.33	20.63
Furniture and fixtures										
Owned	8.67	1.73	0.01	10.39	4.66	1.83	0.01	6.48	3.91	4.01
Leased out	4.74	-	-	4.74	3.00	0.56	-	3.56	1.18	1.74
Sub total - Furniture and fittings	13.41	1.73	0.01	15.13	7.66	2.39	0.01	10.04	5.09	5.75
Office equipment										
Owned	6.26	2.51	0.21	8.56	3.30	1.86	0.14	5.02	3.54	2.96
Leased out	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Sub total - Office equipment	6.27	2.51	0.21	8.57	3.30	1.86	0.14	5.02	3.55	2.97
Vehicles										
Owned	2.01	0.67	0.40	2.28	0.83	0.52	0.21	1.14	1.14	1.18
Leased out	11.06	-	6.69	4.37	3.88	1.34	3.18	2.04	2.33	7.18
Sub total - Vehicles	13.07	0.67	7.09	6.65	4.71	1.86	3.39	3.18	3.47	8.36
Total	93.58	11.84	16.10	89.32	42.64	20.06	9.69	53.01	36.31	50.94

Notes forming part of the financial statements for the year ended March 31, 2021

10 Other intangible assets, Goodwill and Intangible assets under development

₹ in crore

Particulars	Gross carrying value			Accumulated Amortization			Net carrying value		
	As at April 1, 2020	As at March 31, 2021	As at April 1, 2020	Disposals	For the year	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Other intangible assets									
Specialised software	151.82	90.90	82.06	-	49.77	131.83	110.89	69.76	
Distribution and customer network rights (refer footnote)	438.80	-	351.04	-	87.76	438.80	-	87.76	
(a) Total other intangible assets	590.62	90.90	433.10	-	137.53	570.63	110.89	157.52	
(b) Goodwill (refer footnote)	2,828.51	-	2,262.81	-	565.70	2,828.51	-	565.70	
(c) Intangible assets under development							23.84	61.99	

₹ in crore

Particulars	Gross carrying value			Accumulated Amortization			Net carrying value		
	As at April 1, 2019	As at March 31, 2020	As at April 1, 2019	Disposals	For the year	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Other intangible assets									
Specialised software	107.14	44.68	54.75	-	27.31	82.06	69.76	52.39	
Distribution and customer network rights (refer footnote)	438.80	-	263.28	-	87.76	351.04	87.76	175.52	
(a) Total other intangible assets	545.94	44.68	318.03	-	115.07	433.10	157.52	227.91	
(b) Goodwill (refer footnote)	2,828.51	-	1,697.10	-	565.71	2,262.81	565.70	1,131.41	
(c) Intangible assets under development							61.99	38.65	

Notes forming part of the financial statements for the year ended March 31, 2021

11 Other non-financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	71.04	59.95
Advances to others	39.69	12.73
Amount paid under protest	53.19	42.78
Capital advances	2.66	9.68
Assets acquired in settlement of claims	782.02	183.63
Total other non-financials Assets	948.60	308.77

12 Payables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade payables		
Micro enterprises and small enterprises (refer note: 43)	-	-
Due to others	9.96	10.42
Due to related parties (refer note: 33)	17.82	40.40
Total trade payables (i)	27.78	50.82
(ii) Other payables		
Micro enterprises and small enterprises (refer note: 43)	-	-
Due to others	5.07	0.80
Due to related parties (refer note: 33)	-	0.03
Total other payables (ii)	5.07	0.83
Total payables (i+ii)	32.85	51.65

Notes forming part of the financial statements for the year ended March 31, 2021

13 Debt securities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) At amortised cost		
- Commercial papers (net) (refer note 13 (b))	5,849.68	3,788.10
- Redeemable non convertible debentures (refer note 13 (a))	31,380.80	30,522.81
Total debt securities (A)	37,230.48	34,310.91
(B)		
(I) Debt securities in India		
(i) At amortised cost	37,230.48	34,310.91
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total debt securities in India (I = i+ii+iii)	37,230.48	34,310.91
(II) Debt securities outside India		
(i) At amortised cost	-	-
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total debt securities in outside India (II = i+ii+iii)	-	-
Total debt securities (B) = (I)+(II)	37,230.48	34,310.91

13 (a) Secured redeemable non convertible debentures as on March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series N FY 2020-21	₹ 10 lakh each	30-Dec-20	1,528.81	7.62%	30-Dec-30	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2020-21 opt 2	₹ 10 lakh each	9-Sep-20	103.90	7.66%	9-Sep-30	Redeemable at par at the end of 3652 days from the date of allotment
Reissuance - Series K FY 2020-21 opt 1 (Original issuance series J FY 2020-21 opt 2)	₹ 10 lakh each	16-Sep-20	52.24	7.66%	9-Sep-30	Redeemable at par at the end of 3645 days from the date of allotment
Reissuance - Series B FY 2020-21	₹ 10 lakh each	30-Jun-20	142.71	8.10%	28-Jun-30	Redeemable at par at the end of 3650 days from the date of allotment
Reissuance - Series B FY 2020-21 opt 3 (Original issuance series B FY 2020-21)	₹ 10 lakh each	13-Jul-20	250.95	8.10%	28-Jun-30	Redeemable at par at the end of 3637 days from the date of allotment
Series B FY 2019-20 opt 2	₹ 10 lakh each	28-Jan-20	58.88	8.55%	28-Jan-30	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance-SeriesB2FY2019-20opt2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 lakh each	11-Feb-20	219.86	8.55%	28-Jan-30	Redeemable at par at the end of 3639 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	7.97	9.20%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	110.38	9.35%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	0.70	8.84%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	101.24	8.98%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2011-12	₹ 10 lakh each	18-Oct-11	509.70	9.70%	18-Oct-28	Redeemable at par at the end of 6210 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	11.32	8.85%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	379.23	9.05%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	0.45	8.52%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	17.38	8.70%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	25.35	8.50%	23-Dec-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	403.53	8.65%	23-Dec-26	Redeemable at par at the end of 2557 days from the date of allotment
Series T FY 2016-17	₹ 25 lakh each	16-Nov-16	48.36	7.95%	16-Nov-26	Redeemable at par at the end of 3652 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	25-Oct-16	10.33	7.90%	23-Oct-26	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	31-Jul-19	15.85	8.55%	31-Jul-26	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-May-19	913.12	8.80%	28-May-26	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	20-Apr-16	5.41	8.65%	20-Apr-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AJ FY 2015-16 opt 2	₹ 25 lakh each	8-Feb-16	52.61	8.75%	6-Feb-26	Redeemable at par at the end of 3651 days from the date of allotment
Series E FY 2020-21 opt 1	₹ 10 lakh each	13-Jul-20	526.80	7.95%	28-Jul-25	Redeemable at par at the end of 1841 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 lakh each	17-Jul-15	10.63	8.95%	17-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	10-Jul-20	363.63	7.75%	10-Jul-25	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 2020-21	₹ 10 lakh each	9-Jul-20	293.90	7.85%	9-Jul-25	Redeemable at par at the end of 1826 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series D FY 2015-16 opt 5	₹ 25 lakh each	5-Jun-15	26.83	8.90%	5-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 lakh each	5-Jun-15	53.61	8.84%	5-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	26-May-15	32.27	8.90%	26-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 lakh each	26-May-15	21.50	8.85%	26-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 lakh each	19-May-15	47.90	8.84%	19-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2019-20 opt 1	₹ 10 lakh each	28-Jan-20	64.97	8.45%	17-Feb-25	Redeemable at par at the end of 1847 days from the date of allotment
Reissuance-SeriesB1FY2019-20opt1 (Original issuance series B FY 2019-20 opt 1)	₹ 10 lakh each	5-Feb-20	36.36	8.45%	17-Feb-25	Redeemable at par at the end of 1839 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	23.55	8.45%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	330.14	8.60%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	0.79	8.15%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	74.77	8.29%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2017-18	₹ 10 lakh each	29-Jun-17	682.92	7.59%	18-Nov-24	Redeemable at par at the end of 2699 days from the date of allotment
Series M FY 2020-21	₹ 10 lakh each	3-Nov-20	204.36	6.75%	1-Nov-24	Redeemable at par at the end of 1459 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	3-Nov-20	306.29	6.55%	1-Nov-24	Redeemable at par at the end of 1459 days from the date of allotment
Series K FY 2020-21 opt 2	₹ 10 lakh each	16-Sep-20	180.88	7.15%	16-Sep-24	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2020-21 opt 2	₹ 10 lakh each	13-Jul-20	257.97	7.90%	12-Jul-24	Redeemable at par at the end of 1460 days from the date of allotment
Series H FY 2020-21	₹ 10 lakh each	10-Mar-21	50.18	6.45%	10-May-24	Redeemable at par at the end of 1157 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	78.45	8.80%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	200.63	9.00%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	1.55	8.48%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	21.82	8.66%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	0.27	8.81%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series V option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	21.58	9.01%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	30.24	9.10%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	235.06	9.25%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	1.76	8.75%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	59.92	8.89%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 lakh each	1-Feb-19	25.36	9.02%	11-Mar-24	Redeemable at par at the end of 1865 days from the date of allotment
Series G FY 2020-21	₹ 10 lakh each	3-Mar-21	451.01	6.40%	1-Mar-24	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-Jan-19	25.45	9.00%	9-Feb-24	Redeemable at par at the end of 1855 days from the date of allotment
Series G FY 2018-19	₹ 10 lakh each	11-Jan-19	27.52	8.90%	11-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment
Series J FY 2018-19	₹ 10 lakh each	4-Jan-19	817.16	9.00%	4-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 2020-21	₹ 10 lakh each	2-Dec-20	608.34	5.85%	1-Dec-23	Redeemable at par at the end of 1094 days from the date of allotment
Series J FY 2020-21 opt 1	₹ 10 lakh each	9-Sep-20	517.52	7.30%	8-Sep-23	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	2-Aug-18	37.05	8.86%	2-Aug-23	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 lakh each	22-Jul-16	16.96	8.70%	21-Jul-23	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2020-21 - MLD	₹ 10 lakh each	3-Jul-20	130.57	7.00%	3-Jul-23	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 lakh each	20-Jul-20	79.22	7.00%	3-Jul-23	Redeemable at par at the end of 1078 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 lakh each	1-Jul-16	10.66	8.75%	30-Jun-23	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2020-21	₹ 10 lakh each	12-Jun-20	317.04	7.70%	12-Jun-23	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	29-May-13	117.73	8.35%	29-May-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2018-19	₹ 10 lakh each	29-Aug-18	498.14	8.44%	18-May-23	Redeemable at par at the end of 1723 days from the date of allotment
Series I FY 2020-21 opt 1	₹ 10 lakh each	17-Mar-21	300.72	6.15%	17-May-23	Redeemable at par at the end of 791 days from the date of allotment
Series A FY 2020-21	₹ 10 lakh each	28-Apr-20	1,148.77	7.80%	28-Apr-23	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2019-20 opt 3	₹ 10 lakh each	17-Feb-20	905.82	8.50%	17-Mar-23	Redeemable at par at the end of 1124 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series AK FY 2015-16	₹ 25 lakh each	16-Mar-16	10.04	8.80%	16-Mar-23	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	4-Mar-20	20.11	7.75%	15-Mar-23	Redeemable at par at the end of 1106 days from the date of allotment
Series F FY 2019-20	₹ 10 lakh each	4-Mar-20	75.41	7.68%	3-Mar-23	Redeemable at par at the end of 1094 days from the date of allotment
Reissuance - Series I FY 2020-21 opt 2 (Original issuance series F FY 2019-20)	₹ 10 lakh each	17-Mar-21	25.89	7.68%	3-Mar-23	Redeemable at par at the end of 716 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-Feb-20	251.00	7.75%	28-Feb-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 2	₹ 10 lakh each	17-Feb-20	804.46	8.50%	17-Feb-23	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2019-20	₹ 10 lakh each	24-Jan-20	410.39	8.25%	24-Jan-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 1	₹ 10 lakh each	17-Feb-20	804.46	8.50%	17-Jan-23	Redeemable at par at the end of 1065 days from the date of allotment
Series E FY 2012-13	₹ 10 lakh each	11-Jan-13	458.84	9.00%	11-Jan-23	Redeemable at par at the end of 3652 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	30.24	8.25%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	423.83	8.45%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	6.88	8.26%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	68.71	8.46%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	0.85	7.96%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	43.14	8.15%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.99	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance-Series G FY 2018-19 opt 3 (Original issuance series T FY 2017-18)	₹ 25 lakh each	31-Oct-18	16.54	7.95%	12-Dec-22	Redeemable at par at the end of 1503 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-Nov-19	383.00	8.48%	29-Nov-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-Nov-19	638.48	8.55%	29-Nov-22	Redeemable at par at the end of 1096 days from the date of allotment
Series AG FY 2015-16	₹ 25 lakh each	13-Nov-15	18.59	8.60%	11-Nov-22	Redeemable at par at the end of 2555 days from the date of allotment
Series O FY 2015-16 opt 3	₹ 25 lakh each	20-Oct-15	33.75	8.65%	20-Oct-22	Redeemable at par at the end of 2557 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	6-Oct-17	321.57	7.70%	6-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance- Series H FY 2018-19 opt 2 (Original issuance series N FY 2017-18)	₹ 25 lakh each	20-Nov-18	65.97	7.70%	6-Oct-22	Redeemable at par at the end of 1416 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series K FY 2017-18	₹ 25 lakh each	29-Sep-17	207.71	7.65%	29-Sep-22	Redeemable at par at the end of 1826 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	30-Aug-17	52.24	7.65%	30-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series E FY 2020-21 - MLD	₹ 10 lakh each	17-Aug-20	51.81	6.05%	17-Aug-22	Redeemable at par at the end of 730 days from the date of allotment
Series D FY 2017-18 opt 2	₹ 25 lakh each	25-Jul-17	215.93	7.80%	16-Aug-22	Redeemable at par at the end of 1848 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	8-Aug-17	488.12	7.71%	8-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 lakh each	24-Jan-19	50.81	8.93%	8-Aug-22	Redeemable at par at the end of 1292 days from the date of allotment
Series W FY 2015-16 opt 6	₹ 25 lakh each	7-Aug-15	10.57	8.82%	5-Aug-22	Redeemable at par at the end of 2555 days from the date of allotment
Series K FY 2015-16 opt 3	₹ 25 lakh each	28-Jul-15	3.18	8.90%	28-Jul-22	Redeemable at par at the end of 2557 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.52	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series G FY 2017-18 opt 2	₹ 25 lakh each	19-Jun-17	79.53	7.72%	19-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 lakh each	1-Jul-20	43.02	7.00%	1-Jul-22	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2020-21	₹ 10 lakh each	4-Aug-20	21.02	7.00%	1-Jul-22	Redeemable at par at the end of 696 days from the date of allotment
Series H FY 2020-21 - MLD	₹ 10 lakh each	7-Aug-20	55.71	7.00%	1-Jul-22	Redeemable at par at the end of 693 days from the date of allotment
Series I FY 2020-21	₹ 10 lakh each	14-Aug-20	28.91	7.00%	1-Jul-22	Redeemable at par at the end of 686 days from the date of allotment
Series L FY 2020-21 - MLD	₹ 10 lakh each	18-Sep-20	31.00	7.00%	1-Jul-22	Redeemable at par at the end of 651 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 lakh each	6-Jul-18	44.28	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series B FY 2018-19 opt 1	₹ 10 lakh each	6-Jul-18	84.77	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series N FY 2015-16 opt 2	₹ 25 lakh each	29-May-15	11.81	8.81%	27-May-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2015-16 opt 1	₹ 25 lakh each	26-May-15	16.12	8.81%	26-May-22	Redeemable at par at the end of 2557 days from the date of allotment
Series K FY 2015-16 opt 2	₹ 25 lakh each	22-May-15	11.83	8.81%	20-May-22	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	6-Jun-18	69.52	8.65%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 lakh each	14-Nov-18	37.65	8.65%	28-Apr-22	Redeemable at par at the end of 1261 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	6-Jun-18	56.80	8.60%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2019-20 - MLD	₹ 10 lakh each	24-Apr-19	92.26	8.36%	22-Apr-22	Redeemable at par at the end of 1094 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	119.69	8.70%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	203.47	8.90%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	4.09	8.71%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	18.98	8.91%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	16-Apr-15	43.43	8.95%	15-Apr-22	Redeemable at par at the end of 2556 days from the date of allotment
Series I option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	177.05	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	688.87	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	6.04	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	95.87	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series 2012A – Scheme 1 (Public issue)	₹ 1000 each	24-Mar-12	101.12	8.70%	24-Mar-22	Redeemable at par at the end of 3652 days from the date of allotment
Series 2012A – Scheme 2 (Public issue)	₹ 1000 each	24-Mar-12	605.71	8.70%	24-Mar-22	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	7-Jul-20	1,023.16	7.67%	18-Mar-22	Redeemable at par at the end of 619 days from the date of allotment
Series G FY 2018-19 opt 2	₹ 10 lakh each	31-Oct-18	94.43	9.48%	14-Mar-22	Redeemable at par at the end of 1230 days from the date of allotment
Series E1 FY 2018-19 opt 3	₹ 10 lakh each	24-Oct-18	86.78	9.38%	11-Mar-22	Redeemable at par at the end of 1234 days from the date of allotment
Reissuance - Series F FY 2018-19 (Original issuance series E1 FY 2018-19 opt 3)	₹ 10 lakh each	6-Nov-18	84.17	9.38%	11-Mar-22	Redeemable at par at the end of 1221 days from the date of allotment
Series W FY 2016-17	₹ 25 lakh each	3-Mar-17	20.12	7.95%	3-Mar-22	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 2014-15 opt 2	₹ 25 lakh each	24-Feb-15	10.09	9.10%	24-Feb-22	Redeemable at par at the end of 2557 days from the date of allotment
Series U FY 2016-17 opt 2	₹ 25 lakh each	22-Feb-17	10.08	8.05%	22-Feb-22	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2019-20 opt 4	₹ 10 lakh each	17-Feb-20	501.96	8.10%	17-Feb-22	Redeemable at par at the end of 731 days from the date of allotment
Series N FY 2014-15 opt 3	₹ 25 lakh each	16-Jan-15	56.01	9.20%	14-Jan-22	Redeemable at par at the end of 2555 days from the date of allotment
Series 2011B – Scheme 1 (Public issue)	₹ 1000 each	10-Jan-12	126.52	9.00%	10-Jan-22	Redeemable at par at the end of 3653 days from the date of allotment
Series 2011B – Scheme 2 (Public issue)	₹ 1000 each	10-Jan-12	679.37	9.00%	10-Jan-22	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series L FY 2014-15 opt 2	₹ 25 lakh each	15-Dec-14	20.54	9.15%	15-Dec-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-Nov-19	383.86	8.30%	29-Nov-21	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-Nov-19	639.99	8.40%	29-Nov-21	Redeemable at par at the end of 731 days from the date of allotment
Series J FY 2014-15 opt 3	₹ 25 lakh each	7-Nov-14	10.37	9.45%	6-Nov-21	Redeemable at par at the end of 2556 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	24-Oct-16	25.84	7.80%	22-Oct-21	Redeemable at par at the end of 1824 days from the date of allotment
Series E1 FY 2018-19 opt 2	₹ 10 lakh each	24-Oct-18	50.46	9.40%	11-Oct-21	Redeemable at par at the end of 1083 days from the date of allotment
Series C FY 2018-19 opt 2	₹ 10 lakh each	6-Jul-18	132.49	8.92%	6-Oct-21	Redeemable at par at the end of 1188 days from the date of allotment
Reissuance-SeriesD3FY2018-19opt3 (Original issuance series C FY 2018-19)	₹ 10 lakh each	31-Aug-18	52.18	8.92%	6-Oct-21	Redeemable at par at the end of 1132 days from the date of allotment
Series N FY 2016-17 opt 2	₹ 25 lakh each	22-Sep-16	20.86	8.25%	22-Sep-21	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2018-19	₹ 10 lakh each	5-Sep-18	143.80	8.71%	20-Sep-21	Redeemable at par at the end of 1111 days from the date of allotment
Reissuance - Series D1 FY 2018-19 (Original issuance series D FY 2018-19)	₹ 10 lakh each	21-Sep-18	52.45	8.71%	20-Sep-21	Redeemable at par at the end of 1095 days from the date of allotment
Series H FY 2014-15	₹ 25 lakh each	19-Sep-14	52.58	9.80%	17-Sep-21	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2016-17	₹ 25 lakh each	9-Sep-16	130.83	8.34%	9-Sep-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 2018-19	₹ 10 lakh each	12-Sep-18	73.25	8.82%	3-Sep-21	Redeemable at par at the end of 1087 days from the date of allotment
Reissuance - Series GFY2018-19opt1 (Original issuance series F FY 2018-19)	₹ 10 lakh each	31-Oct-18	6.19	8.82%	3-Sep-21	Redeemable at par at the end of 1038 days from the date of allotment
Series D FY 2018-19 opt 2	₹ 10 lakh each	20-Jul-18	454.02	8.95%	16-Aug-21	Redeemable at par at the end of 1123 days from the date of allotment
Reissuance-SeriesD1FY2018-19opt2 (Original issuance series D FY 2018-19 opt 2)	₹ 10 lakh each	20-Aug-18	64.34	8.95%	16-Aug-21	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2020-21	₹ 10 lakh each	11-May-20	848.64	7.50%	11-Aug-21	Redeemable at par at the end of 457 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	12-Sep-18	110.21	8.71%	3-Aug-21	Redeemable at par at the end of 1056 days from the date of allotment
Reissuance-SeriesE1FY2018-19opt1 (Original issuance series E FY 2018-19)	₹ 10 lakh each	24-Oct-18	43.27	8.71%	3-Aug-21	Redeemable at par at the end of 1014 days from the date of allotment
Series K FY 2016-17	₹ 25 lakh each	2-Aug-16	177.64	8.70%	2-Aug-21	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2018-19 opt 1	₹ 10 lakh each	20-Jul-18	31.51	8.92%	30-Jul-21	Redeemable at par at the end of 1106 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance-SeriesD1FY2018-19opt1 (Original issuance series D FY 2018-19 opt 1)	₹ 10 lakh each	20-Aug-18	13.62	8.92%	30-Jul-21	Redeemable at par at the end of 1075 days from the date of allotment
Series J FY 2016-17	₹ 25 lakh each	28-Jul-16	264.70	8.70%	28-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	26-Jul-16	63.55	8.71%	26-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 2016-17 opt 3	₹ 25 lakh each	22-Jul-16	5.30	8.70%	22-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 2018-19 opt 2	₹ 10 lakh each	6-Jul-18	15.65	8.80%	23-Jun-21	Redeemable at par at the end of 1083 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.08	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
Reissuance - Series "W" 1-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	27-Jul-18	80.21	8.25%	21-Jun-21	Redeemable at par at the end of 1060 days from the date of allotment
Reissuance - Series "W" 2-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	9-Aug-18	54.99	8.25%	21-Jun-21	Redeemable at par at the end of 1047 days from the date of allotment
Series F FY 2016-17 opt 3	₹ 25 lakh each	14-Jun-16	26.74	8.75%	14-Jun-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	5-May-16	10.79	8.70%	5-May-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	21-Apr-16	48.97	8.70%	21-Apr-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	18-Apr-16	21.66	8.75%	16-Apr-21	Redeemable at par at the end of 1824 days from the date of allotment
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	130.15	8.75%	13-Apr-21	Redeemable at par at the end of 1826 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	104.77	8.25%	8-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	27-Mar-18	114.47	8.30%	6-Apr-21	Redeemable at par at the end of 1106 days from the date of allotment
			31,380.80			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Secured redeemable non convertible debentures public issue :

The Company has utilised fund raised through public issue for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. . Total unutilised balance amount of ₹0.14 crore is in current account (includes ₹4.44 crore unutilised from amount raised in previous year).

13 (b) Commercial papers (net) as on March 31, 2021 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	5,849.68
Total			5,849.68

Notes forming part of the financial statements for the year ended March 31, 2021

13 (a) Secured redeemable non convertible debentures as on March 31, 2020

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2019-20 opt 2	₹ 10 lakh each	28-Jan-20	55.76	8.55%	28-Jan-30	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance-SeriesB2FY2019-20opt2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 lakh each	11-Feb-20	223.09	8.55%	28-Jan-30	Redeemable at par at the end of 3639 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	7.96	9.20%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	110.25	9.35%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	0.70	8.84%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	101.11	8.98%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2011-12	₹ 10 lakh each	18-Oct-11	509.97	9.70%	18-Oct-28	Redeemable at par at the end of 6210 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	11.30	8.85%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	378.68	9.05%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	0.45	8.52%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	17.35	8.70%	15-Apr-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	25.31	8.50%	23-Dec-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	402.90	8.65%	23-Dec-26	Redeemable at par at the end of 2557 days from the date of allotment
Series T FY 2016-17	₹ 25 lakh each	16-Nov-16	48.34	7.95%	16-Nov-26	Redeemable at par at the end of 3652 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	25-Oct-16	10.33	7.90%	23-Oct-26	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	31-Jul-19	15.85	8.55%	31-Jul-26	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-May-19	913.15	8.80%	28-May-26	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	20-Apr-16	5.41	8.65%	20-Apr-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AJ FY 2015-16 opt 2	₹ 25 lakh each	8-Feb-16	52.59	8.75%	6-Feb-26	Redeemable at par at the end of 3651 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 lakh each	17-Jul-15	10.63	8.95%	17-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16 opt 5	₹ 25 lakh each	5-Jun-15	26.83	8.90%	5-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 lakh each	5-Jun-15	53.61	8.84%	5-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2015-16 opt 5	₹ 25 lakh each	26-May-15	32.26	8.90%	26-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 lakh each	26-May-15	21.50	8.85%	26-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 lakh each	19-May-15	47.88	8.84%	19-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2019-20 opt 1	₹ 10 lakh each	28-Jan-20	65.93	8.45%	17-Feb-25	Redeemable at par at the end of 1847 days from the date of allotment
Reissuance-Series B1 FY 2019-20 opt 1 (Original issuance series B FY 2019-20 opt 1)	₹ 10 lakh each	5-Feb-20	35.49	8.45%	17-Feb-25	Redeemable at par at the end of 1839 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	23.50	8.45%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	329.40	8.60%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	0.79	8.15%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	74.59	8.29%	23-Dec-24	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2017-18	₹ 10 lakh each	29-Jun-17	682.27	7.59%	18-Nov-24	Redeemable at par at the end of 2699 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	78.27	8.80%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	200.15	9.00%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	1.54	8.48%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	21.76	8.66%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	0.25	8.81%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	19.74	9.01%	15-Apr-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	30.16	9.10%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	234.49	9.25%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	1.75	8.75%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	59.77	8.89%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 lakh each	1-Feb-19	25.37	9.02%	11-Mar-24	Redeemable at par at the end of 1865 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-Jan-19	25.45	9.00%	9-Feb-24	Redeemable at par at the end of 1855 days from the date of allotment
Series G FY 2018-19	₹ 10 lakh each	11-Jan-19	27.52	8.90%	11-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2018-19	₹ 10 lakh each	4-Jan-19	817.31	9.00%	4-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	2-Aug-18	37.05	8.86%	2-Aug-23	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 lakh each	22-Jul-16	16.96	8.70%	21-Jul-23	Redeemable at par at the end of 2555 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 lakh each	1-Jul-16	10.66	8.75%	30-Jun-23	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	29-May-13	117.73	8.35%	29-May-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2018-19	₹ 10 lakh each	29-Aug-18	497.44	8.44%	18-May-23	Redeemable at par at the end of 1723 days from the date of allotment
Series C FY 2019-20 opt 3	₹ 10 lakh each	17-Feb-20	904.38	8.50%	17-Mar-23	Redeemable at par at the end of 1124 days from the date of allotment
Series AK FY 2015-16	₹ 25 lakh each	16-Mar-16	10.03	8.80%	16-Mar-23	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	4-Mar-20	20.11	7.75%	15-Mar-23	Redeemable at par at the end of 1106 days from the date of allotment
Series F FY 2019-20	₹ 10 lakh each	4-Mar-20	75.39	7.68%	3-Mar-23	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-Feb-20	250.43	7.75%	28-Feb-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 2	₹ 10 lakh each	17-Feb-20	802.73	8.50%	17-Feb-23	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2019-20	₹ 10 lakh each	24-Jan-20	410.05	8.25%	24-Jan-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 1	₹ 10 lakh each	17-Feb-20	802.74	8.50%	17-Jan-23	Redeemable at par at the end of 1065 days from the date of allotment
Series E FY 2012-13	₹ 10 lakh each	11-Jan-13	459.02	9.00%	11-Jan-23	Redeemable at par at the end of 3652 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	30.12	8.25%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	422.19	8.45%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	6.33	8.26%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	63.08	8.46%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	0.84	7.96%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-Dec-19	42.97	8.15%	23-Dec-22	Redeemable at par at the end of 1096 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.97	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance-Series G FY 2018-19 opt 3 (Original issuance series T FY 2017-18)	₹ 25 lakh each	31-Oct-18	16.34	7.95%	12-Dec-22	Redeemable at par at the end of 1503 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-Nov-19	381.42	8.48%	29-Nov-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-Nov-19	635.85	8.55%	29-Nov-22	Redeemable at par at the end of 1096 days from the date of allotment
Series AG FY 2015-16	₹ 25 lakh each	13-Nov-15	18.59	8.60%	11-Nov-22	Redeemable at par at the end of 2555 days from the date of allotment
Series O FY 2015-16 opt 3	₹ 25 lakh each	20-Oct-15	33.75	8.65%	20-Oct-22	Redeemable at par at the end of 2557 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	6-Oct-17	321.61	7.70%	6-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance- Series H FY 2018-19 opt 2 (Original issuance series N FY 2017-18)	₹ 25 lakh each	20-Nov-18	65.02	7.70%	6-Oct-22	Redeemable at par at the end of 1416 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	29-Sep-17	207.73	7.65%	29-Sep-22	Redeemable at par at the end of 1826 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	30-Aug-17	52.25	7.65%	30-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2017-18 opt 2	₹ 25 lakh each	25-Jul-17	215.92	7.80%	16-Aug-22	Redeemable at par at the end of 1848 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	8-Aug-17	488.11	7.71%	8-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 lakh each	24-Jan-19	50.82	8.93%	8-Aug-22	Redeemable at par at the end of 1292 days from the date of allotment
Series W FY 2015-16 opt 6	₹ 25 lakh each	7-Aug-15	10.57	8.82%	5-Aug-22	Redeemable at par at the end of 2555 days from the date of allotment
Series K FY 2015-16 opt 3	₹ 25 lakh each	28-Jul-15	3.18	8.90%	28-Jul-22	Redeemable at par at the end of 2557 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.51	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series G FY 2017-18 opt 2	₹ 25 lakh each	19-Jun-17	79.52	7.72%	19-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 lakh each	6-Jul-18	40.65	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series B FY 2018-19 opt 1	₹ 10 lakh each	6-Jul-18	77.80	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series N FY 2015-16 opt 2	₹ 25 lakh each	29-May-15	11.81	8.81%	27-May-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2015-16 opt 1	₹ 25 lakh each	26-May-15	16.11	8.81%	26-May-22	Redeemable at par at the end of 2557 days from the date of allotment
Series K FY 2015-16 opt 2	₹ 25 lakh each	22-May-15	11.83	8.81%	20-May-22	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	6-Jun-18	63.98	8.65%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 lakh each	14-Nov-18	34.39	8.65%	28-Apr-22	Redeemable at par at the end of 1261 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	6-Jun-18	52.30	8.60%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2019-20 - MLD	₹ 10 lakh each	24-Apr-19	85.11	8.36%	22-Apr-22	Redeemable at par at the end of 1094 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	119.22	8.70%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	202.67	8.90%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	3.75	8.71%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-Apr-19	17.35	8.91%	15-Apr-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	16-Apr-15	43.43	8.95%	15-Apr-22	Redeemable at par at the end of 2556 days from the date of allotment
Series I option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	176.35	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	686.15	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	5.52	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-Mar-19	87.53	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series 2012A – Scheme 1 (Public issue)	₹ 1000 each	24-Mar-12	101.12	8.70%	24-Mar-22	Redeemable at par at the end of 3652 days from the date of allotment
Series 2012A – Scheme 2 (Public issue)	₹ 1000 each	24-Mar-12	557.23	8.70%	24-Mar-22	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2018-19 opt 2	₹ 10 lakh each	31-Oct-18	86.25	9.48%	14-Mar-22	Redeemable at par at the end of 1230 days from the date of allotment
Series E1 FY 2018-19 opt 3	₹ 10 lakh each	24-Oct-18	79.35	9.38%	11-Mar-22	Redeemable at par at the end of 1234 days from the date of allotment
Reissuance - Series F FY 2018-19 (Original issuance series E1 FY 2018-19 opt 3)	₹ 10 lakh each	6-Nov-18	76.95	9.38%	11-Mar-22	Redeemable at par at the end of 1221 days from the date of allotment
Series W FY 2016-17	₹ 25 lakh each	3-Mar-17	20.12	7.95%	3-Mar-22	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 2014-15 opt 2	₹ 25 lakh each	24-Feb-15	10.09	9.10%	24-Feb-22	Redeemable at par at the end of 2557 days from the date of allotment
Series U FY 2016-17 opt 2	₹ 25 lakh each	22-Feb-17	10.08	8.05%	22-Feb-22	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2019-20 opt 4	₹ 10 lakh each	17-Feb-20	498.88	8.10%	17-Feb-22	Redeemable at par at the end of 731 days from the date of allotment
Series N FY 2014-15 opt 3	₹ 25 lakh each	16-Jan-15	56.05	9.20%	14-Jan-22	Redeemable at par at the end of 2555 days from the date of allotment
Series 2011B – Scheme 1 (Public issue)	₹ 1000 each	10-Jan-12	126.55	9.00%	10-Jan-22	Redeemable at par at the end of 3653 days from the date of allotment
Series 2011B – Scheme 2 (Public issue)	₹ 1000 each	10-Jan-12	623.39	9.00%	10-Jan-22	Redeemable at par at the end of 3653 days from the date of allotment
Series L FY 2014-15 opt 2	₹ 25 lakh each	15-Dec-14	20.53	9.15%	15-Dec-21	Redeemable at par at the end of 2557 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-Nov-19	381.47	8.30%	29-Nov-21	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-Nov-19	636.00	8.40%	29-Nov-21	Redeemable at par at the end of 731 days from the date of allotment
Series J FY 2014-15 opt 3	₹ 25 lakh each	7-Nov-14	10.38	9.45%	6-Nov-21	Redeemable at par at the end of 2556 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	24-Oct-16	25.85	7.80%	22-Oct-21	Redeemable at par at the end of 1824 days from the date of allotment
Series E1 FY 2018-19 opt 2	₹ 10 lakh each	24-Oct-18	46.12	9.40%	11-Oct-21	Redeemable at par at the end of 1083 days from the date of allotment
Series C FY 2018-19 opt 2	₹ 10 lakh each	6-Jul-18	132.49	8.92%	6-Oct-21	Redeemable at par at the end of 1188 days from the date of allotment
Reissuance-SeriesD3FY2018-19opt3 (Original issuance series C FY 2018-19)	₹ 10 lakh each	31-Aug-18	52.23	8.92%	6-Oct-21	Redeemable at par at the end of 1132 days from the date of allotment
Series N FY 2016-17 opt 2	₹ 25 lakh each	22-Sep-16	20.86	8.25%	22-Sep-21	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2018-19	₹ 10 lakh each	5-Sep-18	143.80	8.71%	20-Sep-21	Redeemable at par at the end of 1111 days from the date of allotment
Reissuance - Series D1 FY 2018-19 (Original issuance series D FY 2018-19)	₹ 10 lakh each	21-Sep-18	52.39	8.71%	20-Sep-21	Redeemable at par at the end of 1095 days from the date of allotment
Series H FY 2014-15	₹ 25 lakh each	19-Sep-14	52.61	9.80%	17-Sep-21	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2016-17	₹ 25 lakh each	9-Sep-16	130.84	8.34%	9-Sep-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 2018-19	₹ 10 lakh each	12-Sep-18	67.32	8.82%	3-Sep-21	Redeemable at par at the end of 1087 days from the date of allotment
Reissuance - Series G FY 2018-19 opt 1 (Original issuance series F FY 2018-19)	₹ 10 lakh each	31-Oct-18	5.66	8.82%	3-Sep-21	Redeemable at par at the end of 1038 days from the date of allotment
Series D FY 2018-19 opt 2	₹ 10 lakh each	20-Jul-18	416.71	8.95%	16-Aug-21	Redeemable at par at the end of 1123 days from the date of allotment
Reissuance-SeriesD1FY2018-19opt2 (Original issuance series D FY 2018-19 opt 2)	₹ 10 lakh each	20-Aug-18	59.12	8.95%	16-Aug-21	Redeemable at par at the end of 1092 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	12-Sep-18	101.40	8.71%	3-Aug-21	Redeemable at par at the end of 1056 days from the date of allotment
Reissuance-SeriesE1FY2018-19opt1 (Original issuance series E FY 2018-19)	₹ 10 lakh each	24-Oct-18	39.57	8.71%	3-Aug-21	Redeemable at par at the end of 1014 days from the date of allotment
Series K FY 2016-17	₹ 25 lakh each	2-Aug-16	177.68	8.70%	2-Aug-21	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2018-19 opt 1	₹ 10 lakh each	20-Jul-18	28.93	8.92%	30-Jul-21	Redeemable at par at the end of 1106 days from the date of allotment
Reissuance-SeriesD1FY2018-19opt1 (Original issuance series D FY 2018-19 opt 1)	₹ 10 lakh each	20-Aug-18	12.51	8.92%	30-Jul-21	Redeemable at par at the end of 1075 days from the date of allotment
Series J FY 2016-17	₹ 25 lakh each	28-Jul-16	264.60	8.70%	28-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2016-17	₹ 25 lakh each	26-Jul-16	63.57	8.71%	26-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 2016-17 opt 3	₹ 25 lakh each	22-Jul-16	5.30	8.70%	22-Jul-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 2018-19 opt 2	₹ 10 lakh each	6-Jul-18	15.65	8.80%	23-Jun-21	Redeemable at par at the end of 1083 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.07	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
Reissuance - Series "W" 1-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	27-Jul-18	79.71	8.25%	21-Jun-21	Redeemable at par at the end of 1060 days from the date of allotment
Reissuance - Series "W" 2-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	9-Aug-18	54.71	8.25%	21-Jun-21	Redeemable at par at the end of 1047 days from the date of allotment
Series F FY 2016-17 opt 3	₹ 25 lakh each	14-Jun-16	26.74	8.75%	14-Jun-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	5-May-16	10.79	8.70%	5-May-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	21-Apr-16	48.96	8.70%	21-Apr-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	18-Apr-16	21.67	8.75%	16-Apr-21	Redeemable at par at the end of 1824 days from the date of allotment
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	130.08	8.75%	13-Apr-21	Redeemable at par at the end of 1826 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	96.78	8.25%	8-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	27-Mar-18	105.68	8.30%	6-Apr-21	Redeemable at par at the end of 1106 days from the date of allotment
Series AN FY 2015-16 opt 2	₹ 25 lakh each	29-Mar-16	25.01	8.80%	29-Mar-21	Redeemable at par at the end of 1826 days from the date of allotment
Series 2011A – Scheme 2 (Public issue)	₹ 1000 each	23-Mar-11	482.89	8.30%	23-Mar-21	Redeemable at par at the end of 3653 days from the date of allotment
Series 2011A – Scheme 1 (Public issue)	₹ 1000 each	23-Mar-12	69.33	8.20%	23-Mar-21	Redeemable at par at the end of 3287 days from the date of allotment
Series S FY 2015-16 opt 1	₹ 25 lakh each	25-Feb-16	20.17	8.86%	25-Feb-21	Redeemable at par at the end of 1827 days from the date of allotment
Series M FY 2018-19 option 3- MLD	₹ 10 lakh each	18-Jan-19	32.53	8.61%	18-Jan-21	Redeemable at par at the end of 731 days from the date of allotment
Series S FY 2017-18	₹ 25 lakh each	6-Dec-17	218.87	7.84%	6-Jan-21	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 lakh each	17-Oct-17	155.26	7.68%	18-Dec-20	Redeemable at par at the end of 1158 days from the date of allotment
Series AI FY 2015-16 opt 2	₹ 25 lakh each	16-Dec-15	27.68	8.65%	16-Dec-20	Redeemable at par at the end of 1827 days from the date of allotment
Series Q FY 2016-17	₹ 25 lakh each	15-Sep-16	156.69	8.26%	14-Dec-20	Redeemable at par at the end of 1551 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series Q FY 2017-18	₹ 25 lakh each	24-Nov-17	313.42	7.85%	11-Dec-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 lakh each	4-Dec-17	769.14	7.90%	4-Dec-20	Redeemable at par at the end of 1096 days from the date of allotment
Series 2010A – Scheme 4 (Public issue)	₹ 1000 each	2-Dec-10	204.43	7.50%	2-Dec-20	Redeemable at par at the end of 3653 days from the date of allotment
Series 2010A – Scheme 2 (Public issue)	₹ 1000 each	2-Dec-10	88.11	7.75%	2-Dec-20	Redeemable at par at the end of 3653 days from the date of allotment
Series 2010A – Scheme 1 (Public issue)	₹ 1000 each	2-Dec-12	17.77	7.75%	2-Dec-20	Redeemable at par at the end of 2922 days from the date of allotment
Series 2010A – Scheme 3 (Public issue)	₹ 1000 each	2-Dec-12	52.31	7.50%	2-Dec-20	Redeemable at par at the end of 2922 days from the date of allotment
Series U FY 2017-18	₹ 25 lakh each	29-Dec-17	102.05	8.00%	27-Nov-20	Redeemable at par at the end of 1064 days from the date of allotment
Series R FY 2015-16	₹ 25 lakh each	27-Nov-15	10.30	8.60%	27-Nov-20	Redeemable at par at the end of 1827 days from the date of allotment
Series O FY 2017-18	₹ 25 lakh each	13-Oct-17	517.77	7.65%	13-Nov-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2015-16 opt 2	₹ 25 lakh each	26-Oct-15	25.92	8.65%	26-Oct-20	Redeemable at par at the end of 1827 days from the date of allotment
Series AE FY 2015-16 opt 2	₹ 25 lakh each	16-Oct-15	53.54	8.62%	16-Oct-20	Redeemable at par at the end of 1827 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	13-Sep-17	218.64	7.50%	21-Sep-20	Redeemable at par at the end of 1104 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	8-Sep-17	130.20	7.40%	8-Sep-20	Redeemable at par at the end of 1096 days from the date of allotment
Series Y FY 2015-16 opt 2	₹ 25 lakh each	4-Sep-15	21.01	8.82%	4-Sep-20	Redeemable at par at the end of 1827 days from the date of allotment
Series O FY 2016-17	₹ 25 lakh each	2-Sep-16	104.80	8.30%	2-Sep-20	Redeemable at par at the end of 1461 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	25-Jul-17	323.20	7.65%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series D FY 2017-18 opt 1	₹ 25 lakh each	25-Jul-17	109.82	7.67%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series D1 FY 2018-19 opt 4	₹ 10 lakh each	20-Aug-18	84.30	8.75%	19-Aug-20	Redeemable at par at the end of 730 days from the date of allotment
Reissuance-SeriesD2FY2018-19opt4 (Original issuance series D FY 2018-19 opt 4)	₹ 10 lakh each	27-Aug-18	358.25	8.75%	19-Aug-20	Redeemable at par at the end of 723 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	21-Jun-17	53.02	7.76%	10-Aug-20	Redeemable at par at the end of 1146 days from the date of allotment
Series M FY 2018-19 option 2- MLD	₹ 10 lakh each	18-Jan-19	58.56	8.65%	10-Aug-20	Redeemable at par at the end of 570 days from the date of allotment
Series W FY 2015-16 opt 5	₹ 25 lakh each	7-Aug-15	21.15	8.82%	7-Aug-20	Redeemable at par at the end of 1827 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2017-18	₹ 25 lakh each	21-Jul-17	231.87	7.75%	21-Jul-20	Redeemable at par at the end of 1096 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	20-Jul-17	368.84	7.70%	20-Jul-20	Redeemable at par at the end of 1096 days from the date of allotment
Series M FY 2018-19 option 1- MLD	₹ 10 lakh each	18-Jan-19	48.26	8.45%	17-Jul-20	Redeemable at par at the end of 546 days from the date of allotment
Series U FY 2015-16 opt 6	₹ 25 lakh each	17-Jul-15	7.44	8.87%	17-Jul-20	Redeemable at par at the end of 1827 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	28-Jun-17	132.36	7.75%	26-Jun-20	Redeemable at par at the end of 1094 days from the date of allotment
Series N FY 2016-17 opt 2	₹ 25 lakh each	25-Aug-16	104.96	8.30%	26-Jun-20	Redeemable at par at the end of 1401 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	23-Jun-17	132.49	7.75%	23-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	19-Jun-17	212.31	7.85%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 lakh each	20-Jun-17	398.00	7.85%	19-Jun-20	Redeemable at par at the end of 1095 days from the date of allotment
Series G FY 2017-18 opt 1	₹ 25 lakh each	19-Jun-17	49.85	7.72%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	20-Jun-17	106.13	7.85%	19-Jun-20	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	16-Jun-17	265.35	7.75%	16-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	15-Jun-17	79.65	7.80%	15-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	9-Jun-17	223.37	7.85%	9-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	9-Jun-17	186.15	7.85%	9-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	8-Jun-17	30.87	7.90%	8-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 opt 4	₹ 25 lakh each	5-Jun-15	21.46	8.90%	5-Jun-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2017-18	₹ 25 lakh each	5-Jun-17	63.90	7.90%	5-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	300.07	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
Series N FY 2015-16 opt 1	₹ 25 lakh each	29-May-15	42.96	8.81%	29-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2017-18	₹ 25 lakh each	25-May-17	26.67	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series B FY 2017-18	₹ 25 lakh each	25-May-17	53.35	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series L FY 2015-16 opt 1	₹ 25 lakh each	25-May-15	10.75	8.81%	25-May-20	Redeemable at par at the end of 1827 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series O FY 2018-19	₹ 10 lakh each	1-Mar-19	277.10	8.75%	22-May-20	Redeemable at par at the end of 448 days from the date of allotment
Series K FY 2015-16 opt 1	₹ 25 lakh each	22-May-15	16.14	8.81%	22-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	28.00	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series J FY 2015-16 opt 1	₹ 25 lakh each	19-May-15	33.37	8.84%	19-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2017-18 opt 2	₹ 25 lakh each	10-Apr-17	107.61	7.80%	8-May-20	Redeemable at par at the end of 1124 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	100.06	7.90%	29-Apr-20	Redeemable at par at the end of 1127 days from the date of allotment
Series E FY 2015-16	₹ 25 lakh each	27-Apr-15	35.92	8.70%	27-Apr-20	Redeemable at par at the end of 1827 days from the date of allotment
Series B FY 2015-16	₹ 25 lakh each	20-Apr-15	109.82	8.70%	20-Apr-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	16-Apr-15	10.86	8.95%	16-Apr-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 2017-18	₹ 25 lakh each	10-Apr-17	107.61	7.80%	10-Apr-20	Redeemable at par at the end of 1096 days from the date of allotment
			29,889.30			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Secured redeemable non convertible debentures public issue :

The Company has utilised fund raised through public issue for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of ₹4.44 crore is in current account as on 31 March 2020.

Unsecured redeemable non convertible debentures as on March 31, 2020

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series Y FY 2016-17	₹ 25 lakh each	30-Mar-17	633.51	8.19%	25-May-20	Redeemable at par at the end of 1152 days from the date of allotment
			633.51			

13 (b) Commercial papers (net) as on March 31, 2020 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	3,368.00
		7.01% to 8.00%	172.71
		8.01% to 9.00%	247.39
Total			3,788.10

Notes forming part of the financial statements for the year ended March 31, 2021

14 Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) At amortised cost		
(a) Term loans		
(i) from banks (refer note 14 (a))	17,126.81	22,496.35
(ii) from financial institutions (refer note 14 (b))	1,691.78	2,586.06
(b) Term loans from bank - FCNR (refer note 14 (c-1))	99.81	-
(c) External commercial borrowings (refer note 14 (c-2))	3,989.00	3,340.82
(d) Loan from related parties (refer note 14 (d), 33)	1,075.53	817.36
(e) Loan repayable on demand		
(i) from banks (refer note 14 (e))	14,675.18	16,094.77
Total borrowings (other than debt securities) (A)	38,658.11	45,335.36
(B)		
(I) Borrowings (other than debt securities) in India		
(i) At amortised cost	34,669.11	41,994.54
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total borrowings (other than debt securities) in India (I = i+ii+iii)	34,669.11	41,994.54
(II) Borrowings (other than debt securities) outside India		
(i) At amortised Cost	3,989.00	3,340.82
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total borrowings (other than debt securities) in outside India (II = i+ii+iii)	3,989.00	3,340.82
Total borrowings (other than debt securities) (B) = (I)+(II)	38,658.11	45,335.36

Notes forming part of the financial statements for the year ended March 31, 2021

14 (a) Term loans from bank as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Bullet	Up to 5 Years	Upto 7.00%	350.01
	Up to 5 Years	7.01% - 8.00%	1,949.77
Annually	Up to 5 Years	Upto 7.00%	677.09
	Up to 5 Years	7.01% - 8.00%	630.13
Half Yearly	Up to 5 Years	Upto 7.00%	2,365.20
	Up to 5 Years	7.01% - 8.00%	3,901.11
	Above 5 Years	7.01% - 8.00%	1,000.00
Quarterly	Up to 5 Years	8.01% - 9.00%	248.74
	Up to 5 Years	Upto 7.00%	675.11
	Up to 5 Years	7.01% - 8.00%	5,329.65
Total			17,126.81

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

14 (b) Term loans from financial institutions as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Annual	Up to 5 Years	Upto 7.00%	498.33
Half Yearly	Up to 5 Years	8.01% - 9.00%	114.57
Quarterly	Above 5 Years	Upto 7.00%	1,078.88
Total			1,691.78

Nature of Security :

Term loan from financial institutions is secured by hypothecation of specified lease/term loan receivables.

14 (c-1) Term loans from bank- FCNR as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Bullet	Up to 5 Years	Upto 7.00%	99.81
Total			99.81

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Notes forming part of the financial statements for the year ended March 31, 2021

14 (c-2) External commercial borrowings as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Bullet	Up to 5 Years	Upto 7.00%	748.18
	Up to 5 Years	8.01% - 9.00%	2,788.91
Total			3,537.09

Nature of Security :

External commercial borrowings Loan is secured against first charge on specific receivables pertaining to Farm Equipments.

External commercial borrowings as on March 31, 2021 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Bullet	Up to 5 Years	8.01% - 9.00%	451.91
Total			451.91

14 (d) Loan from related parties as on March 31, 2021 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Bullet	Up to 1 Year	Upto 7.00%	1,075.53
Total			1,075.53

14 (e) Loan repayable on demand from bank as on March 31, 2021 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Line of credit	Bullet	Up to 5 Years	Upto 7.00%	4,795.63
Working Capital Demand	Bullet	Up to 5 Years	Upto 7.00%	2,725.89
Working Capital Demand	Bullet	Up to 5 Years	7.01% - 8.00%	3,314.92
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	99.76
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	3.98
Total				10,940.18

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2021 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹crore)
Line of credit	Bullet	Up to 5 Years	Upto 7.00%	1,435.00
Working Capital Demand	Bullet	Up to 5 Years	7.01% - 8.00%	530.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	1,770.00
Total				3,735.00

Notes forming part of the financial statements for the year ended March 31, 2021

14 (a) Term loans from bank as on March 31, 2020 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Bullet	Up to 5 Years	7.01% - 8.00%	1,199.68
	Up to 5 Years	8.01% - 9.00%	3,191.20
Annually	Up to 5 Years	7.01% - 8.00%	900.19
	Upto 5 Years	8.01% - 9.00%	457.92
	Above 5 Years	8.01% - 9.00%	75.00
Half Yearly	Up to 5 Years	7.01% - 8.00%	3,063.94
	Up to 5 Years	8.01% - 9.00%	4,745.37
	Above 5 Years	8.01% - 9.00%	999.99
Quarterly	Up to 5 Years	7.01% - 8.00%	1,086.96
	Up to 5 Years	8.01% - 9.00%	6,276.85
	Up to 5 Years	9.01% - 10.00%	499.25
Total			22,496.35

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

14 (b) Term loans from financial institutions as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Annual	Up to 5 Years	8.01% - 9.00%	1,187.32
Half Yearly	Up to 5 Years	8.01% - 9.00%	192.96
Quarterly	Above 5 Years	7.01% - 8.00%	1,205.78
Total			2,586.06

Nature of Security :

Term loan from financial institutions is secured by hypothecation of specified lease/term loan receivables.

14 (c-2) External commercial borrowings as on March 31, 2021 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Bullet	Up to 5 Years	8.01% - 9.00%	2,874.92
Total			2,874.92

Nature of Security :

External commercial borrowings Loan is secured against first charge on specific receivables pertaining to Farm Equipments.

Notes forming part of the financial statements for the year ended March 31, 2021

External commercial borrowings as on March 31, 2020 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Bullet	Up to 5 Years	8.01% - 9.00%	465.90
Total			465.90

14 (d) Loan from related parties as on March 31, 2020 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Bullet	Up to 1 Year	8.01% - 9.00%	817.36
Total			817.36

14 (e) Loan repayable on demand from bank as on March 31, 2020 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Line of credit	Bullet	Up to 5 Years	7.01% - 8.00%	249.50
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	3,569.53
Line of credit	Bullet	Up to 5 Years	9.01% - 10.00%	555.47
Working Capital Demand	Bullet	Up to 5 Years	7.01% - 8.00%	2,309.88
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	3,633.96
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	494.36
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	7.01% - 8.00%	234.23
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	227.34
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	9.01% - 10.00%	134.15
Total				11,408.42

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2020 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2020 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,700.00
Line of credit	Bullet	Up to 5 Years	9.01% - 10.00%	1,540.00
Working Capital Demand	Bullet	Up to 5 Years	7.01% - 8.00%	201.35
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	435.00
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	810.00
Total				4,686.35

Notes forming part of the financial statements for the year ended March 31, 2021

15 Subordinated liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) At amortised cost		
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	609.71	609.28
(b) Subordinate debt Instruments (Refer note 15 (b))	2,891.88	2,694.64
Total subordinated liabilities (A)	3,501.59	3,303.92
(B)		
(I) Subordinated liabilities in India		
(i) At amortised cost	3,501.59	3,303.92
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total subordinated liabilities in India (I = i+ii+iii)	3,501.59	3,303.92
(II) Subordinated liabilities outside India		
(i) At amortised cost	-	-
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total subordinated liabilities in outside India (II = i+ii+iii)	-	-
Total subordinated liabilities (B) = (I)+(II)	3,501.59	3,303.92

15 (a) Unsecured redeemable non convertible debentures as on March 31, 2021 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2016-17	₹ 10 lakh each	3-Jun-16	16.19	9.60%	3-Jun-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-Mar-16	50.03	10.10%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 lakh each	30-Mar-16	29.67	9.50%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 lakh each	30-Mar-16	49.87	9.90%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AL FY 2015-16	₹ 10 lakh each	18-Mar-16	49.62	9.50%	18-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series X FY 2015-16	₹ 10 lakh each	27-Aug-15	157.86	9.90%	27-Aug-25	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	29-Jan-14	50.67	10.35%	29-Jan-24	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2011-12	₹ 10 lakh each	30-Dec-11	205.80	11.50%	30-Dec-21	Redeemable at par at the end of 3653 days from the date of allotment
			609.71			

(b) Unsecured redeemable non convertible debentures as on March 31, 2021 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series P FY 2016-17	₹ 10 lakh each	7-Sep-16	20.92	8.55%	5-Sep-31	Redeemable at par at the end of 5476 days from the date of allotment
Series L FY 2016-17	₹ 10 lakh each	12-Aug-16	26.30	8.63%	12-Aug-31	Redeemable at par at the end of 5478 days from the date of allotment
Series K FY 2016-17	₹ 10 lakh each	9-Aug-16	26.32	8.65%	8-Aug-31	Redeemable at par at the end of 5477 days from the date of allotment
Series F FY 2020-21	₹ 10 lakh each	20-Jul-20	104.99	8.15%	19-Jul-30	Redeemable at par at the end of 3651 days from the date of allotment
Series A FY 2020-21	₹ 10 lakh each	10-Jun-20	91.20	8.30%	10-Jun-30	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 2019-20	₹ 10 lakh each	13-Sep-19	27.00	8.90%	13-Sep-29	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 lakh each	14-Jul-17	63.17	7.80%	13-Jul-29	Redeemable at par at the end of 4382 days from the date of allotment
Series B FY 2018-19	₹ 10 lakh each	31-Oct-18	46.53	9.10%	31-Oct-28	Redeemable at par at the end of 3653 days from the date of allotment
Series V FY 2016-17	₹ 10 lakh each	30-Jan-17	15.16	8.05%	29-Jan-27	Redeemable at par at the end of 3651 days from the date of allotment
Series U FY 2016-17	₹ 10 lakh each	4-Jan-17	127.13	8.05%	4-Jan-27	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016-17	₹ 10 lakh each	21-Jul-16	84.74	8.78%	21-Jul-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-Mar-16	100.23	9.30%	23-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	4-Mar-16	50.36	9.48%	4-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	9-Feb-16	18.24	9.35%	9-Feb-26	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2015-16	₹ 10 lakh each	29-Jan-16	32.51	9.35%	29-Jan-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AB FY 2015-16	₹ 10 lakh each	15-Sep-15	20.93	8.90%	15-Sep-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	9-Sep-15	105.17	9.25%	9-Sep-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	24-Jul-15	53.20	9.30%	24-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	14-Jul-15	14.93	9.32%	14-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 lakh each	3-Jun-15	64.29	8.87%	3-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	15-May-15	46.30	8.90%	15-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	29-Apr-15	81.06	8.90%	29-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16	₹ 10 lakh each	22-Apr-15	48.71	8.90%	22-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 lakh each	21-Apr-15	86.07	8.90%	21-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2015-16	₹ 10 lakh each	17-Apr-15	108.37	8.90%	17-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-Mar-15	50.03	9.95%	28-Mar-25	Redeemable at par at the end of 3651 days from the date of allotment
Series U FY 2014-15	₹ 10 lakh each	18-Feb-15	226.29	8.75%	18-Feb-25	Redeemable at par at the end of 3653 days from the date of allotment
Series O FY 2014-15	₹ 10 lakh each	29-Jan-15	101.15	9.35%	29-Jan-25	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	19-Jan-15	126.81	8.75%	17-Jan-25	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-Dec-14	51.24	9.95%	31-Dec-24	Redeemable at par at the end of 3653 days from the date of allotment
Series N FY 2014-15	₹ 10 lakh each	13-Nov-14	103.10	9.10%	13-Nov-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-Jun-14	43.13	10.40%	28-Jun-24	Redeemable at par at the end of 3651 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-Mar-14	50.04	10.90%	27-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-Mar-14	50.04	10.35%	27-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 lakh each	14-Mar-14	30.00	9.73%	14-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series O FY 2013-14	₹ 10 lakh each	4-Mar-14	5.02	9.73%	4-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-Feb-14	25.23	10.90%	28-Feb-24	Redeemable at par at the end of 3652 days from the date of allotment
Series L FY 2013-14	₹ 10 lakh each	18-Feb-14	20.14	9.73%	16-Feb-24	Redeemable at par at the end of 3650 days from the date of allotment
Series K FY 2013-14	₹ 10 lakh each	10-Feb-14	20.18	9.73%	9-Feb-24	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2013-14	₹ 10 lakh each	31-Jan-14	25.29	9.73%	31-Jan-24	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2012-13	₹ 10 lakh each	21-Dec-12	282.46	9.80%	21-Dec-22	Redeemable at par at the end of 3652 days from the date of allotment
Series A FY 2012-13	₹ 10 lakh each	30-Apr-12	217.90	9.90%	29-Apr-22	Redeemable at par at the end of 3651 days from the date of allotment
			2,891.88			

15 (a) Unsecured redeemable non convertible debentures as on March 31, 2020 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2016-17	₹ 10 lakh each	3-Jun-16	16.19	9.60%	3-Jun-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-Mar-16	50.03	10.10%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 lakh each	30-Mar-16	29.61	9.50%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 lakh each	30-Mar-16	49.84	9.90%	30-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AL FY 2015-16	₹ 10 lakh each	18-Mar-16	49.50	9.50%	18-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series X FY 2015-16	₹ 10 lakh each	27-Aug-15	157.65	9.90%	27-Aug-25	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	29-Jan-14	50.60	10.35%	29-Jan-24	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2011-12	₹ 10 lakh each	30-Dec-11	205.86	11.50%	30-Dec-21	Redeemable at par at the end of 3653 days from the date of allotment
			609.28			

Notes forming part of the financial statements for the year ended March 31, 2021

15 (b) Unsecured redeemable non convertible debentures as on March 31,2020 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series P FY 2016-17	₹ 10 lakh each	7-Sep-16	20.91	8.55%	5-Sep-31	Redeemable at par at the end of 5476 days from the date of allotment
Series L FY 2016-17	₹ 10 lakh each	12-Aug-16	26.30	8.63%	12-Aug-31	Redeemable at par at the end of 5478 days from the date of allotment
Series K FY 2016-17	₹ 10 lakh each	9-Aug-16	26.32	8.65%	8-Aug-31	Redeemable at par at the end of 5477 days from the date of allotment
Series D FY 2019-20	₹ 10 lakh each	13-Sep-19	26.98	8.90%	13-Sep-29	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 lakh each	14-Jul-17	63.16	7.80%	13-Jul-29	Redeemable at par at the end of 4382 days from the date of allotment
Series B FY 2018-19	₹ 10 lakh each	31-Oct-18	46.51	9.10%	31-Oct-28	Redeemable at par at the end of 3653 days from the date of allotment
Series V FY 2016-17	₹ 10 lakh each	30-Jan-17	15.17	8.05%	29-Jan-27	Redeemable at par at the end of 3651 days from the date of allotment
Series U FY 2016-17	₹ 10 lakh each	4-Jan-17	127.05	8.05%	4-Jan-27	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016-17	₹ 10 lakh each	21-Jul-16	84.69	8.78%	21-Jul-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-Mar-16	100.23	9.30%	23-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	4-Mar-16	50.36	9.48%	4-Mar-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	9-Feb-16	18.23	9.35%	9-Feb-26	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-Jan-16	32.52	9.35%	29-Jan-26	Redeemable at par at the end of 3652 days from the date of allotment
Series AB FY 2015-16	₹ 10 lakh each	15-Sep-15	20.92	8.90%	15-Sep-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	9-Sep-15	105.18	9.25%	9-Sep-25	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	24-Jul-15	53.20	9.30%	24-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	14-Jul-15	14.93	9.32%	14-Jul-25	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 lakh each	3-Jun-15	64.26	8.87%	3-Jun-25	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	15-May-15	46.29	8.90%	15-May-25	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	29-Apr-15	81.03	8.90%	29-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2021

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2020 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series D FY 2015-16	₹ 10 lakh each	22-Apr-15	48.69	8.90%	22-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 lakh each	21-Apr-15	86.03	8.90%	21-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2015-16	₹ 10 lakh each	17-Apr-15	108.33	8.90%	17-Apr-25	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-Mar-15	50.03	9.95%	28-Mar-25	Redeemable at par at the end of 3651 days from the date of allotment
Series U FY 2014-15	₹ 10 lakh each	18-Feb-15	226.08	8.75%	18-Feb-25	Redeemable at par at the end of 3653 days from the date of allotment
Series O FY 2014-15	₹ 10 lakh each	29-Jan-15	101.06	9.35%	29-Jan-25	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	19-Jan-15	126.71	8.75%	17-Jan-25	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-Dec-14	51.25	9.95%	31-Dec-24	Redeemable at par at the end of 3653 days from the date of allotment
Series N FY 2014-15	₹ 10 lakh each	13-Nov-14	103.02	9.10%	13-Nov-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-Jun-14	43.13	10.40%	28-Jun-24	Redeemable at par at the end of 3651 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.90%	27-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.35%	27-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 lakh each	14-Mar-14	29.94	9.73%	14-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series O FY 2013-14	₹ 10 lakh each	4-Mar-14	5.01	9.73%	4-Mar-24	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-Feb-14	25.25	10.90%	28-Feb-24	Redeemable at par at the end of 3652 days from the date of allotment
Series L FY 2013-14	₹ 10 lakh each	18-Feb-14	20.11	9.73%	16-Feb-24	Redeemable at par at the end of 3650 days from the date of allotment
Series K FY 2013-14	₹ 10 lakh each	10-Feb-14	20.15	9.73%	9-Feb-24	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2013-14	₹ 10 lakh each	31-Jan-14	25.26	9.73%	31-Jan-24	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2012-13	₹ 10 lakh each	21-Dec-12	282.60	9.80%	21-Dec-22	Redeemable at par at the end of 3652 days from the date of allotment
Series A FY 2012-13	₹ 10 lakh each	30-Apr-12	217.61	9.90%	29-Apr-22	Redeemable at par at the end of 3651 days from the date of allotment
			2,694.64			

Notes forming part of the financial statements for the year ended March 31, 2021

16 Other financial liabilities

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Security deposit and margin money received	10.10	12.28
Unclaimed principal and Interest on infrastructure bonds	244.66	17.99
Liability for capital goods	-	0.12
Bank book credit balance	33.45	6.80
Liability for expenses	497.51	228.22
Short term obligation	13.07	9.32
Other payables	94.94	116.05
Total other financial liabilities	893.73	390.78

17 Provisions

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Compensated absences	17.65	20.82
Gratuity (refer note 34)	8.92	11.07
Total provisions	26.57	31.89

18 Other non-financial liabilities

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	39.70	4.77
Total other non-financial liabilities	39.70	4.77

19 Equity share capital

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Authorised				
Equity shares of ₹10 each	4,874,309,610	4,874.31	4,874,309,610	4,874.31
Preference shares of ₹ 100 each	1,200,000	12.00	1,200,000	12.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up	2,684,172,360	2,684.17	2,684,172,360	2,684.17
		2,684.17		2,684.17

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	2,684,172,360	2,684.17	1,599,138,199	1,599.14
Add: Issue on account of merger* (Refer note: 44)	-	-	1,085,034,161	1,085.03
At the end of the year	2,684,172,360	2,684.17	2,684,172,360	2,684.17

*Note: Shares pending issuance as on March 31, 2021 which have been subsequently issued at the meeting of the Board of Directors held on April 12, 2021.

(c) 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:

Particulars	As at March 31, 2021	As at March 31, 2020
	No. of shares	No. of shares
Fully paid up pursuant to contract(s) without payment being received in cash	2,320,771,845	2,320,771,845

(d) 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 dividend.

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

(e) Shares held by holding company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in crore	No. of shares	₹ in crore
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	2,684,172,360	2,684.17	2,684,172,360	2,684.17

(f) Shareholder holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%holding	No. of shares	%holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	2,684,172,360	100%	2,684,172,360	100%

Notes forming part of the financial statements for the year ended March 31, 2021

20 Other equity

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve	3.20	3.20
Debenture redemption reserve ¹	213.11	319.21
Securities premium ²	10,800.89	10,858.78
Capital reserve ³	585.64	585.64
General reserve ⁴	130.43	132.25
Reserve u/s 45 IC of Reserve Bank of India Act, 1934 ⁵	1,314.25	1,313.98
Reserve u/s 29C of National Housing Bank, 1987 ⁶	27.42	27.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961 ⁷	911.35	803.43
Amalgamation adjustment account ⁸	(463.30)	(463.30)
Retained earnings ⁹	(473.25)	(474.02)
Change in fair value of debt instruments classified at fair value through other comprehensive income (Refer note 1.6)	(10.94)	(0.47)
Change in fair value of equity instruments measured at fair value through other comprehensive income (Refer note 1.6)	-	(56.16)
Cash flow hedging reserve (Refer note 1.11)	(101.74)	(99.54)
Total other equity	12,937.06	12,950.42

Notes:

- Debenture redemption reserve:** The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.
- Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions.
- General Reserve:** The Companies (Transfer of Profits to Reserves) Rules, 1975 read with Section 205(2A) of the Companies Act, 1956, prohibited declaration of dividend for any financial year out of profits of the company for that year except after the transfer of a specified percentage of the profits not exceeding 10%, to its reserves. Amounts were transferred to General Reserve to comply with these provisions. The Companies Act, 2013, does not mandate such a transfer. General reserve is a free reserve available to the Company
- Reserve u/s 45 IC of Reserve Bank of India Act, 1934:** The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

Notes forming part of the financial statements for the year ended March 31, 2021

- 6. Reserve u/s 29C of National Housing Bank, 1987:** Upon amalgamation of the erstwhile L&T Housing Finance Limited (the “Transferor Companies”) with L&T Finance Limited (the “Transferee Company”), the statutory reserves (i.e. Reserve under section 29C of National Housing Bank, 1987) of the Transferor Companies is also transfer to the Transferee Company.
- 7. Reserve u/s 36(1)(viii) of Income tax Act, 1961:** In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head “Profits and gains of business or profession” (before making any deduction under this clause) is carried to such reserve account.
- 8. Amalgamation Adjustment Account:** Upon amalgamation of the erstwhile L&T Finance Limited and the erstwhile L&T Fincorp Limited (the “Transferor Companies”) with Family Credit Limited (the “Transferee Company” which was renamed as L&T Finance Limited”) the statutory reserves (i.e. Debenture Redemption Reserve, Reserve under section 45 IC of the Reserve Bank of India Act, 1934 and Reserve under section 36(1)(Viii) of the Income tax Act, 1961) of the Transferor Companies as on April 01, 2016 (the Appointed Date”) with a corresponding debit to Amalgamation Adjustment Account. As the corresponding statutory reserve unwind, the Amalgamation Adjustment Account is also reversed.
- 9. Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.

Notes forming part of the financial statements for the year ended March 31, 2021

21 Interest Income

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) On financial assets measured at amortised cost		
- Interest on loans	8,872.83	8,799.58
- Interest income from investments	-	50.50
- Interest on deposits with banks	146.05	64.81
- Other interest income	0.23	1.90
Total interest income on financial assets measured at amortised cost (i)	9,019.11	8,916.79
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	84.69	112.10
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	84.69	112.10
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	3,101.69	3,325.53
- Interest income from investments	1.29	19.99
Total interest income on financial assets classified at fair value through profit or loss (iii)	3,102.98	3,345.52
Total interest income (i+ii+iii)	12,206.78	12,374.41

22 Dividend Income

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income on equity shares	-	0.03
Dividend income on preference shares	-	0.01
Total dividend income	-	0.04

23 Rental income

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Lease rental income	4.52	9.04
Total rental income	4.52	9.04

Notes forming part of the financial statements for the year ended March 31, 2021

24 Fees and commission income

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy fees and financial advisory fee	32.86	207.86
Other financial activities	105.15	156.63
Total fees and commission income	138.01	364.49

25 Net gain/(loss) on fair value changes

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
- Gain on sale of investments	11.79	114.94
- Gain/(loss) on sale of loan assets	(19.03)	1.35
- Fair value changes on loan assets	(139.74)	(93.31)
- Fair value changes on investments	(240.31)	(197.93)
(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income		
- Gain/(Loss) on sale of Investments	(0.59)	130.46
- Derivatives	(5.32)	-
Total net gain/(loss) on fair value changes (A+B)	(393.20)	(44.49)
(C) Fair value changes:		
- Realised	(7.83)	246.75
- Unrealised	(385.37)	(291.24)
Total net gain/(loss) on fair value changes (C)	(393.20)	(44.49)

26 Other income

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income on cross sell	300.99	275.89
Other income	42.77	18.40
Total other income	343.76	294.29

Notes forming part of the financial statements for the year ended March 31, 2021

27 Finance costs

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial liabilities measured at amortised cost		
Interest on debt securities	2,966.73	3,060.79
Interest on borrowings	3,031.05	3,339.00
Interest on subordinated liabilities	315.04	303.09
Other interest expense	44.48	26.03
Total finance costs (a+b)	6,357.30	6,728.91

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

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss on foreclosure and writeoff of loan	2,626.54	2,002.77
Less: Provision held reversed on derecognition of financial instruments	(2,389.29)	(1,729.76)
Total net loss on derecognition of financial instruments under amortised cost category	237.25	273.01

29 Impairment on financial instruments

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) On Financial instruments measured at fair value through other comprehensive income:		
- Investments	151.26	250.59
Total impairment on financial instruments on financial instruments measured at fair value through other comprehensive income (a)	151.26	250.59
(b) On financial instruments measured at amortised cost:		
- Loans	2,840.29	1,728.30
- Trade receivables	(16.41)	13.10
Total impairment on financial instruments on financial instruments measured at at amortised cost (b)	2,823.88	1,741.40
Total impairment on financial instruments (a+b)	2,975.14	1,991.99

Notes forming part of the financial statements for the year ended March 31, 2021

30 Employee benefits expenses

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries	788.88	762.34
Contribution provident and pension fund (refer note: 34)	34.14	32.55
Contribution to gratuity fund (refer note: 34)	9.05	5.66
Share based payments to employees (refer note: 37)	41.64	61.18
Staff welfare expenses	32.92	36.99
Total employee benefits expenses	906.63	898.72

31 Depreciation, amortization and impairment

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note: 9)	12.87	20.06
Depreciation on Right of use assets (refer note : 35)	10.38	9.81
Amortisation of Goodwill (refer note: 10)	565.70	565.71
Amortisation of Intangible assets (refer note: 10)	137.53	115.07
Total depreciation, amortization and impairment	726.48	710.65

32 Other expenses

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	53.41	56.31
Rates and taxes	1.45	1.84
Repairs and maintenance	73.82	82.07
Advertisement and publicity	2.87	17.43
Printing and stationery	7.02	15.91
Telephone and postage	6.39	9.77
Directors sitting fees	0.40	0.63
Auditor's remuneration (refer footnote)	2.13	2.20
Legal and professional charges	216.90	164.61
Insurance	4.72	7.97
Electricity charges	4.82	5.59
Travelling and conveyance	14.90	33.79
Stamping charges	13.76	1.71
Collection charges	302.90	214.43

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loan processing charges	7.58	21.13
Corporate social responsibility expenses (refer note: 36)	11.78	21.03
Donation	-	21.21
Corporate support charges	17.64	25.81
Bank charges	17.51	39.56
Non executive directors remunerations	0.77	1.30
Loss on sale of property, plant and equipment (net)	0.53	2.68
Brand license fees	0.07	40.37
Miscellaneous expenses	3.46	3.07
Total administration and other expenses	764.83	790.42
footnote: Auditor's remuneration comprises the following*		
Statutory audit fees	0.64	0.78
Limited review fees	0.53	0.57
Tax audit Fees	0.05	0.11
Certification and other service	0.75	0.46
Expenses reimbursed	0.03	0.06
GST/Service tax (net of input credit)	0.13	0.22
	2.13	2.20

* Note: Auditors remuneration includes fees paid to respective auditors of the amalgamating company's.

Notes forming part of the financial statements for the year ended March 31, 2021

33 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(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. Subsidiary Companies

3. L&T Infra Debt Fund Limited
4. L&T Infra Investment Partners Advisory Private Limited
5. L&T Infra Investment Partners Trustee Private Limited
6. L&T Infra Investment Partners Fund

D. Fellow Subsidiary Companies

7. Larsen & Toubro Infotech Limited
8. L&T Capital Company Limited
9. L&T Capital Markets Limited (upto April 24, 2020)
10. L&T Investment Management Limited
11. L&T Financial Consultants Limited
12. Larsen & Toubro Electromech LLC
13. L&T Hydrocarbon Engineering Limited

E. Key Management Personnel

14. Mr. Dinanath Dubhashi
15. Mr. Sunil Prabhune
16. Mr. P. V. Bhide
17. Dr (Mrs). Rajni R Gupte
18. Mr. Ashish Kotecha *(Ceased to be a Director with effect from April 28, 2019)*
19. Mr. Rishi Mandawat *(Appointed as Director with effect from April 28, 2019)*
20. Mr. Thomas Methwa T *(Appointed as Director with effect from April 12, 2021)*
21. Mr. Nishi Vasudev *(Appointed as Director with effect from April 12, 2021)*

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Disclosure of related party transactions :

Sr. No.	Nature of transaction*	2020-21	2019-20
1	Inter corporate deposits borrowed		
	Larsen & Tourbo Limited	-	1,000.00
	L&T Finance Holdings Limited	8,165.70	16,005.17
	L&T Capital Company Limited	-	1.20
	L&T Investment Management Limited	643.46	2,054.13
	L&T Capital Markets Limited	-	61.90
2	Inter corporate deposits repaid		
	Larsen & Tourbo Limited	-	1,000.00
	L&T Finance Holdings Limited	7,880.53	15,383.21
	L&T Capital Company Limited	-	4.35
	L&T Investment Management Limited	671.26	2,026.33
	L&T Capital Markets Limited	-	61.90
3	Interest expense on inter corporate deposits		
	Larsen & Tourbo Limited	-	16.81
	L&T Finance Holdings Limited	43.18	53.29
	L&T Capital Company Limited	-	0.13
	L&T Investment Management Limited	10.52	14.28
	L&T Capital Markets Limited	-	0.06
4	Inter corporate deposits given		
	L&T Financial Consultants Limited	-	361.64
5	Inter corporate deposits received back		
	L&T Financial Consultants Limited	-	361.64
6	Interest received on inter corporate deposits		
	L&T Financial Consultants Limited	-	0.97
7	Distribution towards Interest		
	L&T Infra Investment Partners Fund	-	8.42
8	Corporate support charges paid to		
	L&T Finance Holdings Limited	16.19	23.68

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Disclosure of related party transactions :

Sr. No.	Nature of transaction*	2020-21	2019-20
9	Branch sharing cost paid to		
	L&T Financial Consultants Limited	42.71	43.09
	L&T Investment Management Limited	0.34	0.44
10	Branch sharing cost recovered from		
	L&T Investment Management Limited	3.08	2.29
	L&T Capital Markets Limited	-	0.56
11	IT/Professional fees paid to		
	Larsen & Toubro Limited	5.89	5.90
	Larsen & Toubro Infotech Limited	1.05	4.09
	L&T Infra Debt Fund Limited	1.28	0.81
12	Sale of loan portfolio to		
	L&T Infra Debt Fund Limited	404.63	216.95
13	Brand license fees paid to		
	Larsen & Toubro Limited	0.07	38.08
14	Expenses on employee stock option plan		
	L&T Finance Holdings Limited	41.64	61.18
15	Redemption in fund		
	L&T Infra Investment Partners Fund	5.39	2.49
16	Capital infusion in fund		
	L&T Infra Investment Partners Fund	4.20	8.36
17	Equity capital infused (including securities premium)		
	L&T Finance Holdings Limited	-	1,000.00
18	Corporate support charges recovered		
	L&T Infra Investment Partners Advisory Private Limited	1.91	1.74
	L&T Infra Debt Fund Limited	5.46	-
	L&T Investment Management Limited	12.25	-
19	Expenses recovered from		
	Larsen & Toubro Limited	0.44	-

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Disclosure of related party transactions :

Sr. No.	Nature of transaction*	2020-21	2019-20
20	Security Deposit Paid		
	L&T Financial Consultants Limited	0.48	1.73
21	Security Deposit Received		
	L&T Financial Consultants Limited	3.78	-
22	Interest on security deposit		
	L&T Financial Consultants Limited	-	0.03
23	Interest on non convertible debenture (Borrowings)		
	Larsen & Toubro Limited	113.69	6.15
24	Processing fees sharing on sale of loan portfolio		
	L&T Infra Debt Fund Limited	1.42	0.89
25	Interim dividend		
	L&T Finance Holdings Limited	-	221.11
26	Limit Creation Fees (NCD)		
	Larsen & Toubro Limited	11.54	-
27	Subscription in Non-Convertible Debentures (NCD)		
	Larsen & Toubro Limited	2,445.00	-
28	Compensation Paid to Key Managerial Personnel**		

Name of Key Management Personnel	2020-21				2019-20			
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr. Sunil Prabhune	4.45	-	-	4.45	3.82	-	0.13	3.95
Mr. P. V. Bhide	0.31	-	-	0.31	0.36	-	-	0.36
Dr (Mrs). Rajni R Gupte	0.36	-	-	0.36	0.34	-	-	0.34
Mr. Rishi Mandawat	0.31	-	-	0.31	0.33	-	-	0.33
Mr. Thomas Mathew T.	0.14	-	-	0.14	0.17	-	-	0.17
Ms Nishi Vasudeva	0.17	-	-	0.17	0.20	-	-	0.20

footnote: Compensation Paid to Key Managerial Personnels of erstwhile L&T Infrastructure Finance Company Limited ₹2.98 crore (Previous year ₹3.56 crore) and erstwhile L&T Housing Finance Limited ₹3.30 crore (previous year ₹2.61 crore) are not included in above mentioned table.

Notes forming part of the financial statements for the year ended March 31, 2021

(c) Amount due to/from related parties:

S. No.	Nature of transactions	As at March 31,2021	As at March 31,2020
1	Inter corporate borrowings		
	L&T Finance Holdings Limited	1,073.01	787.84
	L&T Investment Management Limited	-	27.80
2	Interest accrued on inter corporate borrowings		
	L&T Finance Holdings Limited	2.51	1.71
	L&T Investment Management Limited	-	0.01
3	Investment in equity share		
	L&T Infra Debt Fund Limited	478.26	478.26
	L&T Infra Investment Partners Advisory Private Limited	5.00	5.00
	L&T Infra Investment Partners Trustee Private Limited	0.10	0.10
4	Investment in units of fund		
	L&T Infra Investments Partner Fund	240.40	268.77
5	Non convertible debenture (Borrowings)		
	Larsen & Toubro Limited	2,015.38	40.45
6	Interest accrued on non convertible debenture (Borrowings)		
	Larsen & Toubro Limited	76.73	0.81
7	Rent deposit		
	L&T Financial Consultants Limited	17.06	15.34
8	Account payable		
	L&T Finance Holdings Limited	17.45	-
	L&T Financial Consultants Limited	-	0.03
	Larsen & Toubro Electromech LLC	0.01	0.01
	L&T Hydrocarbon Engineering Limited	0.02	0.02
	Larsen & Toubro Infotech Limited	0.27	-
9	Account receivable		
	Larsen & Toubro Limited	9.47	3.22
	L&T Finance Holdings Limited	-	7.47
	L&T Investment Management Limited	-	0.03
	L&T Financial Consultants Limited	0.13	0.05
10	Security deposit payable		
	L&T Investment Management Limited	-	0.22
11	Brand license fees payable		
	Larsen & Tourbo Limited	0.07	40.37

* Transactions shown above are excluding 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 forming part of the financial statements for the year ended March 31, 2021

34 Disclosure pursuant to Ind AS 19 “Employee Benefits”

(i) Defined Contribution plan:

The Company’s state governed provident fund scheme are defined contribution plan for its employees and for a certain categories of employees made to a trust viz. The Larsen & Toubro Officers & Supervisory Staff Provident Fund constituted by the ultimate parent company, which is permitted under The employee’s Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vests immediately on rendering of services by the employee. In addition to the above, information relating to the scheme operated by the trust constituted by the holding company is given in the note (iii) below.

The Company has recognised charges of ₹34.14 crore (previous year: ₹ 32.55 crore) for provident fund contribution is included in “Note 30 Employee Benefits Expenses” in the Statement of Profit and Loss.

(ii) Defined Benefits Gratuity Plan :

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

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

Particulars	₹ in crore	
	Gratuity Plan	
	As at March 31, 2021	As at March 31, 2020
A) Present Value of Defined Benefit Obligation		
- Wholly funded	33.23	25.86
- Wholly unfunded	-	-
	33.23	25.86
Less : Fair Value of plan assets	(24.31)	(14.79)
Amount to be recognised as liability or (asset)	8.92	11.07
B) Amounts reflected in Balance Sheet		
Liabilities	8.92	11.07
Assets	-	-
Net liability/(asset)	8.92	11.07

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2021	As at March 31, 2020
1	Current Service Cost	9.05	5.66
2	Net Interest Cost	0.52	0.20
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	1.46	1.66
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	(0.75)	-
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	(1.96)	2.38
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	0.19	0.72
	v) Adjustment to recognize as asset ceiling		(0.01)
4	Past Service Cost	-	-
	Total (1 to 4)	8.51	10.61
i	Amount included in "employee benefits expenses"	9.05	5.66
ii	Amount included in as part of "finance cost"	0.52	0.20
iii	Amount included as part of "Other Comprehensive income"	(1.06)	4.75
	Total (i + ii + iii)	8.51	10.61

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2021	As at March 31, 2020
Opening balance of the present value of defined benefit obligation	25.86	16.39
Add : Current Service Cost	9.05	5.66
Add : Interest Cost	1.36	1.06
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	1.46	1.66
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	(0.75)	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	(1.96)	2.38
Less : Benefits paid	(1.84)	(1.77)
Add : Past service cost	-	-
Add : Liability assumed/(settled)*	0.05	0.48
Closing balance of the present value of defined benefit obligation	33.23	25.86

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2021	As at March 31, 2020
Opening balance of the fair value of the plan assets	14.79	11.70
Add : interest income of plan assets	0.84	0.84
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	(0.19)	(0.71)
Add : Contribution by the employer	10.71	4.73
Less : Benefits paid	(1.84)	(1.77)
Add: Assets acquired/(settled)*	-	-
Closing balance of the fair value of the plan assets	24.31	14.79

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

₹ in crore

Sr. No	Particulars	Gratuity Plan	
		As at March 31, 2021	As at March 31, 2020
1	Government of India Securities	1.99	1.99
2	Insurer managed funds - unquoted	17.74	7.30
3	Others debt instruments	1.89	2.55
4	Others - unquoted	2.69	2.96
	Total plan assets	24.31	14.79

(f) Principal actuarial assumptions at the valuation date:

₹ in crore

Sr. No	Particulars	Gratuity Plan	
		As at March 31, 2021	As at March 31, 2020
1	Discount rate	4.65%	5.60%
2	Salary escalation rate	9.00%	9.00%

(A) Discount rate:

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

(B) Salary escalation rate:

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

Notes forming part of the financial statements for the year ended March 31, 2021

(g) Attrition Rate:

The attrition rate varies from 6% to 31% (previous year: 5% to 25%) for various age groups.

(h) Mortality:

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

(i) Sensitivity Analysis:

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan			
		Effect of 1% Increase		Effect of 1% Decrease	
		AS at March 31, 2021	AS at March 31, 2020	AS at March 31, 2021	AS at March 31, 2020
1	Impact of change in discount rate	(1.80)	(1.35)	2.00	1.49
2	Impact of change salary escalation rate	1.90	1.43	(1.75)	(1.32)

(iii) Defined Benefits Provident Fund Plan

In respect of the contribution by the employer and employee to the provident fund trust constituted by the ultimate parent company, in terms of the guidance note issued by the Institution of Actuarial of India for the measurement of provident fund liabilities, the actuary engaged by the Company has provide the following information in this regards:

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2021	As at March 31, 2020
A) Present Value of Defined Benefit Obligation		
- Wholly funded	14.60	14.32
- Wholly unfunded	-	-
	14.60	14.32
Assets acquired on acquisition	-	-
Less : Fair Value of plan assets	(15.95)	(15.18)
Add : Amount not recognised as an asset	-	-
Amount to be recognised as liability or (asset)	(1.35)	(0.86)
B) Amounts reflected in Balance Sheet		
Liabilities	-	-
Assets	(1.35)	(0.86)
Net liability/(asset)	(1.35)	(0.86)

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2021	As at March 31, 2020
1	Current Service Cost		-
2	Interest Cost	1.18	1.25
3	Interest Income on Plan Assets	-	-
4	Expected return on Plan Assets	(1.18)	(1.25)
5	Actuarial losses/(gains)	(0.47)	(0.76)
6	Actuarial gain/(loss) not recognised in Books	0.47	0.76
	Total (1 to 6)	-	-
i	Amount included in "employee benefits expenses"	-	-
ii	Amount included in as part of "finance cost"	-	-
iii	Amount included as part of "Other Comprehensive income"	-	-
	Total (i + ii + iii)	-	-

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2021	As at March 31, 2020
Opening balance of the present value of defined benefit obligation	14.32	15.72
Add : Assets acquired on acquisition	-	-
Add : Current Service Cost	-	-
Add : Interest Cost	1.18	1.25
Add : Actuarial (gains)/losses		
i) Actuarial (gains)/losses arising from changes in financial assumptions	-	-
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	-	-
Less : Benefits paid	(0.91)	(2.65)
Add : Contribution by the employer	(0.02)	-
Add : Liability assumed/(settled)*	0.03	-
Closing balance of the present value of defined benefit obligation	14.60	14.32

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2021	As at March 31, 2020
Opening balance of the fair value of the plan assets	15.18	15.82
Add : Assets acquired on acquisition	-	-
Add : interest income of plan assets	1.18	1.25
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	0.47	0.76
Add : Contribution by the employer	-	-
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(0.91)	(2.65)
Add: Assets acquired/(settled)*	0.03	-
Closing balance of plan assets	15.95	15.18

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

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2021	As at March 31, 2020
1	Government of India Securities	7.23	7.12
2	Corporate Bonds	4.69	4.38
3	Special Deposit Scheme	0.59	0.65
4	Public Sector Unit Bond	2.01	2.44
5	Others	1.43	0.59
	Total plan assets	15.95	15.18

(f) Principal actuarial assumptions at the valuation date:

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2021	As at March 31, 2020
1	Discount rate for the term of the obligation	6.44%	5.60%
2	Average historic yield on the investment portfolio	8.85%	8.81%
3	Discount rate for the remaining term to maturity of the investment portfolio	6.60%	6.60%
4	Future derived return on assets	8.69%	7.81%
5	Guaranteed rate of return	8.25%	8.25%

Notes forming part of the financial statements for the year ended March 31, 2021

(A) Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the valuation date for the estimated term of the obligations.

(B) Average historic yield on the investment portfolio:

The average rate of return earned on the investment portfolio of provident fund in the previous three years.

(C) Expected investment return:

Expected investment return is determined by adding the yield spread to the discount rate for a term of the obligation, where yield spread is the difference between the average historic yield on the investment portfolio & discount rate for the remaining term to maturity of the investment portfolio.

(D) Guaranteed rate of return:

The Regional Provident Fund Commissioner has not yet declared the interest rate for its own subscribers for the current financial year 2020-2021. However, in view of the fall in equity values as at 31 March 2021 and fall in the returns on fixed income instruments, we are of the view that going forward the future guaranteed rate is unlikely to be in excess of 8.25% p.a.

*On account of business combination or inter group transfer

35 Disclosures pursuant to Indian Accounting Standards (Ind AS) 116 -Leases

I) Company as Lessee

a) Operating Lease

i) The company has taken various assets on lease such as, plant and machinery, buildings, office premises, vehicles. Generally, leases are renewed only on mutual consent and at a prevalent market price.

ii) Details with respect to right of use assets:-

₹ in crore					
Class of Assets	Opening balance	Addition during the year	Derecognize during the year	Depreciation for the year	Closing balance
As at March 2021	32.54	11.04	3.41	10.38	29.79
As at March 2020	25.12	17.23	-	9.81	32.54

iii) Details with respect to lease liabilities

₹ in crore		
Particulars	2021-20	2019-20
Opening Lease liability	36.34	28.08
Add: Additions during the year	11.04	17.23
Add: Interest accrued during the year	3.05	3.12
Less: Interest paid during the year	(3.05)	(3.12)
Less: Sale off	(3.72)	-
Less: Principal Repayment during the year	(9.61)	(8.97)
Closing Lease liability	34.05	36.34

Notes forming part of the financial statements for the year ended March 31, 2021

- iv) Interest expense on lease liabilities for F.Y 20-21 is ₹3.05 crore and for F.Y 19-20 is ₹3.12 crore
- v) Expense relating to leases for which underlying asset is of low value for F.Y 20-21 is ₹22.17 crore and for F.Y 19-20 is ₹14.01 crore
- vi) Expense related to short-term leases for F.Y 20-21 is ₹ 34.26 crore and For F.Y 19-20 is ₹29.23 crore
- vii) Expense related to variable lease payments for F.Y 20-21 is Nil and F.Y 19-20 is Nil
- viii) Income from sub-leasing of right of use assets for F.Y 20-21 is ₹ 3.02 crore and for F.Y 19-20 is ₹6.20 crore

b) Finance Lease : Not Applicable

II) Company as Lessor

a) Finance Lease

- i) The Company has given on finance leases certain items of plant and equipment. The leases have a primary period that is fixed and noncancellable and a secondary period. There are no exceptional/ restrictive covenants in the lease agreement. There are no significant risks associated with rights that the Company retains in underlying assets.
- ii) Maturity analysis of minimum undiscounted lease receivables and the present value of minimum lease payments receivable is as under:

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Receivable not later than 1 year	20.70	25.42
Receivable later than 1 year but not later than 2 year	4.85	20.70
Receivable later than 2 year but not later than 3 year	0.01	4.85
Receivable later than 3 year but not later than 4 year	-	0.01
Receivable later than 4 year but not later than 5 year	-	-
Receivable later than 5 years	-	-
Gross investment in lease	25.56	50.98
Less: Unearned finance income	2.05	6.26
Present value of minimum lease payment receivable	23.51	44.72

- iii) Finance lease income on net investment in lease recognised in statement of Profit & loss during the financial year 20-21 is ₹3.84 crore and for 2019-20 is ₹6.47 crore
- iv) Finance lease income relating to variable lease payments not depending on index/rate - NIL

Notes forming part of the financial statements for the year ended March 31, 2021

v) Changes in carrying amount of net investment in finance lease

₹ in crore

Particulars	Current	Non Current	Total
Opening value of Lease Receivables as on April 1, 2019	29.20	50.98	80.18
Add: Finance lease income recognised in P&L	6.47	-	6.47
Less: Lease rental received (cash payment)	(35.67)	-	(35.67)
Add/Less: Change on account of any other factors	25.42	(25.42)	-
Opening value of Lease Receivables as on April 1, 2020	25.42	25.56	50.98
Add: Finance lease income recognised in P&L	3.84	-	3.84
Less: Lease rental received (cash payment)	(29.26)	-	(29.26)
Add/Less: Change on account of any other factors	20.70	(20.70)	-
Opening value of Lease Receivables as on March 31, 2021	20.70	4.86	25.56

b) Operating Lease :

i) The company has given certain assets under operating lease. There are no significant risks associated with rights that the Company retains in underlying assets. Leases are renewed only on mutual consent and at a prevalent market price.

ii) Maturity analysis of undiscontinued lease receivables:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Receivable not later than 1 year	0.46	1.42
Receivable later than 1 year but not later than 2 year	0.23	0.46
Receivable later than 2 year but not later than 3 year	-	0.23
Receivable later than 3 year but not later than 4 year	-	-
Receivable later than 4 year but not later than 5 year	-	-
Receivable later than 5 years	-	-
Total	0.69	2.11

iii) Lease income recognised in Profit & Loss account (Other than variable lease payment) for financial year 20-21 is ₹0.68 crore and for 19-20 is ₹2.57 crore

iv) Lease income relating to variable lease payments not depending on index/rate : Nil

Notes forming part of the financial statements for the year ended March 31, 2021

36 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹17.05 crore (previous year: ₹21.03 crore).

- (a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹11.78 crore (previous year: ₹21.03 crore) (Refer note no. 32 of financial statements), which comprises of:

₹ in crore

Particulars	2020-21			2019-20		
	In cash	Set off from previous years	Total	In cash	Set off from previous years	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	0.38	-	0.38	-	-	-
(ii) On purposes other than (i) above	-	16.67	16.67	21.03	-	21.03

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

₹ in crore

Amount spent in excess of requirements as per Companies Act, 2013 as on March 31, 2020 available for set off in subsequent years	Actual amounts spent during FY 20-21	Amounts to be spent in FY 20-21 as per the requirements of Companies Act, 2013	Surplus carried forward to be set off in subsequent years
18.95	11.78	17.05	13.68

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

₹ in crore

Particulars	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 to Statement of Profit and Loss for the year	Remaining expenses to be recovered in future year
(A)	(B)	(C)	(D)	(E = B-C)
As at March 31, 2021	232.30	188.74	41.64	43.56
As at March 31, 2020	241.74	147.10	61.18	94.64

Notes forming part of the financial statements for the year ended March 31, 2021

38 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 “Earnings Per Share”

Particulars		2020-21	2019-20
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	1.36	700.76
Weighted average number of equity shares outstanding during the year (Nos.)	B	2,684,172,360	2,684,172,360
Basic Earning Per Share (₹)	A/B	0.01	2.61
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	1.36	700.76
Weighted average number of equity shares outstanding (Nos.)	B	2,684,172,360	2,684,172,360
Diluted Earning Per Share (₹)	A/B	0.01	2.61
Face value of shares (₹)		10.00	10.00

39 Disclosures pursuant to Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	8.66	8.66
- Sales tax/ VAT / Service Tax matter in dispute*	516.18	499.27
- Legal matter in dispute*	2.17	2.28
b) Bank Guarantees;	181.54	253.99
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	158.62	1,851.07
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for#	11.22	93.74
b) Undisbursed Commitment	1,010.35	1,364.53

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

Figures reported above are excluding GST

40 Frauds committed against the company:

Particulars	₹ in crore	
	2020-21	2019-20
No. of cases of fraud which occurred during the year	286.00	163.00
Amount involved	193.29	4.26
Amount recovered	0.14	1.77
Amount provided/loss	193.29	4.26

footnote: During the financial year 2020-21, the company incurred frauds amounting to ₹193.29 crore in its loan portfolio in respect of certain borrowers, which has been fully provided for, net of recoveries.

Notes forming part of the financial statements for the year ended March 31, 2021

- 41** The Company has invoked pledge of equity shares and Non-convertible debentures (“NCD”) in the following companies, pledged with the Company as collateral by the borrowers and these shares and NCD 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.

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2021	As at March 31, 2020
1	Automobile Corporation Of Goa	8,784	8,784
2	Bajaj Holdings And Investment Private Limited	20,220	20,220
3	Kinetic Engineering Limited	17,556	17,556
4	Motherson Sumi Systems Limited	91,125	91,125
5	Munjal Showa Limited	25,000	25,000
6	NTPC Limited	19,000	19,000
7	Reliance Capital Limited	4,500	4,500
8	State Bank Of India	10,000	10,000
9	Tata Consultancy Services Limited	220	220
10	Tata Motors Limited	31,814	31,814
11	Tata Steel Bsl Limited	7,189,089	7,189,089
12	Saumya Mining Limited	513,012	513,012
13	NTPC Limited - NCD	16,300	16,300
14	Punj Lloyd	5	5
15	GHCL Limited	70,000	70,000
16	Golden Tobacco Limited	10,000	10,000
17	Hindusthan National Glass & Industries Limited	3,404,499	3,404,499
18	Sterling International Enterprises Limited	217,309	217,309
19	Tulip Telecom	1,401,762	1,401,762
20	Hanjer Biotech Engries Private Limited	325,096	325,096
21	VMC Systems Limited	179,608	179,608
22	KSK Energy Ventures Limited	308,446	308,446
23	KSK Mahanadi Power Company Limited	-	596,052
24	Soma Enterprises Limited	2,446,155	-

42 Expenditure in foreign currency:

Particulars	₹ in crore	
	2020-21	2019-2020
Professional Fees	11.65	5.54
License Fees	2.96	5.92
Business Promotion Expenses	-	0.02
Finance Cost	77.25	94.04
Others	0.11	0.76

Notes forming part of the financial statements for the year ended March 31, 2021

43 Dues to micro enterprises and small enterprises:

₹ in crore

Sr. No.	Particulars	2020-21	2019-20
i.	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii.	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

footnote: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

44

A Amalgamation of L&T Infrastructure Finance Company Limited (“LTIFC”) and L&T Housing Finance Limited (“LTHF”) with the Company

1 L&T Infrastructure Finance Company Limited (“LTIFC”), L&T Housing Finance Limited (“LTHF”) and the Company, wholly owned subsidiaries of L&T Finance Holdings Limited (“LTFH”) wherein “LTHF” is HFC registered with NHB and “LTIFC” and the Company are NBFCs registered with RBI within the L&T Financial Services Group (“LTFS/Group”). In order to consolidate the business of the lending entities for creation of a single larger unified entity, it was proposed that LTIFC and LTHF to be amalgamated with the Company. Amalgamation will lead to consolidation and help synergise integration of the businesses of transferor companies and the transferee company to enable better operational management, greater focus and simplification of group corporate structure.

The Board of directors of LTIFC, LTHF and the Company had approved the scheme of amalgamation by way of merger by absorption (“Scheme”) of “LTIFC” and “LTHF” (together referred as Transferor Company) with the Company (Transferee Company) on March 20, 2020 effective from April 01, 2020 (Appointed date). Pursuant to receipt of necessary orders from National Company Law Tribunal (NCLT), Mumbai and Kolkata, sanctioning the scheme of amalgamation by way of merger by absorption of LTHF and LTIFC with the Company, under Sections 230 to 232 of the Companies Act, 2013, the Scheme became effective on April 12, 2021. On and from the Appointed Date, i.e., April 1, 2020, the Company has accounted for amalgamation as a common control business combination in accordance with Appendix C of the Indian Accounting Standard (Ind AS) 103 - “Business Combinations”.

Notes forming part of the financial statements for the year ended March 31, 2021

The figures for the current financial year represent the figures of the Amalgamated Company from appointed date April 01, 2020. The financial statement of the amalgamating entities for the previous year were audited by the respective previous statutory auditors and are recasted to represent the financial statement of the amalgamated entity in accordance with Indian Accounting Standard 103. However the figures. However the figures for the current financial year under the disclosure as required in RBI Master Directions (refer note 50), represents the figures of the Amalgamated Company from the appointed date April 01, 2020 and the figures for the previous financial year are same as disclosed in the previous year audited financial Statement of the company, hence figures for the current year ended March 31, 2021 are not comparable with figures for the previous year ended March 31, 2020.

- 2 The purchase consideration of ₹1,085.03 crore for acquisition of Transferor Company was settled by Transferee Company through issue of 108,50,34,161 (One hundred eight crores fifty lakhs thirty four thousand one hundred sixty one) equity shares of ₹10 each to the shareholder of LTIFC and LTHF as on the record date as stated in the Scheme as per following share exchange ratio.
- 201 equity shares of face value of ₹10 each for every 100 equity shares of face value of ₹10 each held in L&T Housing Finance Limited pre merger
 - 50 equity shares of face value of ₹10 each for every 100 equity shares of face value of ₹10 each held in L&T Infrastructure Finance Company Limited pre merger

The amalgamation has been accounted as a common control business combination in accordance with the accounting prescribed under “pooling of interest” method in Appendix C of the Indian Accounting Standard (Ind AS) 103 - “Business Combinations” and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets, liabilities and reserves and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements has been recasted for the year ended on March 31, 2021 with comparatives figures for the previous year ended March 31, 2020.

Consequent to the Scheme becoming effective, Assets net of liabilities and reserves of Transferor Company amounting to ₹1,670.67 crore as on the Appointed Date have been transferred to the Transferee Company at their respective carrying value. The balance amount of ₹585.64 crore has been credited in Capital Reserve on amalgamation.

Break down of the purchase consideration into net value of assets, liabilities and reserve transfer and capital reserve is as under:

	₹ in Crore		
Particulars	LTIFC	LTHF	Total
I. Consideration paid for acquisition	752.65	332.38	1,085.03
II. Assets, Liabilities and Reserves transferred			
a. Assets acquired on appointed date	31,656.55	15,067.80	46,724.35
b. Liabilities transferred on appointed date	26,446.16	13,546.09	39,992.25
c. Reserves transferred on appointed date	3,705.09	1,356.34	5,061.43
Net Value (a-b-c)	1,505.30	165.37	1,670.67
III. Capital Reserve (II -I)	752.65	(167.01)	585.64

Notes forming part of the financial statements for the year ended March 31, 2021

45 Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures” and pursuant to Ind AS 1 “Presentation of financial statements”

Maturity profile of financial assets and financial liabilities

₹ in crore

Particular	March 31, 2021			March 31, 2020		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
ASSETS:						
Financial assets						
Cash and cash equivalents	4,312.83	-	4,312.83	5,258.30	-	5,258.30
Bank Balance other than (a) above	1,418.93	30.36	1,449.29	2,168.60	7.95	2,176.55
Derivative financial instruments	(6.02)	38.62	32.60	-	155.06	155.06
Receivables						
Trade receivables	23.00	-	23.00	46.67	-	46.67
Other receivables	65.63	-	65.63	26.41	-	26.41
Loans	40,660.59	37,933.05	78,593.64	41,018.06	41,683.76	82,701.82
Investments	2,576.29	5,850.72	8,427.01	946.26	4,557.65	5,503.91
Other financial assets	58.47	9.59	68.06	52.18	23.51	75.69
Non-financial assets						
Current tax assets (net)	-	516.65	516.65	-	674.81	674.81
Deferred tax assets (net)	-	1,584.36	1,584.36	-	1,417.42	1,417.42
Property, plant and equipment	-	22.56	22.56	-	36.31	36.31
Intangible assets under development	-	23.84	23.84	-	61.99	61.99
Goodwill	-	-	-	-	565.70	565.70
Other intangible assets	-	110.89	110.89	-	157.52	157.52
Right of use assets	-	29.79	29.79	-	32.54	32.54
Other non-financial assets	110.73	837.87	948.60	89.39	219.38	308.77
Total Assets	49,220.45	46,988.30	96,208.75	49,605.87	49,593.60	99,199.47
LIABILITIES :						
Financial liabilities						
Payables						
Trade payables	27.78	-	27.78	50.82	-	50.82
Other payables	5.07	-	5.07	0.83	-	0.83
Debt securities	14,544.12	22,686.36	37,230.48	13,707.45	20,603.46	34,310.91
Borrowings (other than debt securities)	21,339.21	17,318.90	38,658.11	19,574.90	25,760.46	45,335.36
Subordinated liabilities	331.38	3,170.21	3,501.59	120.27	3,183.65	3,303.92
Lease liabilities	9.90	24.15	34.05	9.93	26.41	36.34
Other financial liabilities	837.60	56.13	893.73	322.00	68.78	390.78
Non-financial liabilities						
Current tax liabilities (net)	170.44	-	170.44	99.26	-	99.26
Provisions	26.57	-	26.57	31.89	-	31.89
Other non-financial liabilities	39.70	-	39.70	4.77	-	4.77
Total liabilities	37,331.77	43,255.75	80,587.52	33,922.12	49,642.76	83,564.88

Notes forming part of the financial statements for the year ended March 31, 2021

46 Disclosure pursuant to Ind AS 7 “Statement of Cash Flows”

Change in liabilities arising from financing activities:

₹ in crore

Particulars	April 1, 2020	Net Cash flows	Non - cash changes			March 31, 2021
			Changes in fair values	Exchange Difference	Others	
Debt securities	34,310.91	3,161.39	-	-	(241.82)	37,230.48
Borrowings (other than debt securities)	45,335.36	(6,582.67)	-	162.89	(257.47)	38,658.11
Subordinated liabilities	3,303.92	186.00	-	-	11.67	3,501.59
Total liabilities from financing activities	82,950.19	(3,235.28)	-	162.89	(487.62)	79,390.18

₹ in crore

Particulars	April 1, 2019	Net Cash flows	Non - cash changes			March 31, 2020
			Changes in fair values	Exchange Difference	Others	
Debt securities	42,701.39	(8,605.46)	-	-	214.98	34,310.91
Borrowings (other than debt securities)	35,946.27	9,165.74	-	277.09	(53.74)	45,335.36
Subordinated liabilities	3,293.03	26.01	-	-	(15.12)	3,303.92
Total liabilities from financing activities	81,940.69	586.29	-	277.09	146.12	82,950.19

Footnote: Others include mainly amortisation of Issue issue cost and changes in accrued interest.

47 Risk Management

Basis

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

The risks are reviewed periodically every quarter.

Types of risk

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

- Credit risk
- Market risk
- Capital risk

Notes forming part of the financial statements for the year ended March 31, 2021

Credit risk

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

Credit risk arises mainly from wholesale and retail loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees and letters of credit. The Company is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

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

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

Loans and advances (including loan commitments and guarantees)

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

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

Infrastructure Finance and Housing Real Estate

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

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

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

Notes forming part of the financial statements for the year ended March 31, 2021

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Housing Loan and Loans against Property)

The Company has deployed standardised credit decision rules, as approved by the designated officials for the specific product. The rules are regularly monitored to ensure that the changes in the economic environment have been factored into the credit decision rules.

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

As required by the extant guidelines (notification dated March 30, 2016 issued by the Ministry of Corporate Affairs) the Company adopted IND AS (with effect from April 1, 2017) and has been preparing IND AS based financial statements for accounting period beginning from April 1, 2018 onwards.

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

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly. The Upside scenario reflects improvement in rural disposable income on account of good monsoons. The Downside scenario reflects stress caused on account of COVID-19 pandemic.

Management oversees the estimation of ECL including:

- i. setting requirements in policy, including key assumptions and the application of key judgements;
- ii. the design and execution of models; and
- iii. review of ECL results.

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

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note 1.8 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.8 for a description of how the Company defines credit-impaired and default).

Notes forming part of the financial statements for the year ended March 31, 2021

The following are additional considerations for each type of portfolio held by the Company:

Infrastructure Finance and Housing Real Estate

For wholesale business, the PD was determined based on the internal credit rating assigned to the borrower as explained above. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods sourced from CRISIL.

The Exposure at Default (“EAD”) is measured at the amortised cost as at the reporting date, after considering repayments of principal and interest received in advance -

The Company, in determining its Loss Given Default (“LGD”) estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realised on resolution of cases referred to the National Company Law Tribunal (“NCLT”) under the Insolvency and Bankruptcy Code, 2016.

The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 5 years for Infrastructure Finance business..

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Housing Loan and Loans against Property)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time (“PIT”) probability weighted PD.

A centralised impairment model summarises the historical payment behaviour of the borrowers within a retail portfolio which data is used to build the PD estimates. For estimating PD, information on days-past-due and month-on-book (vintage) (for certain products) form key differentiating characteristics. The weighted average is determined (using count of customers as the weight) from quarterly snapshots.

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

The PD and LGD ratio was used along with respective EAD adjustment factor to arrive at the ECL for all stages of loan assets.

Exposure at Default (EAD)

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

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Notes forming part of the financial statements for the year ended March 31, 2021

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets						
Equity instruments (Subsidiary)	483.36	-		483.36	-	
Total financial assets at cost	483.36	-		483.36	-	
Cash and cash equivalent and other bank balances	5,762.12	-		7,434.85	-	
Loans and advances at amortised cost	55,715.97	-	Refer footnote below	57,824.18	-	Refer footnote below
Trade receivables	23.00	-		46.67	-	
Other receivables	65.63	-		26.41	-	
Other financial assets	68.06	-		75.69	-	
Total financial assets at amortised cost	61,634.78	-		65,407.80	-	
Financial assets at fair value through profit or loss	28,633.15	-		28,696.88	-	
Total financial instruments at fair value through profit or loss	28,633.15	-		28,696.88	-	
Derivative financial instruments	32.60	-		155.06	-	
Financial instruments at fair value through Other Comprehensive Income	2,188.17	-		1,201.31	-	
Total Financial instruments at fair value through Other Comprehensive Income	2,220.77	-		1,356.37	-	
Total on-balance sheet	92,972.06	-		95,944.41	-	
Off balance sheet						
Contingent liabilities	867.17	-		2,615.27	-	
Other commitments	1,021.58	-		1,458.27	-	
Total off-balance sheet	1,888.75	-		4,073.54	-	
Total	94,860.81	-		100,017.95	-	

Footnote:

- (i) Retail loans, other than unsecured loans aggregating ₹27,140.74 crore as of March 31, 2021, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, Home loans and loans against property) (as of March 31, 2020: ₹26,156.79 crore). If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque.

Notes forming part of the financial statements for the year ended March 31, 2021

- (ii) Infrastructure Finance and Housing Real Estate loans are secured with current assets as well as immovable property and property, plant and equipment in some cases. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Company's net exposure to credit risk. Investments in debt instruments are predominantly investment grade.

Where collateral has been obtained in the event of default, the Company does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

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

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2021	As at March 31, 2020
1	Automobile Corporation Of Goa	8,784	8,784
2	Bajaj Holdings And Investment Private Limited	20,220	20,220
3	Kinetic Engineering Limited	17,556	17,556
4	Motherson Sumi Systems Limited	91,125	91,125
5	Munjal Showa Limited	25,000	25,000
6	NTPC Limited	19,000	19,000
7	Reliance Capital Limited	4,500	4,500
8	State Bank Of India	10,000	10,000
9	Tata Consultancy Services Limited	220	220
10	Tata Motors Limited	31,814	31,814
11	Tata Steel Bsl Limited	71,89,089	71,89,089
12	Saumya Mining Limited	513,012	513,012
13	NTPC Limited – NCD	16,300	16,300
14	Punj Lloyd	5	5
15	GHCL Limited	70,000	70,000
16	Golden Tobacco Limited	10,000	10,000
17	Hindusthan National Glass & Industries Limited	34,04,499	34,04,499
18	Sterling International Enterprises Limited	217,309	217,309
19	Tulip Telecom	14,01,762	14,01,762
20	Hanjer Biotech Engries Private Limited	325,096	325,096

Notes forming part of the financial statements for the year ended March 31, 2021

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2021	As at March 31, 2020
21	VMC Systems Ltd	179,608	179,608
22	KSK Energy Ventures Limited	308,446	308,446
23	KSK Mahanadi Power Company Limited	-	596,052
24	Soma Enterprises Limited	24,46,155	-

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at March 31, 2021. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, Company/ borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management

Liquidity Risk:

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

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets and also by setting up limits on relevant liquidity stock ratios. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee ('ALCO'). Given the current market scenario, the Company has been maintaining positive cumulative liquidity gaps for all the time-buckets upto 1 year as a prudent risk management practice.

The Company also periodically undertakes liquidity stress testing under various liquidity stress scenarios. It maintains liquidity buffer for survival period of 30 days in the forms of High Quality Liquid Assets under 1-in-10 liquidity stress scenario, wherein hair-cut of 40% on undrawn bank lines and collection shortfall of 15% is assumed. To effectively manage the fallout of the COVID-19 pandemic related RBI measures on its funding and liquidity, the Company has been continuously maintaining higher level of liquidity buffer as a safeguard against any likely disruption in the funding and market liquidity.

Additionally, the Company has line of credit from the ultimate parent, Larsen & Toubro Limited.

Further, Reserve Bank of India has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 31, 2021 is as under:

Notes forming part of the financial statements for the year ended March 31, 2021

(i) Funding Concentration based on significant counterparty

Sr. No.	No. of Significant Counterparties	Amount (₹ crore)	% of Total Deposits	% of Total Liabilities
1	20	50,798.36	N.A.	60.97%

Notes:

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

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

(iii) Top 10 borrowings :

Amount (₹ crore)	% of Total Borrowings
36,013.19	46.64%

Note:

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

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	Amount (₹ crore)	% of Total Liabilities
1	Term Loans	18,844.41	22.62%
2	Private Non-Convertible Debentures	28,103.60	33.73%
3	Working Capital Bank Lines	14,673.98	17.61%
4	Commercial Papers	5,936.00	7.12%
5	Public Non-Convertible Debentures	4,724.86	5.67%
6	External Commercial Borrowings	3,860.34	4.63%
7	Inter corporate Deposits	1,073.01	1.29%
Total		77,216.20	92.67%

Note:

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

Notes forming part of the financial statements for the year ended March 31, 2021

(v) Stock Ratios:

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	7.12%
2	Commercial papers as a % of total assets	6.00%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
5	Other short-term liabilities as a % of total liabilities	22.80%
6	Other short-term liabilities as a % of total assets	19.20%

Note:

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

(vi) Institutional set-up for Liquidity Risk Management

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

(vii) Disclosure on Liquidity Coverage Ratio

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

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

Notes forming part of the financial statements for the year ended March 31, 2021

Further, NBFC are required to publicly disclose the information related to Liquidity Coverage Ratio on a quarterly basis. Accordingly, the disclosure on Liquidity Coverage Ratio of the Company for Q4-FY2021 is as under:

LCR Disclosure	Q4 – FY 2021	
	Total Unweighted ¹ Value ₹ in Crore	Total Weighted ² Value ₹ in Crore
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)	1,819.15	1,819.15
Cash in hand & Bank Balance	844.26	844.26
Treasury Bills / G Sec	974.89	974.89
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding ³	2,552.39	2,935.25
4 Secured wholesale funding ⁴	618.95	711.79
5 Additional requirements, of which	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	-	-
6 Other contractual funding obligations	807.85	929.03
7 Other contingent funding obligations	1.65	1.90
8 Total Cash Outflows	3,980.84	4,577.97
Cash Inflows		
9 Secured lending	-	-
10 Inflows from fully performing exposures	1,746.64	1,309.98
11 Other cash inflows	13,800.76	10,350.57
12 Total Cash Inflows	15,547.40	11,660.55
		Total Adjusted value
13 TOTAL HQLA		1,819.15
14 TOTAL NET CASH OUTFLOWS OVER THE NEXT 30 DAYS		
(Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		1,144.49
15 LIQUIDITY COVERAGE RATIO (%)		159%

Notes:

1. Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2021

Notes forming part of the financial statements for the year ended March 31, 2021

2. Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%)
3. Other cash inflows amongst others includes liquidity maintained in the form of Liquid Mutual funds, undrawn borrowing facilities as mentioned in Note 47.8 as well as Fixed deposit placed with banks
4. All of the HQLA, cash inflows and outflows are in rupee terms and there is no currency mismatch.

Foreign Exchange Rate Risk:

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

Interest Rate Risk:

Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). To mitigate interest rate risk, ALM Policy of the Company stipulates Interest Rate Sensitive Gaps for all the time-buckets. Interest Rate Sensitivity Statement is prepared every month and placed before ALCO. The Statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings for the entire Group of which the Company is a component are also measured every month and captured in the Risk Dashboard.

Security Prices:

The Company manages investment portfolios comprising of government securities, corporate bonds and debentures. To safeguard against the credit risk and interest rate risk in the investment portfolios, risk limits in the form of portfolio size limits, concentration limits and stop loss limit are stipulated. To provide early warning indicators, alarm limits have also been put in place. Reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Company does not invest in Equity stocks and therefore is not exposure to equity price risk on this account.

Notes forming part of the financial statements for the year ended March 31, 2021

47.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans:

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	50,082.35	876.13	49,206.22	52,805.95	536.71	52,269.24
Loss allowance measured at life-time expected credit losses	5,314.15	344.65	4,969.50	3,546.07	268.44	3,277.63
Financial assets for which credit risk has not increased significantly since initial recognition						
Financial assets for which credit risk has increased significantly and not credit-impaired						
Financial assets for which credit risk has increased significantly and credit-impaired	5,360.40	3,820.15	1,540.25	6,062.10	3,784.79	2,277.31
Total	60,756.90	5,040.93	55,715.97	62,414.12	4,589.94	57,824.18

Notes forming part of the financial statements for the year ended March 31, 2021

47.2 Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

(b) Reconciliation of loss allowance provision - Loans:

	₹ in crore			
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2019	448.52	227.90	3,914.96	4,591.38
New assets originated or purchased	339.44	34.94	77.01	451.39
Amount written off	-	-	(1,657.06)	(1,657.06)
Transfers to Stage 1	81.11	(73.77)	(7.34)	-
Transfers to Stage 2	(12.70)	15.34	(2.64)	-
Transfers to Stage 3	(40.96)	(118.59)	159.55	-
Impact on year end ECL of Exposure transferred between stages during the year	(68.33)	121.33	1,115.94	1,168.94
Increase/ (Decrease) provision on existing financial assets including recovery	(210.37)	61.29	184.37	35.29
ECL as on March 31, 2020	536.71	268.44	3,784.79	4,589.94
New assets originated or purchased	458.96	60.59	35.71	555.25
Amount written off	-	-	(2,230.13)	(2,230.13)
Transfers to Stage 1	43.35	(26.24)	(17.12)	-
Transfers to Stage 2	(29.15)	33.55	(4.41)	-
Transfers to Stage 3	(27.72)	(143.69)	171.41	-
Impact on year end ECL of Exposure transferred between stages during the year	(42.17)	331.10	1,476.54	1,765.48
Increase/ (Decrease) provision on existing financial assets including recovery	(63.86)	(179.11)	603.36	360.39
ECL as on March 31, 2021	876.13	344.65	3,820.15	5,040.93

(c) Reconciliation of Gross carrying amount - Loans:

	₹ in crore			
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2019	54,251.54	2,828.11	6,272.00	63,351.65
New assets originated or purchased	25,544.25	513.09	124.20	26,181.54
Amount written off	-	-	(1,728.12)	(1,728.12)
Transfers to Stage 1	734.85	(714.32)	(20.53)	-
Transfers to Stage 2	(2,124.65)	2,131.78	(7.13)	-
Transfers to Stage 3	(1,937.57)	(654.61)	2,592.18	-
Net recovery	(23,662.47)	(557.98)	(1,170.50)	(25,390.95)
Gross carrying amount as on March 31, 2020	52,805.95	3,546.07	6,062.10	62,414.12
New assets originated or purchased	19,915.11	742.96	146.87	20,804.94
Amount written off	-	-	(2,241.94)	(2,241.94)
Transfers to Stage 1	278.34	(243.04)	(35.30)	-
Transfers to Stage 2	(2,876.80)	2,888.42	(11.62)	-
Transfers to Stage 3	(1,622.99)	(470.63)	2,093.62	-
Net recovery	(18,417.27)	(1,149.63)	(653.33)	(20,220.22)
Gross carrying amount as on March 31, 2021	50,082.35	5,314.15	5,360.40	60,756.90

Notes forming part of the financial statements for the year ended March 31, 2021

47.3 Other disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”:

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

₹ in crore

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
I	Measured at fair value through profit or loss (FVTPL):		
(i)	Investment in equity instruments	428.79	334.03
(ii)	Investment in preference shares	0.68	3.73
(iii)	Investment in bonds/debentures	509.31	602.05
(iv)	Investment in mutual funds	400.07	5.02
(v)	Investment in government securities	-	0.53
(vi)	Investment in security receipt	4,114.87	2,498.67
(vii)	Investment in units of fund	301.76	375.21
(viii)	Loans	22,877.67	24,877.64
	Sub-total (I)	28,633.15	28,696.88
II	Measured at amortised cost:		
(i)	Loans	55,715.97	57,824.18
(ii)	Trade receivables	23.00	46.67
(iii)	Other receivables	65.63	26.41
(iv)	Other financial assets	68.06	75.69
(v)	Cash and cash equivalents and bank balances	5,762.12	7,434.85
	Sub-total (II)	61,634.78	65,407.80
III	Measured at fair value through other comprehensive income (FVTOCI):		
(i)	Investment in bonds/Debentures	720.57	1,161.67
(ii)	Investment in government securities	1,466.66	-
(iii)	Investment in equity instruments	-	31.61
(iv)	Investment in pass through certificates	-	7.09
(v)	Derivative financial instruments	32.60	155.06
(vi)	Investment in units of fund	0.94	0.94
	Sub-total (III)	2,220.77	1,356.37
	Total (I+II+III)	92,488.70	95,461.05

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Sr. No.	Particulars	As at	
		March 31, 2021	March 31, 2020
I	Measured at fair value through profit or loss (FVTPL):		
	(i) Derivative Instruments not designated as cash flow hedges	-	-
	Sub-total (I)	-	-
II	Measured at amortised cost:		
	(i) Debt securities	37,230.48	34,310.91
	(ii) Borrowings (other than debt securities)	38,658.11	45,335.36
	(iii) Subordinated liabilities	3,501.59	3,303.92
	(iv) Trade payables	27.78	50.82
	(v) Other payables	5.07	0.83
	(vi) Lease liabilities	34.05	36.34
	(vii) Other financial liabilities	893.73	390.78
	Sub-total (II)	80,350.81	83,428.96
III	Measured at fair value through other comprehensive income (FVTOCI):	-	-
	Sub-total (III)	-	-
	Total (I+II+III)	80,350.81	83,428.96

47.4 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

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

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	55,715.97	55,715.97	57,824.18	57,824.18
Total	55,715.97	55,715.97	57,824.18	57,824.18
Financial liabilities:				
Debt Securities	37,230.48	39,130.89	34,310.91	34,818.95
Borrowings (other than debt securities)	38,658.11	38,902.44	45,335.36	45,401.51
Subordinated liabilities	3,501.59	3,697.41	3,303.92	3,360.45
Lease liabilities	34.05	34.05	36.34	36.34
Total	79,424.23	81,764.78	82,986.52	83,617.25

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

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

As at March 31, 2021	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	55,715.97	55,715.97	Discounted cashflow approach
Total financial assets	-	-	55,715.97	55,715.97	
Financial liabilities:					
Debt Securities	-	-	39,130.89	39,130.89	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	38,902.44	38,902.44	Discounted cashflow approach
Subordinated liabilities	-	-	3,697.41	3,697.41	Discounted cashflow approach
Lease liabilities	-	-	34.05	34.05	Discounted cashflow approach
Total financial liabilities	-	-	81,764.78	81,764.79	

₹ in crore

As at March 31, 2020	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	57,824.18	57,824.18	Discounted cashflow approach
Total financial assets	-	-	57,824.18	57,824.18	
Financial liabilities:					
Debt Securities	-	-	34,818.95	34,818.95	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	45,401.51	45,401.51	Discounted cashflow approach
Subordinated liabilities	-	-	3,360.45	3,360.45	Discounted cashflow approach
Lease liabilities	-	-	36.34	36.34	
Total financial liabilities	-	-	83,617.25	83,617.25	

Notes forming part of the financial statements for the year ended March 31, 2021

47.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Financial assets at fair value through profit and loss:								
Investments								
- Equity instruments	97.91	-	330.88	428.79	2.98	-	331.05	334.03
- Preference shares	-	-	0.68	0.68	-	-	3.73	3.73
- Government securities	-	-	-	-	-	0.53	-	0.53
- Bonds and debentures	-	-	509.31	509.31	-	-	602.05	602.05
- Mutual funds	400.07	-	-	400.07	5.02	-	-	5.02
- Security receipts	-	-	4,114.87	4,114.87	-	-	2,498.67	2,498.67
- Units of fund	-	-	301.76	301.76	-	-	375.21	375.21
Loans	-	-	22,877.67	22,877.67	-	-	24,877.64	24,877.64
Sub total	497.98	-	28,135.17	28,633.15	8.00	0.53	28,688.35	28,696.88
Financial assets at fair value through other comprehensive income:								
Investments								
- Bonds and debentures	-	578.80	141.77	720.57	-	875.71	285.96	1,161.67
- Government securities	-	1,466.66	-	1,466.66	-	-	-	-
- Pass through certificates	-	-	-	-	-	-	7.09	7.09
- Equity instruments	-	-	-	-	31.61	-	-	31.61
- Investment in Units of Fund	-	0.94	-	0.94	-	0.94	-	0.94
Derivative financial instruments	-	32.60	-	32.60	-	155.06	-	155.06
Sub total	-	2,079.00	141.77	2,220.77	31.61	1,031.71	293.05	1,356.37
Total Financial assets at fair value	497.98	2,079.00	28,276.94	30,853.92	39.61	1,032.24	28,981.40	30,053.25
Financial liabilities:								
Financial liabilities at fair value through profit and loss:								
Total Financial liabilities at fair value	-	-	-	-	-	-	-	-

47.6 Disclosure pursuant to Ind AS 113 “Fair Value Measurement”

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2021 :

Particulars	₹ in crore							
	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
Balance as at April 1, 2019	333.18	14.32	604.65	8.41	791.06	460.02	24,396.43	27,166.94
Acquisitions	-	-	536.55	-	2,099.75	8.36	6,926.66	9,034.77
transfer from level 2 to level 3								536.55
Deletions	-	(6.17)	(2.06)	(1.32)	(252.06)	(48.58)	(6,415.31)	6,726.04
Gains/(losses) recognised in profit or loss	(2.13)	(4.42)	-	-	(140.08)	(44.59)	(30.14)	(221.36)
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
Impairment recognised in profit or loss	-	-	(250.59)	-	-	-	-	(250.59)
As at March 31, 2020	331.05	3.73	888.01	7.09	2,498.67	375.21	24,877.64	28,981.40
Acquisitions	-	-	-	-	1,909.27	8.20	3,721.30	5,638.77
Deletions	-	(3.60)	(9.29)	-	(153.11)	(66.83)	(5,562.50)	(5,795.33)
Gains/(losses) recognised in profit or loss	(0.17)	0.55	(83.45)	-	(139.96)	(14.82)	(158.77)	(396.62)
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
Impairment recognised in profit or loss	-	-	(144.19)	(7.09)	-	-	-	(151.28)
As at March 31, 2021	330.88	0.68	651.08	-	4,114.87	301.76	22,877.67	28,276.94
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period								
As at March 31, 2020	(2.13)	(4.42)	(250.59)	-	(140.08)	(44.59)	(30.14)	(471.95)
As at March 31, 2021	(0.17)	0.55	(227.64)	(7.09)	(139.96)	(14.82)	(158.77)	(547.90)
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period								
As at March 31, 2020	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

47.7 Disclosure pursuant to Ind AS 113 “Fair Value Measurement”

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

₹ in crore

Particulars	Fair value as at		Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement			
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
				Favourable	Unfavourable	Favourable	Unfavourable
Investments							
- Equity instruments	330.88	331.05	5.00%	16.54	(16.54)	16.55	(16.55)
- Preference shares	0.68	3.73	5.00%	0.03	(0.03)	0.19	(0.19)
- Bonds and debentures	509.31	602.05	0.25%	1.27	(1.27)	1.51	(1.51)
- Pass Through Certificates	-	7.09	0.25%	-	-	0.02	(0.02)
- Security Receipts	4,114.87	2,498.67	5.00%	205.74	(205.74)	124.93	(124.93)
- Units of fund	301.76	375.21	5.00%	15.09	(15.09)	18.76	(18.76)
Loans	22,877.67	24,877.64	0.25%	57.19	(57.19)	62.19	(62.19)

47.8 Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

Liquidity risk management :

(a) Maturity profile of financial liabilities based on undiscounted cashflows

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non-derivative liabilities:						
Borrowings*	40,172.15	51,054.40	91,226.55	38,009.01	58,562.33	96,571.34
Trade payables	27.78	-	27.78	50.82	-	50.82
Other payables	5.07	-	5.07	0.83	-	0.83
Lease liabilities	9.90	24.15	34.05	9.93	26.41	36.34
Other financial liabilities	837.60	56.13	893.73	322.00	68.78	390.78
Total	41,052.50	51,134.68	92,187.18	38,392.59	58,657.52	97,050.11
B. Derivative liabilities:						
Currency swap	-	-	-	-	-	-
Total	-	-	-	-	-	-

* Borrowings include debt securities, borrowings (other than debt securities) and subordinated liabilities and are net off offsetting respective derivative gain/loss but includes undiscounted future interest.

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Undrawn backup lines	7,590.70	5,016.93
Line of credit from Ultimate Holding Company	2,000.00	2,000.00

Notes forming part of the financial statements for the year ended March 31, 2021

Note 47.9: Capital management

(i) Risk management

The Company's objectives when managing capital are to

- (a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) Maintain an optimal capital structure to reduce the cost of capital.

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

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

The Company's gearing ratios were as follows:

Particulars	₹ in crore	
	31 March 2021	31 March 2020
Net debt	75,077.35	77,691.89
Total equity	15,621.23	15,634.59
Net debt to equity ratio	4.81	4.97

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

(iii) Dividends

Particulars	₹ in crore	
	31 March 2021	31 March 2020
(a) Equity shares		
Final dividend for the year ended March 31, 2021 of ₹ Nil per fully paid share (Previous year : Nil)	-	-
Interim dividend for the year ended March 31, 2021 of ₹ Nil per fully paid share (Previous year : ₹ 1.15 by the company and ₹ 2.25 by the erstwhile L&T Housing Finance Company Limited, on their respective share capital)	-	221.11
(b) Dividends not recognised at the end of the reporting year	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

47.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2021	As at March 31, 2020
Liability – External Commercial Borrowings & Terms loans from bank - FCNR	USD 44,82,59,082	USD 43,50,00,000
Assets – Currency Swap Contracts	44,82,59,082	43,50,00,000

(b) Interest rate risk :

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

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	28,549.40	37,699.88
Fixed rate borrowings	48,666.81	42,781.73
Total borrowings	77,216.22	80,481.61

₹ in crore

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

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	8.12%	28,549.40	36.97%	8.87%	37,699.88	46.84%
Interest rate swap at variable rate	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	8.12%	28,549.40	36.97%	8.87%	37,699.88	46.84%

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

₹ in crore

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2020-21	FY 2019-20	31 March 2020	31 March 2019
Interest rates – increase by 25 basis points *	(41.38)	(41.91)	(41.38)	(41.91)
Interest rates – decrease by 25 basis points*	41.38	41.91	41.38	41.91

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

Notes forming part of the financial statements for the year ended March 31, 2021

47.11 Other disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

(a) Transfer of financial assets

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	-	-
Carrying amount of associated liabilities	-	-
Fair value of assets	-	-
Fair value of associated liabilities	-	-
Net position at FV	-	-

48 Disclosure pursuant to Ind AS 108 “Operating Segment”

The company has identified operating segments based on performance assessment and resource allocation by the management. 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. 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.

Rural Finance comprises of Farm Equipment Finance, Two Wheeler Finance, Micro Loans and Consumer Finance.

Housing Finance comprises of Home Loans, Loan against Property and Real Estate Finance.

Infrastructure Finance comprises of Infrastructure business.

Defocused Finance comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, Supply Chain Finance, SME term loans and Leases.

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Sr. No.	Particulars	Year ended	
		March 31, 2021	March 31, 2020
	Gross segment revenue from continuing operations		
a	Rural Finance	5,478.87	5,285.99
b	Housing Finance	3,291.43	3,400.52
c	Infrastructure Finance	3,183.29	3,375.99
d	Defocused Finance	395.72	685.48
	Revenue as per the statement of profit and loss	12,349.31	12,747.98
	Segment Result (Profit/(loss) before tax)		
a	Rural Finance	681.51	1,225.87
b	Housing Finance	607.64	873.94
c	Infrastructure Finance	265.94	712.61
d	Defocused Finance	(569.39)	(554.87)
e	Unallocated *	(653.46)	(653.47)
	Profit before tax	332.24	1,604.08

₹ in crore

Sr. No.	Particulars	As at	
		March 31, 2021	March 31, 2020
	Segment assets		
a	Rural Finance	31,192.76	28,491.28
b	Housing Finance	28,712.81	30,413.67
c	Infrastructure Finance	31,145.23	32,317.99
d	Defocused Finance	3,056.95	5,230.85
	Subtotal	94,107.75	96,453.79
e	Unallocated **	2,101.00	2,745.68
	Total assets	96,208.75	99,199.47
	Segment liabilities		
a	Rural Finance	26,940.03	24,613.00
b	Housing Finance	24,651.71	26,631.96
c	Infrastructure Finance	26,171.96	27,730.89
d	Defocused Finance	2,653.38	4,489.77
	Subtotal	80,417.08	83,465.62
e	Unallocated ***	170.44	99.26
	Total liabilities	80,587.52	83,564.88

* Unallocated represents goodwill and Distribution and customer network right amortization

** Unallocated represents advance/tax deducted (net), deferred tax asset (net) and goodwill and Distribution and customer network right amortization

*** Unallocated represents tax liabilities

Notes forming part of the financial statements for the year ended March 31, 2021

49 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

		₹ in crore	
Sr. No.	Particulars	2020-21	2019-20
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current tax :		
	Current tax expense for the year	481.77	595.27
	Tax expense in respect of earlier years	-	-
		481.77	595.27
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(150.89)	(164.66)
	Effect on deferred tax balances due to the change in income tax rate (refer footnote-1)	-	472.71
		(150.89)	308.05
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	330.88	903.32
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	0.27	(1.20)
		0.27	(1.20)
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On gains and loss on hedging instruments in a cash flow hedge	(0.74)	(33.48)
	On gain/(loss) on fair value of debt securities	-	-
		(0.74)	(33.48)
	Income tax expenses reported in the other comprehensive income [i+ii]	(0.47)	(34.68)
(c)	Other directly reported in balance sheet through reserve:		
	Deferred tax (assets)/liabilities		
	-Transition impact of Ind-AS 116	-	(0.75)
	-Merger related expenses	(15.58)	-
	Income tax expense reported directly in balance sheet	(15.58)	(0.75)

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ in crore

Sr. No.	Particulars	2020-21	2019-20
(a)	Profit before tax	332.24	1,604.08
(b)	Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
(c)	Tax on accounting profit (c)=(a)*(b)	83.62	403.71
(d)	(i) Tax on Income exempt from tax :		
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(27.16)	(19.65)
	(B) Deduction u/s 80JJA of the Income Tax Act, 1961	(16.76)	(10.24)
	(ii) Tax on Income which are taxed at different rates	-	(9.17)
	(iii) Tax on non deductible expenses:		
	(A) Corporate Social Responsibility (CSR) expenses	2.96	2.87
	(B) Provision for dimunition of investments	63.34	70.62
	(C) Share issue expense	-	0.25
	(iv) Capital gain set-off against carried forward capital losses	-	(5.58)
	(v) Tax effect on various other Items	(0.36)	(2.20)
	Total effect of tax adjustments [(i) to (v)]	22.02	26.90
(e)	Tax expense (before one-time deferred tax impact) (e)=(c)+(d)	105.64	430.61
(f)	Effective tax rate (before one-time deferred tax impact) (f)=(e)/(a)	31.80%	26.84%
(g)	Effect on deferred tax due to change in Income tax rate (Refer footnote)	-	472.71
(h)	Tax impact due to amendment in tax regulations	225.24	-
(i)	Tax expense recognised during the year (i)=(e)+(g)+(h)	330.88	903.32
(j)	Effective tax rate (j)=(i)/(a)	99.59%	56.31%

footnote:

Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/incentives. The option is exercised by the Company for assessment year (AY) 2020-21 and subsequent AYs. Consequently, the opening deferred tax asset (net) for FY 2019-20 has been measured at the lower rate, with a one-time corresponding charge of ₹ 472.71 crore to the Statement of Profit and Loss. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

Notes forming part of the financial statements for the year ended March 31, 2021

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in crore	Expiry year	₹ in crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	-	-	-	-
- Amount of losses having no expiry	-	-	-	-
Tax losses (Capital loss)	-	-	-	-
Unused tax credits [Minimum Alternate Tax (MAT) credit not recognised]	-	-	-	-
Total	-		-	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

Sr. No.	Particulars	₹ in crore	
		As at March 31, 2021	As at March 31, 2020
(a)	Towards provision for diminution in value of investments	795.98	544.33
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	-	-
(c)	Other items	-	-
	Total	795.98	544.33

(d) Major components of deferred tax liabilities and deferred tax assets:

Particulars	₹ in crore				
	Deferred tax liabilities/ (assets) as at March 31, 2019	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2020
Deferred tax liabilities:					
- Interest income recognised on Stage 3 Loans	120.10	(68.27)	-	-	51.83
- Unamortised borrowing cost	6.17	(2.97)	-	-	3.20
- Deduction under Secion 36(1)(vii)	32.99	(4.84)	-	-	28.15
- Other items giving rise to temporary differences	0.19	(0.30)	-	-	(0.11)
Net deferred tax liabilities	159.45	(76.38)	-	-	83.07

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2019	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2020
Deferred tax (assets):					
- Provision on loan assets based on expected credit loss	(1,643.89)	431.20	-	-	(1,212.69)
- Provision on trade receivables	-	(2.21)	-	-	(2.21)
- Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(19.22)	10.31	-	-	(8.91)
- Fair value of investments	(78.50)	(9.64)	-	-	(88.14)
- Defined benefit obligation (Gratuity and Leave encashment)	(8.74)	2.02	(1.20)	-	(7.92)
- Amortisation of expenditure incurred for amalgamation	(3.96)	2.53	-	-	(1.43)
- Fair valuation of derivative financial instrument	-	-	(33.48)	-	(33.48)
- Impact on account of Ind AS 116 – Leases	-	(0.21)	-	(0.75)	(0.96)
- Liability for expenses	(12.93)	1.35	-	-	(11.58)
- Difference between book base and tax base of property, plant & equipment, other intangible assets and goodwill	(82.25)	(50.92)	-	-	(133.17)
Net Deferred tax (assets)	(1,849.49)	384.43	(34.68)	(0.75)	(1,500.49)
Net deferred tax liability/(assets)	(1,690.04)	308.05	(34.68)	(0.75)	(1,417.42)

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2021
Deferred tax liabilities:					
- Interest income recognised on Stage 3 Loans	51.83	(8.07)	-	-	43.76
- Unamortised borrowing cost	3.20	(0.85)	-	-	2.35
- Deduction under Section 36(1)(vii)	28.15	(0.43)	-	-	27.72
Net deferred tax liabilities	83.18	(9.35)	-	-	73.83

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2021
Deferred tax (assets):					
- Provision on loan assets based on expected credit loss	(1,212.69)	(146.29)	-	-	(1,358.98)
- Provision on trade receivables	(2.21)	1.34	-	-	(0.87)
- Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(8.91)	3.37	-	-	(5.54)
- Fair value of investments	(88.14)	(35.22)	-	-	(123.36)
- Defined benefit obligation (Gratuity and Leave encashment)	(7.92)	0.52	0.27	-	(7.13)
- Amortisation of expenditure incurred for amalgamation	(1.43)	2.78	-	(15.58)	(14.23)
- Fair valuation of derivative financial instrument	(33.48)	-	(0.74)	-	(34.22)
- Impact on account of Ind AS 116 – Leases	(0.96)	(0.15)	-	-	(1.11)
- Liability for expenses	(11.58)	(12.78)	-	-	(24.36)
- Difference between book base and tax base of property, plant & equipment, other intangible assets and goodwill	(133.17)	46.26	-	-	(86.92)
- Other items giving rise to temporary differences	(0.11)	(1.37)	-	-	(1.48)
Net Deferred tax (assets)	(1,500.60)	(141.54)	(0.47)	(15.58)	(1,658.19)
Net deferred tax liability/(assets)	(1,417.42)	(150.89)	(0.47)	(15.58)	(1,584.36)

50 The following additional information 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 by Reserve Bank of India vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

The figures for the current financial year under the disclosure as required in RBI Master Directions represents the figures of the Amalgamated Company from the appointed date April 01, 2020. The figures for the previous financial year are same as disclosed in the previous year audited financial Statement of the company, hence figures for the current year ended March 31, 2021 are not comparable with figures for the previous year ended March 31, 2020.

Notes forming part of the financial statements for the year ended March 31, 2021

50.1 Capital:

		₹ in crore	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	20.54%	18.31%
ii)	CRAR - Tier I Capital (%)	17.00%	15.87%
iii)	CRAR - Tier II Capital (%)	3.54%	2.44%
iv)	Amount of subordinated debt raised as Tier-II capital* (Raised during the year ₹186.00, previous year ₹26.00 crore)#	2,891.88	885.88
v)	Amount raised by issue of Perpetual Debt Instruments (Raised during the year ₹ Nil crore, previous year ₹ Nil crore)&	609.71	255.87
vi)	Percentage of the amount of Perpetual Debt Instruments of the amount of its Tier I Capital	4.38%	3.36%
* Discounted value of ₹ 1,909.25 crore (Previous year ₹637.29 crore) considered for Tier II capital against the book value of ₹2,891.88 crore (Previous year ₹885.88 crore).			
# Subordinated debt balance as at March 31, 2021 includes amount transferred from erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation ₹1,808.76 crore			
& Perpetual Debt Instruments balance as at March 31, 2021 includes amount transferred from erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation ₹353.41 crore			

50.2 Investments :

		₹ in crore	
Particulars	As at March 31, 2021	As at March 31, 2020	
(1) Value of Investments			
(i) Gross Value of Investments			
(a) In India	8,828.86	3,328.04	
(b) Outside India	-	-	
(ii) Provisions for Depreciation*			
(a) In India	401.85	250.59	
(b) Outside India	-	-	
(iii) Net Value of Investments			
(a) In India	8,427.01	3,077.45	
(b) Outside India	-	-	
(2) Movement of provisions held towards depreciation on investments*			
(i) Opening balance	250.59	-	
(ii) transferred of erstwhile L&T infrastructure finance company limited and erstwhile L&T housing finance limited on amalgamation			
(iii) Add : Provisions made during the year	151.26	250.59	
(iv) Less : Write-off / write-back of excess provisions during the year	-	-	
(v) Closing balance	401.85	250.59	

***Provision for depreciation on Investments includes provision towards impairment of financial instruments.**

Notes forming part of the financial statements for the year ended March 31, 2021

50.3 Derivatives :

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

Particulars	₹ in crore	
	2020-21	2019-20
(i) The notional principal of swap agreements	3,114.34	2,588.58
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	32.60	141.74
(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	32.60	141.74

II) **Exchange Traded Interest Rate (IR) Derivatives:** The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2021 (Previous year: NIL).

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 and Term loan from bank - FCNR in foreign currency. The same has been hedged as required by RBI.

Quantitative Disclosures

Particulars	₹ in crore	
	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional principal amount)	3,114.34	Nil
(ii) Market to Market position	32.60	-
(a) Asset (+)	44.07	-
(b) Liability (-)	(11.47)	-
(iii) Credit exposure	129.85	-
(iv) Unhedged exposure	Nil	-

Notes forming part of the financial statements for the year ended March 31, 2021

50.4 Securitisation:

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

₹ in crore

Particulars	No. / Amount	
	As at March 31, 2021	As at March 31, 2020
1 No of SPVs sponsored by the NBFC for securitisation transactions	-	-
2 Total amount of securitised assets as per books of the SPVs sponsored	-	-
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	-	-
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Loss	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

II) Details of securitisation transactions undertaken by applicable NBFCs

Particulars	₹ in crore	
	2020-21	2019-20
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts securitised	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value	-	-

III) Details of Assignment transactions undertaken by applicable NBFCs

Particulars	₹ in crore	
	2020-21	2019-20
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value*	-	-

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

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

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

Particulars	₹ in crore	
	2020-21	2019-20
1 No. of accounts sold	1,767	534
2 Aggregate value (net of provisions) of accounts sold to SC/RC (₹ crore)	2,121.90	1,672.57
3 Aggregate consideration (₹ crore)	2,168.20	1,634.94
4 Additional consideration realized in respect of accounts transferred in earlier years (₹ crore)	-	-
5 Aggregate Gain/(Loss) over net book Value (₹ crore)	46.30	(37.63)

Notes forming part of the financial statements for the year ended March 31, 2021

50.5 Exposures

(I) Exposure to Real Estate Sector

		₹ in crore	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) 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	7,414.99	273.16	
(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	16,935.91	9,495.86	
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
a. Residential	-	-	
b. Commercial Real Estate	3,876.54	1,066.06	
Total Direct Exposure to Real Estate Sector (a)	28,227.44	10,835.08	
(b) Indirect Exposure			
a. Fund Based and non-fund based exposures on NHB / HFCs	536.55	536.55	
b. Any other	43.97	-	
Total Indirect Exposure to Real Estate Sector (b)	580.52	536.55	
Total Exposure to Real Estate Sector (a+b)	28,807.96	11,371.63	

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

(II) Exposure to Capital Market

		₹ in crore	
Particulars	As at March 31, 2021	As at March 31, 2020	
(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;	1,753.59	377.09	
(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;	-	-	

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(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;	508.44	1,385.20
(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;	-	-
(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;	173.83	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	275.20	137.78
Total Exposure to Capital Market	2,711.06	1,900.07

(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 prescribed by the RBI.**

footnote: The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI based on the net owned funds as on March 31, 2020 computed post giving effect of Merger mentioned in Note 44 .

(V) **Unsecured Advances (net off provision):**

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans	12,516.15	12,753.23
Debentures	76.44	255.57
Personal Loans	705.63	152.39
Total	13,298.22	13,161.19

Note : There are no advances outstanding as on 31st March 2021 against which intangible securities has been taken as collateral. (Previous year : Nil)

Notes forming part of the financial statements for the year ended March 31, 2021

50.6 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	2020-2021				2019-2020			
	CRISIL	CARE	ICRA	IRRA	CRISIL	CARE	ICRA	IRRA
(i) Commercial Paper	CRISIL A1+	CARE A1+	ICRA A1+	Not Rated	CRISIL A1+	CARE A1+	ICRA A1+	Not Rated
(ii) Non-Convertible Debentures	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(iii) Long term Bank facilities	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	Not Rated
(iv) Subordinate Debts	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)	Not Rated	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(v) Perpetual Debt	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Negative)	Not Rated	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Negative)	Not Rated
(vi) Non-Convertible Debentures (Public Issue)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(vii) Principal Protected Market-Linked Debenture	Not Rated	CARE PP- MLD AAA (Stable)	PP-MLD ICRA AAA (Negative)	IND PP- MLD AAA (Stable)	Not Rated	CARE PP- MLD AAA (Stable)	PP-MLD ICRA AAA (Negative)	Not Rated

Footnote: Above mentioned credit ratings are based on ratings assigned by credit ratings agencies as a result of merger as mentioned in note 44, obtained after approval of scheme .

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

50.7 Provisions and Contingencies :

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

Particulars	₹ in crore	
	2020-21	2019-20
Provision for depreciation on Investments*	151.26	250.59
Provision on loan assets*	451.00	669.94
Provision on trade receivable	(16.41)	8.77
Provision made towards Income tax		
Current Tax	481.77	507.92
Deferred Tax (included Impact of change in the rate on opening deferred tax)	(150.89)	(60.25)
Other Provision and Contingencies (with details)		
Loss on foreclosure of loans	2,626.54	1,069.71

* Provision on loan assets and Provision for depreciation on Investments is considered as allowance for impairment loss on financial instruments.

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

Notes forming part of the financial statements for the year ended March 31, 2021

50.8 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

₹ in crore

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers	14,591.22	9,321.67
Percentage of advances to twenty largest borrowers to total advances of the Company	17.37%	20.07%

(II) Concentration of Exposures

₹ in crore

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers#	17,664.02	10,622.73
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	19.31%	20.96%

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

(III) Concentration of NPA

₹ in crore

Particulars	₹ in crore	
	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	1,050.57	1,087.12

(IV) Sector-wise NPAs

Particulars	Percentage to Total Advances in that Sector	
	As at March 31, 2021	As at March 31, 2020
1 Agriculture & allied activities	3.37%	4.51%
2 MSME	0.00%	0.00%
3 Corporate borrowers	8.77%	10.17%
4 Services	0.00%	0.00%
5 Unsecured personal loans	2.62%	0.09%
6 Auto loans	5.26%	5.15%
7 Other personal loans	3.59%	3.03%

Notes forming part of the financial statements for the year ended March 31, 2021

50.9 Movement of NPAs

		₹ in crore	
Particulars		2020-21	2019-20
(i)	Net NPAs to Net Advances (%)	1.93%	2.61%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,991.12	1,845.98
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	3,071.00	-
	(c) Additions during the year	2,657.83	2,787.38
	(d) Reductions during the year	3,354.30	1,642.24
	(e) Closing balance	5,365.65	2,991.12
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,164.99	607.25
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	1,112.32	-
	(c) Additions during the year	65.65	1,100.76
	(d) Reductions during the year	797.91	543.02
	(e) Closing balance	1,545.05	1,164.99
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,826.13	1,238.73
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	1,958.68	-
	(c) Provisions made during the year	2,592.18	1,686.62
	(d) Write-off / write-back of excess provisions	2,556.39	1,099.22
	(e) Closing balance	3,820.60	1,826.13

50.10 Disclosure of customer complaints

Particulars		2020-21	2019-20
(i)	No. of complaints pending at the beginning of the year	23	26
(ii)	Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	2	-
(iii)	No. of complaints received during the year	1,610	1,552
(iv)	No. of complaints redressed during the year	1,595	1,555
(v)	No. of complaints pending at the end of the year	40	23

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Year	No. of customer where S4A has been applied	Aggregate amount	Amount outstanding		Provision Held (MTM and impairment allowance)
			In Part A	In Part B	
	Classified as Standard				
2019-20	-	-	-	-	-
2020-21	-	-	-	-	-
	Classified as NPA				
2019-20	1.00	16.13	-	16.13	9.15
2020-21*	2.00	249.53	134.96	114.58	194.67

*Included cases transferred from erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation.

50.12 Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 ("RBI Circular")

₹ in crore

Period	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of RBI Circular	Respective amount where asset classification benefits is extended	Provisions made in terms of paragraph 5 of RBI Circular	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular
FY 2019-20	2,409.80	2,409.80	120.49	NA
FY 2020-21	4,826.69	4,826.69	482.67	482.67

Footnote:

As required under Para 2 of the RBI Circular, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the Income Recognition and Asset Classification norms ("IRAC norms")

However certain accounts which were Non Performing Assets as on February 29, 2020 as per IRAC norms and become standard due to subsequent receipt of instalments, are also covered in above criteria and consequently, the provisions of para 2 and para 5 of the RBI circular are applied on such accounts.

Further certain accounts can be excluded where subsequent receipt of all the instalments that had fallen due prior to February 29, 2020 resulted in the 'updated' number of days past-due as on February 29, 2020 to zero. Consequently, the provisions of para 2 and para 5 of the RBI circular are not required to be applied on such accounts.

Notes forming part of the financial statements for the year ended March 31, 2021

50.13 Resolution Framework for COVID-19-related Stress, in terms of RBI circular RBI/2020-21/16/DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 (“RBI Circular”)

Type of borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
	(A)	(B)	(C)	(D)	(E)
Personal Loans	1,010.00	285.06	-	-	13.47
Corporate persons	9.00	285.05	-	-	19.81
<i>Of which, MSMEs</i>	-	-	-	-	-
Others	-	-	-	-	-
Total	1,019.00	570.11	-	-	33.28

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

Footnote:

As per “Resolution Framework for COVID-19-related Stress” Resolution may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation. As on March 31, 2021, resolution is invoked for four customer having exposure of ₹ 542.43 crore but not implemented till March 31, 2021

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

₹ in crore

March 31, 2021	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)	1,986.45	2,007.30	2,611.52	6,124.56	16,155.56	20,908.96	11,482.12	21,568.73	82,845.20
Investments (net)	1,866.73	-	-	-	685.13	-	556.35	5,318.79	8,427.00
Borrowings*	2,072.00	1,976.67	2,241.06	4,289.80	10,630.90	42,317.42	8,318.74	5,369.64	77,216.22
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	100.00	-	-	2,149.79	864.55	-	3,114.34

* Including ECB and FCNR loan

footnote: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on March 25, 2021 and relied upon by the auditors.

50.15 Details of restructured accounts as on March 31, 2021

₹ crore

Type of Restructuring Asset Classification	Under CDR Mechanism				Others				Total					
	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total	
1 Restructured Accounts as on April 1, 2020	-	-	-	-	1,296	294	170	-	1,760	1,296	294	170	-	1,760
Amount outstanding Restructured facility only	-	-	-	-	21.38	30.76	85.91	-	138.05	21.38	30.76	85.91	-	138.05
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	0.16	10.66	56.45	-	67.27	0.16	10.66	56.45	-	67.27
2 Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	-	-	4	-	4	2	1	4	7.00	2.00	1.00	8.00	-	11.00
Amount outstanding Restructured facility only	-	-	542.21	-	99.36	99.36	-	279.57	378.93	99.36	-	821.78	-	921.14
Amount outstanding other facility	-	-	18.40	-	18.40	24.32	3.75	206.91	234.99	24.32	3.75	225.31	-	253.38
Provision thereon	-	-	414.65	-	13.33	1.59	1.59	164.83	179.75	13.33	1.59	579.47	-	594.39
3 Movement in balance for accounts appearing under opening balance	-	-	4	-	1,298.00	294.00	175.00	-	1,767	1,298	294	179	-	1,771
Amount outstanding Restructured facility only	-	-	14.72	-	6.01	(1.81)	19.31	-	11.49	(6.01)	(1.81)	34.03	-	26.21
Amount outstanding other facility	-	-	0.44	-	0.44	0.73	-	2.48	3.21	0.73	-	2.92	-	3.65
Provision thereon	-	-	119.07	-	2.84	(0.59)	80.08	-	82.33	2.84	(0.59)	199.15	-	201.40
4 Fresh restructuring during the year	-	-	-	-	433	1	-	-	434.00	433.00	1	-	-	434.00
Amount outstanding Restructured facility only	-	-	-	-	1,605.94	40.68	-	-	1,646.62	1,606	41	-	-	1,646.62
Amount outstanding other facility	-	-	-	-	336.22	-	-	-	336.22	336	-	-	-	336.22
Provision thereon	-	-	-	-	142.63	4.59	-	-	147.21	143	5	-	-	147.22
5 Upgradations to restructured standard category during the FY	-	-	-	-	47	(47)	-	-	-	47	(47)	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	0.62	(0.62)	-	-	-	0.62	(0.62)	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

₹ crore

Type of Restructuring	Under CDR Mechanism				Others				Total					
	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total	
6	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	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	(79)	54	25	-	-	(79)	54	25	-	-
	Amount outstanding Restructured facility only	-	-	-	(1.29)	(26.20)	27.49	-	-	(1.29)	(26.20)	27.49	-	-
	Amount outstanding other facility	-	-	-	-	(3.75)	3.75	-	-	-	(3.75)	3.75	-	-
	Provision thereon	-	-	-	(0.56)	(10.63)	11.19	-	-	(0.56)	(10.63)	11.19	-	-
7	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	(79)	54	25	-	-	(79)	54	25	-	-
	Amount outstanding Restructured facility only	-	-	-	(1.29)	(26.20)	27.49	-	-	(1.29)	(26.20)	27.49	-	-
	Amount outstanding other facility	-	-	-	-	(3.75)	3.75	-	-	-	(3.75)	3.75	-	-
	Provision thereon	-	-	-	(0.56)	(10.63)	11.19	-	-	(0.56)	(10.63)	11.19	-	-
8	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	83.00	-	-	-	83.00	-	-	83.00
	Amount outstanding Restructured facility only	-	-	-	-	-	(2.83)	-	-	-	(2.83)	-	-	(2.83)
	Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	(2.76)	-	-	-	(2.76)	-	-	(2.76)
9	Restructured Accounts as on March 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	4	-	4	1,200	123	50	-	1,373	1,200	123	54	-
	Amount outstanding Restructured facility only	-	556.93	-	556.93	1,720.00	42.81	409.45	-	2,172.26	1,720.00	42.81	966.38	-
	Amount outstanding other facility	-	18.84	-	18.84	361.28	-	213.15	-	574.43	361.28	-	231.98	-
	Provision thereon	-	533.72	-	533.72	158.40	5.62	309.79	-	473.81	158.40	5.62	843.51	-

Note: Asset classification is as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, as asset classification is not defined under Indian Accounting Standards.

50.16 Disclosures on Implementation of Indian Accounting Standards, in terms of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020
March 31, 2021

		₹ in crore				
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2021	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2021	Net Carrying Amount as on March 31, 2021	Provisions required as per IRACP norms as on 31, 2021	Difference between Ind AS 109 provisions and IRACP norms as on 31, 2021
Performing Assets						
Standard	Stage1	71,379.55	1,158.03	70,221.52	285.81	872.22
	Stage2	7,249.94	421.56	6,828.38	134.56	287.00
Subtotal of Performing Assets		78,629.49	1,579.59	77,049.90	420.37	1,159.22
Non-Performing Assets (NPA)						
Substandard	Stage3	1,552.51	990.50	562.01	145.74	844.76
Doubtful - up to 1 year	Stage3	639.60	293.59	346.01	111.50	182.09
1 to 3 years	Stage3	2,264.89	1,691.27	573.62	1,171.28	519.99
More than 3 years	Stage3	908.65	823.40	85.25	567.21	256.19
Subtotal of Non-Performing Assets		5,365.65	3,798.76	1,566.89	1,995.73	1,803.03
Loss	Stage3	-	-	-	-	-
Subtotal		83,995.14	5,378.35	78,616.79	2,416.10	2,962.25
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base exposure	Stage1	284.17	1.31	282.86	-	1.31
	Stage2	-	-	-	-	-
	Stage3	56.00	21.84	34.16	-	21.84
Subtotal		340.17	23.15	317.02	-	23.15
Total	Stage 1	71,663.72	1,159.34	70,504.38	285.81	873.53
	Stage 2	7,249.94	421.56	6,828.38	134.56	287.00
	Stage 3	5,421.65	3,820.60	1,601.05	1,995.73	1,824.87
	Total	84,335.31	5,401.50	78,933.81	2,416.10	2,985.40

Footnote: As per para 2(b) of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, Where impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. However total Ind AS 109 impairment allowance is higher by ₹ 2985.40 crore as compare to IRACP, hence appropriation to impairment reserve is not required.

Notes forming part of the financial statements for the year ended March 31, 2021

March 31, 2020

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount per Ind AS as on March 31, 2020	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2020	Net Carrying Amount as on March 31, 2020	Provisions required as per IRACP norms as on March 31, 2020	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2020
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage1	41,027.94	554.41	40,473.53	247.67	306.74
	Stage2	2,433.61	177.80	2,255.81	42.39	135.41
Subtotal of Performing Assets		43,461.55	732.21	42,729.34	290.06	442.15
Non-Performing Assets (NPA)						
Substandard	Stage3	2,124.52	1,132.31	992.21	283.05	849.26
Doubtful - up to 1 year	Stage3	291.33	211.79	79.54	156.18	55.61
1 to 3 years	Stage3	504.84	412.85	91.99	328.33	84.52
More than 3 years	Stage3	70.43	69.18	1.25	51.60	17.58
Subtotal of Non-Performing Assets		2,991.12	1,826.13	1,164.99	819.16	1,006.97
Loss	Stage3	-	-	-	-	-
Subtotal		46,452.67	2,558.34	43,894.33	1,109.22	1,449.12
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base exposure	Stage1	842.32	3.11	839.21	-	3.11
	Stage2	-	-	-	-	-
	Stage3	-	-	-	-	-
Subtotal		842.32	3.11	839.21	-	3.11
Total	Stage1	41,870.26	557.52	41,312.74	247.67	309.85
	Stage2	2,433.61	177.80	2,255.81	42.39	135.41
	Stage3	2,991.12	1,826.13	1,164.99	819.16	1,006.97
	Total	47,294.99	2,561.45	44,733.54	1,109.22	1,452.23

Notes forming part of the financial statements for the year ended March 31, 2021

50.17

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liabilities Side:

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

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures :				
- Secured	31,380.80	-	14,062.08	-
- Unsecured (Other than falling within the meaning of Public Deposits)*	3,501.59	-	1,141.75	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	18,818.59	-	13,748.49	-
(d) Inter-Corporate Loans and borrowings	1,075.53	-	887.37	-
(e) Commercial Paper (Net off unexpired discounting charges)	5,849.68	-	2,419.79	-
(f) Public Deposits	-	-	-	-
(g) Other Loans				
i) Foreign Currency Loan	99.81	-	-	-
ii) External commercial borrowings	3,989.00	-	2,874.92	-
iii) Bank Overdraft, Cash credit & Working Capital Demand Loan	14,675.18	-	8,118.05	-
iv) Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	-	-	-	-

* Refer footnote 1 below

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

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	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 forming part of the financial statements for the year ended March 31, 2021

Assets Side:

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

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
(a) Secured (net of provision)	65,295.42	30,730.03
(b) Unsecured (net of provision)	13,298.22	13,161.19

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

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease (net of provision)	-	-
(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	-	-

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

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	97.91	2.05
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
2 Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	0.68	0.68
(ii) Debentures and Bonds	610.03	858.90
(iii) Units of Mutual Funds	400.07	5.02
(iv) Government Securities	1,466.66	-
(v) Investment in Units/Pass Through Certificates	0.94	7.09
Long Term Investments		
1 Quoted		
(i) Shares :		
(a) Equity	-	31.61
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	814.24	176.50
(b) Preference	-	-
(ii) Debentures and Bonds	619.85	338.46
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others :		
(a) Security receipts	4,114.87	1,555.62
(b) Investment in Units/Pass Through Certificates/Venture Capital Fund	301.76	101.52

Notes forming part of the financial statements for the year ended March 31, 2021

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

₹ in crore

Category	As at March 31, 2021		As at March 31, 2019	
	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	-	-	-	-
2 Other than related parties	65,295.42	13,298.22	30,730.03	13,161.19
Total	65,295.42	13,298.22	30,730.03	13,161.19

** As per Indian Accounting Standard issued by MCA (Please see footnote 3)

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

₹ in crore

Category	As at March 31, 2021		As at March 31, 2020	
	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	723.76	723.76	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	176.50	176.50
2 Other than related parties	8,105.10	7,703.25	3,151.54	2,900.95
Total	8,828.86	8,427.01	3,328.04	3,077.45

** As per Indian Accounting Standard issued by MCA (Please see footnote 3)

8. Other Information

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Gross Non-Performing Assets	5,365.65	2,991.12
(a) Related parties	-	-
(b) Other than related parties	5,365.65	2,991.12
(ii) Net Non-Performing Assets	1,545.05	1,164.99
(a) Related parties	-	-
(b) Other than related parties	1,545.05	1,164.99
(iii) Assets acquired in satisfaction of debt (Gross)	1,581.97	102.40

Footnotes:

- As defined in point xxvii of paragraph 3 of Chapter -II of these Directions.
- Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
- All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

Notes forming part of the financial statements for the year ended March 31, 2021

51 Reversal of interest accrued during the period of Moratorium:

As required by the Reserve Bank of India (RBI) vide its circular number RBI/2021-22/17 dated April 7, 2021, the Board of Directors of the Company has approved a policy to refund / adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the Judgement of the Hon. Supreme Court of India in the case of 'Small Scale Industrial Manufacturers Association vs Union of India & Others'. Based on the methodology for calculation of the amount to be refunded / adjusted, as advised by the Indian Banks Association (IBA), the Company has reversed such interest-on-interest income charged to the customer, that it had accrued during the aforesaid period.

52 Estimation uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial statement. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets. The extent to which the second wave of the COVID19 pandemic, that has significantly increased the number of cases in India, will have an impact on the Company's results and operations, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.

53 Previous year figures have been regrouped/reclassified whenever necessary, to make them comparable with the current year figures.

54 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 28, 2021.

For and on behalf of board of directors of

L&T Finance Limited

Dinanath Dubhashi

Chairperson

DIN : 03545900

Sanjay Wadhwa

Head Accounts

Chief Financial Officer

Apurva Rathod

Company Secretary

Place : Mumbai

Date : April 28, 2020