ANNUAL REPORT 2022-23

L&T FINANCE LIMITED

L&T Finance Limited

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Thirtieth Annual Report ("Report") together with the audited financial statements for the financial year ("FY") ended March 31, 2023.

FINANCIAL HIGHLIGHTS

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

(₹ in Cr)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Total Income	12,596.07	11,445.13
Less: Total Expenses	(10,582.24)	(10,353.26)
Profit before exceptional items and tax	**2,013.83**	**1,091.87**
Exceptional items	(2,450.17)	-
Profit / (loss) before tax	**(436.34)**	**1,091.87**
Less: Provision for tax	(68.69)	(283.89)
Profit / (loss) after tax	**(505.03)**	**807.98**
Profit for the year carried to the balance sheet	**(505.03)**	**807.98**
Add: Balance brought forward from previous year (Deficit) / Surplus	**134.62**	**(473.25)**
Add: Other Comprehensive Income net of Income tax	(1.06)	1.49
Appropriations		
Less: Transferred to Special Reserve u/s 45-IC of RBI Act, 1934	-	161.60
Less: Dividend paid (including dividend distribution tax)	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	61.00	40.00
Less: Unamortised write down on Investment	**-**	**-**
Less: Fair value changes of equity instruments measured at fair value through other comprehensive income	-	-
Surplus / (deficit) in the Statement of Profit and Loss	(432.47)	134.62

FINANCIAL PERFORMANCE OF THE COMPANY

The Company undertook change in business model in accordance with accounting standards (IND-AS) resulting in adjustment in the value of the wholesale portfolio arising on account of fair valuation which was disclosed as an exceptional item in the financial statements for the FY under review.

In light of the above, the Company has reported loss after exceptional items for the full FY23. However, the Company has generated operating profits excluding the exceptional item for FY23. Considering the growth plan of the Company and in order to achieve the Lakshya 2026 targets, the Company had raised equity on a rights basis and further capital of ₹ 1,980 Cr had been infused by the holding company to bridge the negative impact on the capital during the year under review.

The three established businesses of the Company i.e.; tractors finance, two wheelers finance and rural business finance are doing well and gaining good market share. Further, the other businesses like consumer loans, SME loans and housing finance are also growing. While the businesses of the Company are doing well, overall industry is also gaining speed towards growth after recovering from Covid pandemic. Therefore, the Company is hopeful of having good growth going forward.

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

- Income from operations as at March 31, 2023 was ₹ 12,069.34 Cr and as at March 31, 2022 was ₹ 11,057.58 Cr. Total income as at March 31, 2023 was ₹ 12,596.07 Cr and as at March 31, 2022 ₹ 11,445.13 Cr.
- Net loan book size reduced from 77,529.06 Cr as at March 31, 2022 to ₹ 70,960.60 Cr as at March 31, 2023.
- Profit before Tax was ₹ 1,091.87 Cr in FY22 and Company had a Loss before Tax of ₹ 436.34 Cr in FY23 due to the reasons stated above.
- Profit after Tax was ₹ 807.98 Cr in FY22 and Company had a Loss after Tax of ₹ 505.03 Cr in FY23 due to the reasons stated above.
- Net worth of the Company as on March 31, 2023 was ₹ 17,387.50 Cr vis-à-vis ₹ 15,876.71 Cr as on March 31, 2022.

APPROPRIATIONS

During the year under review, the Company has transferred ₹ 4.01 Cr to General Reserve from Debenture Redemption Reserve. The Company transferred Nil amount during the year under review and ₹ 161.60 Cr in the previous year to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 and ₹ 61.00 Cr (previous year ₹ 40.00 Cr) to Special Reserve created under Section 36(1) (viii) of Income-tax Act, 1961.

DIVIDEND

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

COST RECORDS

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

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

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

Pursuant to the proposed merger, the sponsor of L&T Infra Investment Partners Fund ("AIF Fund") will change from the Company to LTFH. i.e., the holding company and consequently, the complete shareholding of L&T Infra Investment Partners Advisory Limited, the asset manager and L&T Infra Investment Partners Trustee Limited, the trustee will shift from the Company to LTFH as the surviving merged entity.

For more information on the state of affairs of the Company, please refer the Management Discussion and Analysis section.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

CREDIT RATING

During the period under review, CRISIL Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE"), India Ratings and Research Private Limited ("India Ratings") and ICRA Limited ("ICRA") had reviewed and reaffirmed ratings on various debt instruments of the Company as stated below:

Instrument Type	CARE	ICRA	CRISIL	India Ratings
Non-Convertible Debentures	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Non-Convertible Debentures (Public Issue)	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Long-Term rating of bank facilities	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Subordinate Debt	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Principal Protected Market Linked Debentures	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)	-	IND PP-MLD AAA (Stable)

Instrument Type	CARE	ICRA	CRISIL	India Ratings
Perpetual Debt	CARE AA+ (Stable)	ICRA AA+ (Stable)	-	-
Commercial Paper	CARE A1+	ICRA A1+	CRISIL A1+	-

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

FUND RAISING

During the year under review, the Company met its funding requirements through equity infusion by issuance of equity shares on a right basis and through borrowings by issuance of NCDs, CPs, Inter Corporate Borrowings, TREPS and borrowings from banks (in form of term loans & working capital lines).

During the year under review, the Company has allotted 18,00,00,000 (Eighteen Crore) equity shares of ₹ 10 each at a premium of ₹ 100 per share (total consideration of ₹ 110 per share) aggregating to ₹ 19,80,00,00,000 (Rupees One Thousand Nine Hundred and Eighty Crore Only) to LTFH, on a rights basis.

Further, during the year under review, the net borrowings have increased by ₹ 1,729.53 Cr as at March 31, 2023 as compared to the previous year where it was decreased by ₹ 1,070.57 Cr as at March 31, 2022. The aggregate debt outstanding as on March 31, 2023 was ₹ 80,049.14 Cr.

The disclosure with respect to the funds raised through Green bonds as prescribed by the Securities and Exchange Board of India ("SEBI") is available on the website of the Company at https://www.ltfs.com/lnt-finance

SHARE CAPITAL

Pursuant to the allotment of equity shares as stated earlier, the equity paid-up share capital of the Company was ₹ 2,864.17 Cr as at March 31, 2023 as compared to ₹ 2,684.17 Cr as at March 31, 2022.

As on March 31, 2023, the authorised share capital of the Company was ₹ 4,874.30 Cr divided into 4,87,43,09,610 equity shares of ₹ 10/- each and 12,00,000 Redeemable Cumulative Preference Shares of ₹ 100/- each.

INVESTMENT IN SUBSIDIARIES

During the year under review, the Company has infused capital worth ₹ 168.54 crores in LTICL, the subsidiary company.

FIXED DEPOSITS

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

DIRECTORS

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every Annual General Meeting ("AGM"), not less than two-third of the total number of directors of a public company (excluding 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. Sachinn Joshi (DIN: 00040876), 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 at https://www.ltfs.com/lnt-finance

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 Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section

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

Familiarization Programme

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

Fit and proper criteria & code of conduct

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

KEY MANAGERIAL PERSONNEL ("KMPs")

There was no change in the KMPs of the Company during the year under review. As at March 31, 2023, the Company had following KMPs

1) Mr. Sachinn Joshi – Whole-Time Director
2) Mr. Keshav Loyalka – Chief Financial Officer
3) Ms. Apurva Rathod – Company Secretary

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION/ COMPENSATION FOR DIRECTORS, SENIOR MANAGEMENT PERSONNEL, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

A) Background and objectives

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, requires the Nomination and Remuneration Committee ("NRC") to formulate a policy relating to remuneration of the Directors, Senior Management Personnel ("SMPs") / KMPs and other employees of the Company and recommend the same for approval of the Board.

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

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

In view of the aforesaid, the Board of Directors has, based on the recommendation of the NRC of the Company, approved the Policy which is available on the website of the Company at https://www.ltfs.com/lnt-finance

B) Brief framework of the Policy

The objective of this Policy is:

a) to guide the Board in relation to appointment and removal of Directors.
b) to formulate criteria for evaluation of Independent Directors and the Members of the Board.
c) to evaluate the performance of the Members of the Board including Independent Directors.
d) to determine criteria for payment of remuneration/ compensation to Directors, SMPs / KMPs and employees.
e) to recommend to the Board remuneration/ compensation payable to the Directors including SMPs, KMPs and employees, if required.
f) to ensure relationship of remuneration/ compensation to performance is clear and meets appropriate performance benchmarks.

C) Appointment of Director(s) - Criteria Identification

The NRC identifies and ascertains the integrity, professional qualification, areas of expertise and experience of the person, who is proposed to be appointed as a director and appropriate recommendation is made to the Board with respect to his / her appointment to maintain balance, ensure effective functioning of the Board and ensure orderly succession planning.

The Committee ensures that atleast one of the Directors on the Board has relevant experience of having worked in a Bank / NBFC.

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

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

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

Appointment of Managing Director and Whole-Time Director is subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and Rules thereunder, RBI regulations, SEBI Listing Regulations and such other applicable regulations. A person cannot occupy the position as a Managing Director / Whole-Time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment is made earlier than one year before the expiry of term.

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

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

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

  a) Membership & Attendance – Committee and Board Meetings;

  b) Contribution during such meeting;

  c) Active participation in strategic decision making;

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

  e) Performance of the directors;

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

  g) Such other matters as the NRC / Board may determine from time to time.

- **Executive Directors**

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

- **SMPs / KMPs (other than Executive Director) / Employees**

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

  The HR Department of the Company is authorized to design the framework for evaluating the EDs / KMPs / SMPs / 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, SMPs / KMPs and other employees ensures that:

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

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

c) remuneration to Directors, SMPs 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.

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

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

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

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

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

Manner of Evaluation

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

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

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

c. Chairperson Evaluation:

Evaluation as done by the individual directors is collated and compilation is submitted to the Chairperson of the NRC and Chairperson of the NRC presents the feedback at the NRC Meeting and subsequently at the Board Meeting.

d. Whole-Time Director Evaluation:

Evaluation as done by the individual directors is submitted to the Chairperson of NRC and the Chairperson of NRC tables / discusses the compilation at the NRC / Board Meeting.

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance for the year under review, is forming part of the Annual Report and the same is prepared in accordance with SEBI Listing Regulations and other applicable regulations. The certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is appended to the Corporate Governance Report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder and RBI requirements, the Members at their Twenty Eighth AGM held on August 3, 2021, had appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (ICAI Registration No. 104607W/ LLP W100166) and M/s MSKA & Associates, Chartered Accountants (ICAI Registration No. 105047W) as the Joint Statutory Auditors of the Company for a term of three years i.e., from the conclusion of Twenty Eighth AGM till the conclusion of the Thirty First AGM.

AUDITORS' REPORT

The Auditors' Report to the Members for 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 M/s. Krupa Joisar & Associates, a firm of Practicing Company Secretaries (Membership No.: F11117; Certificate of Practice No.: 15263) to undertake the secretarial audit of the Company for FY23.

Further, in terms of regulatory requirements, M/s. Krupa Joisar & Associates has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI Listing Regulations and circulars / guidelines issued thereunder.

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

REPORTING OF FRAUDS BY AUDITORS

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

PARTICULARS OF EMPLOYEES

The information required 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 B** 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 information is available for inspection by the Members.

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 is in accordance with the requirements of the Act and SEBI Listing Regulations 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 are not fully applicable to its activities.

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

a. Conservation of Energy

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

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

- Electric car charging facilities in basement parking area.

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

- Corporate headquarters and 6 branches shifted to Renewable Energy;
- Solar panels incorporated for external lighting in office premises leading to improved air quality.

b. Technology Absorption:

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

c. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings (previous year also Nil). The expenditure in foreign currency was ₹ 72.41 Cr (previous year ₹ 65.94 Cr) for professional fees, license fees and finance cost.

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

The Company is a wholly-owned subsidiary of LTFH.

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 Credit Limited (formerly known as L&T Infra Debt Fund Limited) ("LTICL"), 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.

The Board of Directors has approved the policy for determining Material Subsidiaries. The details of the policy are available on the website of the Company at https://www.ltfs.com/lnt-finance

PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARY / ASSOCIATE AND JOINT VENTURE COMPANIES

The Company is a wholly-owned subsidiary of LTFH. As required under Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associates of the Company has been appended as **Annexure C** 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, 2023 and of the loss of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The IA function of L&T Finance monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee ("AC") of the Company from time to time.

BOARD MEETINGS

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

AUDIT COMMITTEE

The Company has constituted an AC in terms of the requirements of the Act, Regulation 18 of the SEBI Listing Regulations and RBI 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 & ESG Committee are provided in the Corporate Governance Report.

The Company has also formulated a policy with respect to its activities under CSR ("CSR Policy") in accordance with the requirements of the Act containing details specified therein, which is available on the website of the Company at https://www.ltfs.com/lnt-finance

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

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

During the year, the Company set-off the excess amount spent for FY22 (i.e. amount spent over and above the amount required to be spent on CSR) of ₹ 0.07 Cr against the eligible CSR budget of FY23.

During FY23, as approved, the Company had launched 3 new project(s) / program(s) of on-going nature under its flagship program – Digital Sakhi in the states of Karnataka and Kerala and allocated budget accordingly. This being the first year in the new geographies and both being different in nature, identification and training of Digital Sakhis at the grassroot level was a challenge leading to surplus amount of ₹ 1.40 Cr of the total CSR budget of ₹ 14.85 Cr remaining unspent at the end of the year.

In accordance with the provisions of Section 135 of the Act, the unspent amount of ₹ 1.40 Cr has been transferred by the Company into the "Unspent Corporate Social Responsibility CSR Account" on April 05, 2023 and said amount will be fully utilised in the coming year.

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

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

VIGIL MECHANISM

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

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

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

Details of loans given, investments made, guarantees given and security 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 the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the AC. In line with the requirements of the Act, RBI Regulations and the SEBI Listing Regulations, the Company has formulated the RPT Policy which is also available on the website of the Company at https://www.ltfs.com/lnt-finance. The Policy on Related Party Transactions intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

All transactions with related parties ("RPTs") irrespective of its materiality and any subsequent material modification to any existing RPTs are referred to the AC of the Company for prior approval.

The process of approval of RPTs by the AC, Board and Shareholders is as under:

a) Audit Committee:

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

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

RPTs to which the subsidiary of the Company is a party but the Company is not a party, would require prior approval of AC of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity with effect from April 1, 2023.

b) Board:

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

c) Shareholders:

All material RPTs and subsequent material modification thereof, require approval of the shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting.

Where any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board or approval by an ordinary resolution in the general meeting, it is required to be ratified by the Board or the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

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

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

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

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY23 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee ("RMC") in terms of the requirements of Regulation 21 of the SEBI Listing Regulations and RBI Regulations and also adopted a risk management policy. The details of the same are disclosed in the Corporate Governance Report.

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

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

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

During the year under review, the Company has not received any complaints as on March 31, 2023.

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 shall be hosted on the website of the Company at https://www.ltfs.com/lnt-finance

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

RBI REGULATIONS

RBI has notified the Scale Based Regulation: A Revised Regulatory Framework for NBFCs ("SBR Framework") which is effective October 01, 2022. The said SBR Framework classified NBFCs into base, middle, upper and top layer based on risk perception, size of operations and nature of activity. The top 10 NBFCs based on asset size and NBFCs specifically identified by RBI based on a set of parameters and scoring methodology would be identified as NBFC - Upper Layer ("NBFC - UL").

The Company has been classified as an NBFC - UL under the SBR Framework via press release dated September 30, 2022 released by RBI.

The Company has complied with 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 except as required in connection with the amalgamation stated earlier in this Report and as stated below:

The Company is in the process of obtaining Corporate Agency License under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 in order to enable the Company to distribute and solicit the policies offered by various insurance companies.

ACKNOWLEDGEMENT

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

We express our sincere gratitude to RBI, SEBI, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

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

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

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date : April 28, 2023

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
L&T 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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of, **as applicable**:

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

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

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

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

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable for the period under review)**

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable for the period under review)**

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

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

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable for the period under review)**

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **presently the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable for the period under review)**

(vi) Other specific business/industry related laws 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 with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.

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

- **Uniform Listing Agreement with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);**
- **Non-Convertible Debentures (NCD) listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);**

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

- ➢ Allotment of 18,00,00,000 (Eighteen Crore only) Equity shares of Rs.10/- (Rupees Ten) each aggregating to Rs. 19,80,00,00,000/- (Rupees One Thousand Nine Hundred Eighty Crores) on a rights basis by the Company
- ➢ Issuance of Secured Redeemable Non-Convertible Debentures ("NCDs") FY2022-23 of Series 'A' to Series 'S', aggregating to Rs. 5,364.30 Crores on a private placement basis by the Company;

(ii) Redemption/buy-back of securities–

- ➢ Redemption of NCDs during the FY2022-23 aggregating to Rs. 8,800.43 Crores, issued on a private placement basis.
- ➢ Redemption of NCDs (Public Issue) during the FY2022-23 aggregating to Rs. 1,829.37 Crores.

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

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

The Board at its Meetings held on January 13, 2023 has approved the proposal of the scheme of amalgamation of the Company ("LTF"/"Amalgamating Company1"), L&T Infra Credit Limited ("LTICL"/Amalgamating Company2) and L&T Mutual Fund Trustees Limited ("LTMFTL"/"Amalgamating Company3") with L&T Finance Holdings Limited ("LTFH"/Amalgamated Company") by way of merger by absorption pursuant to scheme of amalgamation and arrangement under the provisions of Sections 230 to 232 read with section 52 of the Companies Act, 2013 ("Act") and other regulatory requirements ("the scheme").

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

(vi) Any other Events –

- ➢ The Company has been identified as NBFC-UL ("NBFC-Upper Layer") pursuant to a press release dated September 30, 2022, for identification of NBFCs pursuant to Scale Based Regulations for NBFCs ("SBR Framework") effective from October 1, 2022.

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117E000141852

Place : Mumbai
Date : April 19, 2023

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

'Annexure 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) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117E000141852

Place : Mumbai
Date : April 19, 2023

ANNUAL REPORT 2022-23 - ANNEXURE ‘B’ 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

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="2">Disclosure</th></tr>
<tr><td>1</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.[(1)]</td><td colspan="2">161.7</td></tr>
<tr><td>2</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. [(1)]</td><td colspan="2">Whole-Time Director - 19%
Chief Financial Officer - 12%
Company Secretary - 18%</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year.</td><td colspan="2">7%</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company.</td><td colspan="2">27,485</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification[(2)] thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td>Employees other than managerial personnel</td><td>Managerial personnel</td></tr>
<tr><td>9%</td><td>16%</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per remuneration policy of the Company</td><td colspan="2">We affirm that the remuneration is as per the nomination and remuneration policy of the Company.</td></tr>
</table>

[(1)] For the purpose of determining the ratio of remuneration and percentage increase in remuneration of Directors as stipulated in Sr. No. 1 & 2 above, only remuneration of Whole-Time Director is considered.

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

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date : April 28, 2023

ANNUAL REPORT 2022-23 - ANNEXURE 'C' 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 Private Limited**	**L&T Infra Investment Partners Trustee Private Limited**	**L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)**
Financial year ending on	March 31, 2023		
Currency			
Exchange rate on the last day of financial year	-	-	-
Date of acquisition	-	-	-
Share capital	5.00	0.10	571.63
Reserves & surplus	20.17	(0.01)	839.71
Total Assets	25.46	0.10	6,762.68
Total Liabilities	0.29	0.01	5,351.34
Investments	21.25	-	558.63
Turnover	6.97	0.03	685.47
Profit/(Loss) before taxation	4.87	0.01	(181.33)
Provision for taxation {expenses/ (income)}	1.23	0.00	(34.41)
Profit/(Loss) after taxation	3.65	0.01	(147.02)
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

Name of Associates	Grameen Capital India Private Limited
1. Latest audited Balance Sheet Date	March 31, 2022
2. Date on which the Associate or Joint Venture was associated or acquired	-
3. Shares of associates held by the Company as at March 31, 2023	-
Number of Shares	2,126,000
Amount of equity investment in Associate (₹ in Cr)	2.13
Amount of preference investment in Associate (₹ in Cr)	3.87
Extend of Holding %	26.00%
4. Description of significant influence	No significant influence as per IndAS 28
5. Reason of non consolidation of the associate	No significant influence as per IndAS 28
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet (₹ in Cr)	No significant influence as per IndAS 28
7. Profit/ Loss for the year 2021-22	
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 Board of Directors
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN: 03545900)

Keshav Loyalka
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2023

ANNUAL REPORT 2022-23 - ANNEXURE 'D' TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

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

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

1) Brief outline on CSR policy of the Company

CSR Vision:

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

CSR Mission:

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

Commitment:

Our focus is on creating value for rural indigent communities which desire a secure future. Our social responsibility theme and commitment is in line with the United Nation's global development agenda of Sustainable Development Goals (SDGs) particularly, 'No Poverty' (SDG 1), 'Gender Equality' (SDG 5), 'Reduced Inequalities' (SDG 10), 'Sustainable Cities and Communities' (SDG 11), 'Climate Action' (SDG 13), 'Life on Land' (SDG 15) and 'Partnership for the goals' (SDG 17).

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

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

CSR Approach:

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

Monitoring:

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

2) Composition of CSR and ESG Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1	Rajani R. Gupte	Independent Director and Chairperson of the Committee	1	1
2	Nishi Vasudeva	Independent Director	1	1
3	Sachinn Joshi	Whole-Time Director	1	1

3) Web-link where composition of CSR & ESG Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company –

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

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

A. Digital Sakhi Project

The Digital Sakhi program by L&T Finance has had a significant impact on the financial inclusion of rural women in Pune, Osmanabad and Solapur which was implemented from FY18 to FY21. The program has provided training to rural women on Digital Financial Literacy (DFL), leadership and technology, which has enabled them to impart DFL training to people in their communities.

The social impact assessment study conducted by CRISIL Limited in FY23 revealed that 92.31% of the Digital Sakhis who had no sources of income (homemakers) have been able to secure income generating opportunities. This indicates that the program has helped women in rural areas to become financially independent.

The study also found that 100% of the Sakhis have adopted digital payment methods, and approximately 62% of them have started using digital payment methods only after the training. This highlights the success of the program in promoting digital financial inclusion among rural women.

Another important finding is that 100% of Women Entrepreneurs are contributing to family income, and 97% of them are currently using digital modes of payment for their enterprise specific transactions. This indicates that the program has not only helped women to become financially independent but also enabled them to contribute to their family income and improve their business transactions.

Moreover, the study found that 84% of community members have used some form of digital payment, and 99% of them are confident in the usage of digital payment methods. This indicates that the program has not only impacted the Digital Sakhis and Women Entrepreneurs but also their communities at large.

Overall, the program has had a positive impact on the financial inclusion of rural women, increased their involvement in the process of making financial decisions, and enhanced household level savings and financial planning. By choosing to make financial decisions collectively, families have been able to reduce gender disparities within their households. The program addressed one of the important Sustainable Development Goal (SDG) 5 – Gender Equality which is also commendable as it has helped empower women in rural areas.

Please refer to the following link to access the detailed impact assessment report; https://www.ltfs.com/csr

B. Jalvaibhav Project

The Jal Vaibhav program of L&T Finance Limited has had a significant positive impact on the marginalized farmers in drought-prone areas in terms of enhancing their capacity to adapt to climate-related hazards and build resilience. The project was implemented from FY19-FY21 across Latur, Osmanabad, Solapur, Aurangabad, Buldana & Jalna.

According to the social impact assessment study conducted by CRISIL Limited in FY 23, the program has led to a significant change in the farming practices adopted by the villages, with approximately 84% of farmers transitioning to modern farming techniques.

Furthermore, the study found that the adoption of micro-irrigation methods has increased significantly among the respondents, with 80% of them following these methods in their farms post-training. The impact of water harvesting structures on increasing the groundwater level was also found to be significant, with 73% of respondents finding them impactful in increasing groundwater levels, resulting in an increase in crop production and revenue for the farmers.

The study also found that the farmer's income has increased due to the provision of knowledge on contemporary farming practices that are resilient to climate change, including seed treatment, soil testing, pest management, and water management. The increase in income was observed across different segments, particularly among the larger ones, indicating that the increase was more significant among the segments with a higher magnitude.

Overall, the Jal Vaibhav program has proven to be successful in enhancing the resilience of marginalized farmers in drought-prone areas, with a significant positive impact on their farming practices and income.

Please refer to the following link to access the detailed impact assessment report; https://www.ltfs.com/csr

5) a) **Average net profit of the company as per Section 135(5):** ₹ 7,46,02,00,000

b) **Two percent of average net profit of the company as per Section 135(5):** ₹ 14,92,04,000

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

d) **Amount required to be set off for the financial year, if any:** ₹ 7,21,219

e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 14,84,82,781

6) a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 12,63,33,495

b) **Amount spent in Administrative Overheads –** ₹ 64,02,225

c) **Amount spent on Impact Assessment, if applicable –** ₹ 17,11,000

d) **Total amount spent for the Financial Year (8a+8b+8c) –** ₹ 13,44,46,720

e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,44,46,720	1,40,36,061	April 5, 2023	-	-	-

Note: The total amount spent includes the set off for the financial year and the surplus (bank interest) arising out of the CSR projects.

f) Excess amount for set off, if any –

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per Section 135(5)	14,92,04,000
ii.	Total amount spent for the Financial Year	13,44,46,720
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY20	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
2	FY21	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
3	FY22	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
	TOTAL	**Nil**	**Nil**	**Nil**	**Nil**	**N.A.**	**Nil**	**Nil**

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ **Yes** ● **No**

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

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

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

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

9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:

New project(s) / program(s) of on-going nature were identified and launched during the FY in new states and both the states had different challenges, on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

Rajani R. Gupte
Chairperson
CSR and ESG Committee
DIN: 03172965

Sachinn Joshi
Whole-Time Director
DIN: 00040876

Place : Mumbai
Date : April 28, 2023

CORPORATE GOVERNANCE REPORT

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

A. L&T Finance Limited ("the Company") - Philosophy on Corporate Governance

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

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

The Board continuously evaluate and refine the governance practices to ensure that they align with best practices and evolving expectations. The requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") mandated by the Securities and Exchange Board of India ("SEBI") have been fully complied with. A report on compliance with the SEBI Listing Regulations as prescribed by SEBI is given below.

B. Board of Directors

The Board of Directors plays a crucial role in providing strategic guidance and help build governance structure to drive the overall success and growth of the Company. Comprising a diverse group of highly experienced professionals, the Board brings together a wealth of knowledge, expertise, and industry insights.

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

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

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

1. Composition of Board:

The composition of Board is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. As on the date of this Report, the Board consists of seven Directors comprising four Independent Directors (including two Women Independent Directors), two Non-Executive Directors and one Whole-Time Director. Mr. Dinanath Dubhashi (DIN: 03545900) is the Non-Executive Director and Chairperson of the Company. The Board consists of eminent personalities from diverse fields: private sector / public sector, social sector / commercial sector, banking / non-banking sector. During the year under review, there has been no change in the Board composition of the Company.

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

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

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

2. Board Procedure:

The Board meets at regular intervals and the Board meetings (including Committee meetings) serve as a forum for Board/ Committee members to come together and deliberate on critical matters related to the organization's strategy, operations, financial performance, and governance. These meetings of the Company as well as its subsidiaries are held at regular intervals, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

However, in case of a special and urgent business need, separate special Board / Committee meetings are held or the approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent meeting.

The Company Secretary approaches various business / department heads in advance with regard to matters requiring the approval of the Board / Committees to enable inclusion of the same in the agenda for the Board / Committee meetings. The Board members receive detailed agendas including relevant materials, such as reports, financial statements, and other necessary documents, well in advance of the meetings enabling them to review and prepare for discussions. During the meeting, the board engages in structured discussions, allowing each member to share insights, ask questions, and express their viewpoints.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is placed at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of Directors. Senior management personnel is invited to the Board / Committee meeting(s) to provide additional inputs for the items being discussed by the Board / Committee(s). The Board members interact with the Senior Management (including Chief Executives) of the various operating companies within LTF frequently at the Board Meetings.

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

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

Pursuant to section 173 of the Act, some of the Board / Committee meetings in FY23 were held through video conferencing. The credentials for joining the meetings through video conference were shared with the Directors along with the notice of the meeting. Necessary infrastructural support was provided to the Directors, to ensure seamless attendance in all meetings. The proceedings of the meetings are recorded and stored in accordance with the requirements of the Act.

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

3. Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the Independent Directors of the Company met on April 26, 2022.

4. Meetings & Attendance:

During the financial year ended March 31, 2023, 6 (six) Board meetings were held on April 29, 2022, July 19, 2022, October 20, 2022, January 05, 2023, January 13, 2023 and March 17, 2023. The meetings of the Board are generally held at 2nd Floor, 2A Board Room, Landmark Building, A Wing, off Andheri Kurla Road, near Western Express Highway Metro, Andheri East, Mumbai – 400093, Maharashtra, India, or through electronic mode (i.e., video conference).

The details of attendance of the members of the Board at the meetings held during the year and at the last AGM and also the number of other Directorships and Memberships / Chairpersonships of Committees held by them as on March 31, 2023 are as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held / conducted during the tenure of Director / year	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other companies(1)	No. of Committee Memberships / Chairpersonships (including in Company) (2)		No. of Independent Directorships (including in Company) (3)
							Member	Chairperson	
Dinanath Dubhashi	03545900	C-NED	6	6	Present	3	1	-	-
P. V. Bhide	03304262	ID	6	6	Absent	7	7	2	4
Thomas Mathew T.	00130282	ID	6	6	Absent	4	3	-	1
Nishi Vasudeva	03016991	ID	6	6	Present	5	4	1	2
Rajani R. Gupte	03172965	ID	6	5	Absent	3	3	2	1
Rishi Mandawat	07639602	NED	6	3	Absent	4	2	-	-
Sachinn Joshi	00040876	WTD	6	6	Present	3	-	-	-

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

Notes:

(1) Excludes Directorship in foreign company and Section - 8 company

(2) Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company and excludes memberships in high value debt listed entities

(3) Only equity listed companies are considered

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

Name of the Director	Name of the listed entity [1]	Nature of Directorship
Dinanath Dubhashi	L&T Finance Holdings Limited	Managing Director & CEO
P. V. Bhide	L&T Finance Holdings Limited	Independent Director
	NOCIL Limited	Independent Director
	Glaxosmithkline Pharmaceuticals Limited	Independent Director
	Borosil Renewables Limited	Independent Director
Thomas Mathew T.	L&T Finance Holdings Limited	Independent Director
Nishi Vasudeva	Hitachi Energy India Limited	Independent Director
	HCL Technologies Limited	Independent Director
Rajani R Gupte	L&T Finance Holdings Limited	Independent Director
Rishi Mandawat	360 One Wam Limited	Nominee Director
Sachinn Joshi	-	-

[1] Only equity listed companies are considered

5. Information to the Board:

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

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries;
- Quarterly results and results of operations of subsidiaries;
- Minutes of the meetings of the Board of Directors and Committees of the Board;
- Minutes of the Board meetings of subsidiaries;
- Details of potential acquisitions or collaboration agreement, if any;
- Material default, if any, in the financial obligations to and by the Company or substantial nonpayment;
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company;
- Developments in respect of human resources;
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any.

6. Post-meeting internal communication system:

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

7. Board-skills / expertise / competencies:

The core skills / expertise / competencies identified by the Board pursuant to Schedule V of the SEBI Listing Regulations and available with the Board.

Name of the Director	Designation	Expertise										Experience
Dinanath Dubhashi	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 32 years
P. V. Bhide	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓		✓	> 42 years
Thomas Mathew T.	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 42 years
Nishi Vasudeva	Independent Director	✓			✓	✓	✓	✓	✓	✓	✓	> 41 years
Rajani R. Gupte	Independent Director	✓			✓	✓	✓	✓		✓	✓	> 42 years
Rishi Mandawat	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 19 years
Sachinn Joshi	Whole-Time Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 28 years

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

8. Performance Evaluation:

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

9. Succession Planning:

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

10. Familiarization programme:

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

Your Company provides its directors with training opportunities related to its business, both during the induction process and periodically (including during Board Meetings). The Board conducts a dedicated meeting annually to discuss the strategy and budget of the Company and its subsidiaries. The Board members hold meetings to exchange perspectives and insights, enabling the senior management to benefit from the Directors' experience and enhance your Company's operations. During FY23, 100% of the Board of Directors has undergone dedicated training on ESG and Info Sec, the emerging topics in the current scenario.

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

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

11. Confirmation of Independent Directors:

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

C. Board Committees

Board level committees are essential for effective governance and efficient decision making within a Company. Board level committees provide a structured approach to address specific areas of operations, governance, allowing Board Members to focus on other issues in more depth. By delegating certain responsibilities to committees, the Board can leverage the expertise and specialized knowledge of committee members, leading to better informed decisions. Establishing Board level committees also ensures a checks and balances system within the Company, with committees independently reviewing and evaluating key aspects of operations and decision making. Overall, Board level committees enhance governance practices, strengthen board effectiveness, and contribute to the long-term success of the Company. The Board is regularly briefed about the deliberations, including summary of discussions and minutes of the committee meetings. The business transacted by the committees of the Board is placed before the Board for noting / recommendation / approval as applicable.

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

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

1. Audit Committee ("AC")

Terms of reference:

The role of the AC includes the following:

- Recommending to the Board appointment, remuneration and terms of appointment of auditors of the company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Functioning of the Whistle-blower Mechanism / Vigil Mechanism of the Company;

- Full access to information contained in the records of the Company and external professional advice;
- Investigating any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- 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;
- Recommending appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- Discussion with the auditors periodically (including before the audit commences) on internal control systems, nature and scope of audit including observations of the auditors and post audit discussion to ascertain any area of concern, and review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;
- 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;
- Recommending on financial management including audit report which shall be binding on the Board;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Investigating 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;
- 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;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 Cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Carrying out any other function as is mentioned in the terms of reference of the audit Committee.

Composition:

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

Meetings and Attendance:

The AC met 4 (four) times during the financial year on April 28, 2022, July 14, 2022, October 19, 2022 and January 12, 2023. The details of attendance of the Members at the meetings are as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
P. V. Bhide	4	4
Thomas Mathew	4	4
Rajani R. Gupte	4	3
Dinanath Dubhashi	4	4

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

2. Nomination and Remuneration Committee ("NRC")

Terms of reference:

The role of the NRC includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulating 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;
- Recommending to the Board appointment of Chief Compliance Officer in compliance with RBI Regulations;
- Ensuring that:
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Ensuring 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. The process of due diligence should be undertaken at the time of initial appointment and also prior to reappointment;
- Based on the information provided in the declaration the Committee should decide on the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person/authority to ensure their compliance with the requirements indicated;
- 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;
- Focus on evaluating senior level employees their remuneration, promotion etc.
- Formulating of criteria for evaluation of performance of Independent Directors and the board of directors;
- Devise a policy on diversity of board of directors;
- Deciding on extension or continuation of the term of appointment of the Independent Director, on the basis of the report of

performance evaluation of Independent Directors;

- Recommending to the Board, all remuneration, in whatever form, payable to senior management.

Composition:

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

Meetings and Attendance:

The NRC met 4 (four) times during the financial year on April 26, 2022, April 28, 2023, October 19, 2022 and January 11, 2023. The details of attendance of the Members at the meetings are as follows:

The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Thomas Mathew T.	4	4
P. V. Bhide	4	4
Nishi Vasudeva	4	4
Dinanath Dubhashi	4	4

Remuneration Policy:

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

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

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

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

Details of remuneration paid to Directors for the financial year ended March 31, 2023:

a) Remuneration to Executive Director(s)

The details of remuneration paid to Mr. Sachinn Joshi (DIN: 00040876), Whole-Time Director are as follows:

(₹ in Cr)

Sr. No.	Name	Salary and Perquisites[1]	Variable Remuneration[2]	Retirement Benefits	Total
1	Sachinn Joshi	2.30	0.95	0.16	3.42

[1] Includes perquisite on ESOPs of holding company exercised during the year

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

- Notice period for termination of appointment of Whole-Time Director is three months on either side
- No severance pay is payable on termination of appointment
- No ESOPs were granted during the year and the ESOPs granted during earlier years pursuant to approval of the NRC will vest as per the approved vesting schedule

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

In the backdrop of growing complexities and increasing regulatory requirements, the NEDs have contributed significantly and given useful feedback from time to time. The commission payable / paid in respect of NEDs for the year is mentioned below. The commission paid is as per the limits approved by the Members, subject to the limit not exceeding 1% p.a. of the net profits of the Company.

In addition to the commission, the Company pays sitting fees of ₹ 50,000 per Board and Independent Directors meeting, ₹ 50,000 per AC and NRC meeting and ₹ 30,000 per meeting for other Committee meetings.

The details of remuneration to the NEDs are as follows:

(₹ in Lakh)

Name of the Director	Sitting Fees for Board Meetings / Independent Director Meetings	Sitting fees for Committee Meetings	Commission[1]	Total
Dinanath Dubhashi [2]	-	-	-	-
P. V. Bhide	3.5	4.3	17.60	25.4
Thomas Mathew T.	3.5	4.0	12.40	19.9
Nishi Vasudeva	3.5	3.2	14.30	21.0
Rajani R Gupte	3.0	3.9	20.68	27.58
Rishi Mandawat	1.5	0.90	8.40	10.0

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

[2] Draws remuneration from LTFH

Details of shares / convertible instruments, if any, held by the NEDs as on March 31, 2023 are as follows:

Name of the Director	No. of Equity Shares	No. of Preference Shares
Dinanath Dubhashi	1[1]	-

[1] *Held Jointly with LTFH to comply with the requirements of the Act.*

3. **Corporate Social Responsibility ("CSR") and ESG Committee**

Terms of reference

The role of CSR and ESG Committee includes the following:

- Formulation of the CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board;
- Recommending 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
Rajani R Gupte	Chairperson	ID
Nishi Vasudeva	Member	ID
Sachinn Joshi	Member	WTD

Meetings and Attendance:

The Committee met once in the year on April 26, 2022 and all the members of the CSR & ESG Committee had attended the meeting.

4. **Stakeholders Relationship Committee ("SRC")**

Terms of reference:

The role of the SRC includes the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of

- various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Composition:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
P. V. Bhide	Member	ID
Sachinn Joshi	Member	WTD

Meetings and Attendance:

The Committee met once during the year on October 19, 2022 and all the members of the SRC had attended the meeting.

Details of Shareholders' requests / complaints:

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

Particulars	Opening	Received	Resolved	Pending
Complaints:				
SEBI / Stock Exchanges	Nil	105	105	Nil
Others	Nil	460	460	Nil
Total	**Nil**	**565**	**565**	**Nil**

In view of the guidance note issued by the stock exchanges, the investor complaints received from all sources were required to be considered and hence the due to change in the reporting logic, the investor compliants reported during the year under review were on a higher side as compared to the previous year.

The Board has delegated the powers to approve transfer / transmissions of physical shares and to remat of shares to a Share Transfer Committee comprising of three Senior Executives. Ms. Apurva Rathod, Company Secretary of the Company, is the Compliance Officer / Investor Relations Officer, who deals with matters pertaining to Shareholders' grievances.

5. Committee of Directors ("COD")

Terms of reference:

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

Composition:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
Rishi Mandawat	Member	NED
Sachinn Joshi	Member	WTD

Meetings and Attendance:

The Committee met once during the year on July 19, 2022 and all the members of the COD attended the meeting.

6. Asset Liability Management Committee ("ALCO")

Terms of reference:

The role of the ALCO includes the following:

- Monitoring market risk management systems, compliance with the asset-liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to the Balance Sheet and recommend the action needed to adhere to the Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/products, etc.;
- Reviewing the current interest rate outlook of the Company and deciding the future business strategy on this view; and

- Deciding on the source and mix of liabilities on sale of assets.

Composition:

Name of the Member	Designation in the Committee
Whole-Time Director	Chairperson
Non-Executive Director (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	Member
Mr. Vipul Chandra (Representative of L&T)	Member
Chief Risk Officer	Member
Chief Executive of respective businesses	Member
Head – Treasury & Investment	Member
Group Chief Economist	Member

Meeting details:

The Committee met 14 (Fourteen) times during the year on April 22, 2022, May 17, 2022, June 17, 2022, July 28, 2022, August 22, 2022, September 9, 2022, September 21, 2022, October 4, 2022, October 14, 2022, November 24, 2022, December 13, 2022, December 22, 2022, January 24, 2023 and February 17, 2023.

7. Risk Management Committee ("RMC")

Terms of reference:

The role of the RMC includes the following:

- Formulating a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once a year, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing of appointment, removal and terms of remuneration of the Chief Risk Officer;
- Such other functions as the Board may from time-to-time delegate to it with respect to the Risk Management function of the Company and the group or may be prescribed under law.

Composition:

Name of the Member	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi – (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	Chairperson	NED
Rajani R. Gupte	Member	ID
R. Govindan (Representative of L&T)	Member	-
Sachinn Joshi	Member	WTD
Rishi Mandawat (Nominee of Bain Capital)	Member	NED
Tushar Patankar (Chief Risk Officer)	Member	-

Meetings and Attendance:

The Committee met 4 (four) times during the year on June 29, 2022, September 27, 2022, December 23, 2022 and March 16, 2023.

The attendance of members at the meetings was as follows:

Details of the Member	No. of Meetings held / conducted during the tenure of the Member / Year	No. of Meetings attended
Dinanath Dubhashi	4	4
Rajani R. Gupte	4	4
R. Govindan (External)	4	4

Details of the Member	No. of Meetings held / conducted during the tenure of the Member / Year	No. of Meetings attended
Rishi Mandawat	4	3
Sachinn Joshi	4	4
Tushar Patankar	4	4

8. IT Strategy Committee ("ITC"):

Terms of Reference:

The role of ITC includes the following:

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

Composition:

Name of the Member	Designation in the Committee
Nishi Vasudeva	Chairperson
Rajani R. Gupte	Member
Dinanath Dubhashi, Non-Executive Director (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	Member
Whole-Time Director	Member
Chief Executive of respective businesses	Member
Chief Information Officer	Member
Chief Technology Officer	Member
Chief Risk Officer	Member
Chief Information Security Officer	Member

Meetings and Attendance:

The Committee met 4(four) times during the year on June 29, 2022, September 23, 2022, December 16, 2022 and March 23, 2023.

The attendance of members at the meetings was as follows:

Name of the Member	No. of Meetings held / conducted during the tenure of the Member / Year	No. of Meetings attended
Nishi Vasudeva	4	3
Rajani R. Gupte	4	3
Non-Executive Director (Managing Director and Chief Executive Officer, L&T Finance Holdings Limited)	4	4
Whole-Time Director	4	4
Chief Executive of respective businesses	4	4
Chief Information Officer	4	4
Chief Technology Officer	4	4
Chief Risk Officer	4	4
Chief Information Security Officer	4	4

C. Directors on Boards of Material Subsidiaries

There is no material subsidiary of the Company.

D. Other Information

1. Training of Directors:

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

2. **Information to Directors:**

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

3. **Statutory Auditors:**

Ms. Roshni R. Marfatia, Partner of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants and Ms. Srividya Vaidison, Partner of M/s. M S K A & Associates, Chartered Accountants, Joint Statutory Auditors of the Company has signed the Audit Report for FY23.

4. **Code of Conduct:**

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

To the Members of L&T Finance Limited

Sub: Compliance with Code of Conduct

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

Sachinn Joshi
(DIN: 00040876)
Whole-Time Director

Date: April 28, 2023
Place: Mumbai

5. **Vigil Mechanism Framework / Whistle-Blower Mechanism:**

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

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

During FY23, a total of 27 complaints were received through the whistle-blower mechanism, all of which were scrutinized and resolved in accordance with Vigil Mechanism Framework. There were no complaints with respect to any wrong doings that may have an adverse impact on the Company's image or financials of the Company.

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

6. **General Body Meetings:**

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

Year	Date	Time	Venue / Mode of conducting the meeting
2019-20	December 17, 2020	4:00 P.M.	Through Physical mode - Technopolis, 7th Floor, A Wing, Plot No.4, Block-BP, Sector - V, Salt Lake, Kolkata - 700 091[(1)].
	December 28, 2020 (Adjourned AGM)[(1)]	4:00 P.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM').
2020-21	August 3, 2021	3:00 P.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM').
2021-22	July 14, 2022	3:00 P.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM').

(1) *The Meeting was adjourned due to lack of requisite quorum as per the requirements under the Companies Act, 2013. The quorum was not present due to cancellation of most of the flights of the 5 shareholders travelling from Mumbai to Kolkata on account of continuing Covid–19 pandemic and the political unrest at Kolkata.*

The following special resolutions were passed by the Shareholders during the past three AGM:

Year	Date	Resolution
2019-20	December 28, 2020	Reaffirmation / Ratification of the Resolution for Issuance of Non-Convertible Debentures during FY21.
2020-21	August 3, 2021	-
2021-22	July 14, 2022	-

Other Disclosures:

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

  During the year, the Company has entered into a material related party transaction with L&T Infra Credit Limited (Subsidiary Company). The transaction was in the ordinary course of business and at arm's length basis in the interest of the Company and have no potential conflict with the interests of the Company. In terms of Regulation 23 of Listing Regulations, shareholder's approval for the said transaction was a legal improbability and hence the transaction was approved by the Board of Directors. Accordingly, as per SEBI Listing Regulations, the same is explained in the Corporate Governance Report filed with the stock exchanges during FY23.

  Apart from the aforesaid, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.

- Details of all related party transactions form a part of the Financial Statements as required under Ind AS-24 and the same forms part of the Annual Report.

- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time while preparing the Financial Statements.

- There were no instances of non-compliance on any matter relating to capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority except as follows.

  In accordance with SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020, a fine of Rs. 1,180 each by the Stock Exchanges (BSE and NSE) was levied vide letter dated December 10, 2021 as it was inadvertently missed out in submission of asset cover details along with the financials. The Company made the payment and necessary checks and controls were put in place to ensure full disclosure in the financial results.

- The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), as applicable and other applicable provisions of the SEBI Listing Regulations.

- The web link with respect to the policy for determining 'material subsidiaries' and policy on dealing with related party transactions are mentioned in the Board's Report.
- Commodity price risks and commodity hedging activities-Not applicable.
- The Company has also substantially complied with the discretionary requirements stipulated under Regulation 27 of the SEBI Listing Regulations.
- Provisions of Regulation 32(7A) of the SEBI Listing Regulations are not applicable to the Company.
- Ms. Krupa Joisar, Practicing Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report.
- During FY23, the total consolidated fees of ₹ 2.26 Cr (Including fees ₹ 0.65 Cr towards public issue of NCD) were paid to the Statutory Auditors (i.e. M/s Kalyaniwalla & Mistry LLP, Chartered Accountants and M/s. M S K A & Associates, Chartered Accountants).
- There was no complaints of sexual harassment of women at workplace received by the Company during FY23 and 1 complaint was received during FY22.
- The Board of Directors confirm that during the year, it has accepted all mandatory recommendations received from its committees.
- For disclosure pertaining to credit ratings, please refer the Board's Report.
- There were no loans and advances in the nature of loans to firms / companies in which directors are interested in.

Means of Communication:

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

General Shareholders' Information:

Annual General Meeting	**Thursday, August 03, 2023 at 03.00 p.m. through VC/OAVM**
Financial Year	April 1, 2022 to March 31, 2023.
Date of Book Closure	-
Dividend Payment	-
Listing on Stock Exchanges (Equity Shares)	-
Listing of Preference Shares	NA
Listing of Non-Convertible Debentures ("NCDs")	Secured/Unsecured, Redeemable, Non-Convertible Debentures issued by the Company on private placement basis / public issue till date are listed on National Stock Exchange of India Limited and BSE Limited.
Stock Code (Equity)	NA
Stock Code (Preference)	NA
Stock Code (NCDs)	As on March 31, 2023, the Company has 136 active ISINs listed on Stock Exchanges.
CIN	U65910WB1993FLC060810
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not applicable
Registrar and Share Transfer Agent("RTA")	**M/s. Link Intime India Private Limited** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

Distribution of Shareholding as on March 31, 2023:

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

Categories of the Shareholders as on March 31, 2023:

Category	No. of Shares	%
Promoters	2,86,41,72,360	100
Financial Institutions	-	0.00
Foreign Institutional Investors, Foreign Portfolio Investors & Alternate Investment Funds	-	0.00
Mutual Funds	-	0.00
Bodies Corporate	-	0.00
Directors & Relatives	-	0.00
Resident Individuals & Others	-	0.00
Banks	-	0.00
Non-Resident Indians	-	0.00
TOTAL	**2,86,41,72,360**	**100.00**

Dematerialization of Shares:

The Company's shares are not listed and traded on any stock exchange. However, the Company's equity share capital are dematerialized as on March 31, 2023 except the shares held by individual nominee shareholders. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity shares is INE027E01017.

Securities Dealing Code

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

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

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

Secretarial Audit

The Board of Directors of the Company at its meeting held on April 29, 2022 had appointed Ms. Krupa Joisar & Associates, Practicing Company Secretary as the Secretarial Auditor of the Company for FY23.

Debenture Trustee

The Debenture Trustee of the Company is:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: itsl@idbitrustee.com
Website: http://www.idbitrustee.com

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

Beacon Trusteeship Ltd
4C & D, Siddhivinayak Chambers,
Gandhi Nagar, Opp. MIG Cricket Club,
Bandra (East), Mumbai 400051
Tel +91 (0)22 26558759
E-mail: veena@beacontrustee.co.in
Website: www.beacontrustee.co.in

The Board of Directors
L&T Finance Limited

Certificate under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We have reviewed the consolidated financial statements read with the cash flow statement of L&T Finance Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:

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

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

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

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

d) We have indicated to the Auditors and the Audit Committee:

i. that there were no significant changes in internal controls over financial reporting during the period;

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

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

Yours sincerely,

Sachinn Joshi
Whole-Time Director
(DIN: 00040876)

Keshav Loyalka
Chief Financial Officer

Place: Mumbai
Date: April 28, 2023

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,
L&T FINANCE LIMITED

We have examined the following documents:

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

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

as received from the Directors of **L&T FINANCE LIMITED** (hereinafter referred to as 'the Company') to the Board of Directors of the Company for the Financial Year 2022-23 and Financial Year 2023-24, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Designation	Date of Appointment in the Company*	Date of Cessation in the Company*
1.	Mr. Dinanath Mohandas Dubhashi	03545900	Non-Executive Director	31/12/2012	-
2.	Mr. Sachinn Roopnarayan Joshi	00040876	Whole Time Director	08/10/2021	-
3.	Mr. Thomas Mathew Thumpeparambil	00130282	Independent Director	12/04/2021	-
4.	Ms. Nishi Vasudeva	03016991	Independent Director	12/04/2021	-
5.	Dr. Rajani Rajiv Gupte	03172965	Independent Director	20/03/2015	-
6.	Mr. Pradeep Vasudeo Bhide	03304262	Independent Director	18/03/2017	-
7.	Mr. Rishi Mandawat	07639602	Non-Executive Director	28/04/2019	-

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

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

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

For Krupa Joisar & Associates
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117E000142292
Place: Mumbai
Date: April 19,2023

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
L&T FINANCE LIMITED

We have examined the compliance of the conditions of Corporate Governance by **L&T FINANCE LIMITED** ('the Company') for the year ended on March 31, 2023, as stipulated and as applicable under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 or Regulation 62 as applicable and part C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

For **Krupa Joisar & Associates**
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117E000205366
Date: April 28, 2023
Place: Mumbai

MACRO-ECONOMIC REVIEW

In the face of a challenging global environment, those who are agile and adaptable can still find opportunities to succeed. Despite concerns over a potential slowdown in advanced economies, persistent inflation, and recent banking sector turmoil in the US and Europe, the potential for growth and success remains high for those who are willing to take calculated risks and pursue innovation. With a flexible and forward-thinking mindset, individuals and organisations can not only weather the current uncertainty but also emerge stronger and more resilient in the face of future challenges. Nevertheless, the Indian economy is better placed in this challenging environment than its peers. While the global economy is expected to slow down or even enter a recession in 2023, India has shown resilience and is emerging stronger than anticipated from the pandemic years. The economy has been steadily gaining momentum since the second quarter of the current financial year.

As per the provisional estimate of the National Statistical Office, the economy grew at a decent pace of 7.2% in FY23. This contrasts with the 9.1% growth in the previous fiscal year, which benefited from a favourable statistical base. With all major sectors being above the pre-pandemic level, the recovery from the pandemic shock has been fairly broad-based. During FY23, the Gross Value Added (GVA), a measure of aggregate supply, grew by 7%. Overall GVA growth has been driven by services (9.5%), agriculture & allied activities (4.0%) whereas the industrial sector (4.4%) posted deceleration amidst intensified input cost pressures from last year. Capital spending saw a sharp recovery, most driven by Government spending on infrastructure. Both private consumption and Government consumption grew at a slower rate than the previous year. While the growth in exports as well as imports has decelerated from last year, the growth in imports outpaced that of exports in FY23.

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

India recorded a Current Account Deficit (CAD) of 2.7% of Gross Domestic Product (GDP) in 9M-FY23 compared to 1.1% in 9M-FY22. This was on the back of a sharp increase in merchandise trade deficit. During FY23, the merchandise trade deficit of India widened to USD 266.78 Bn, 40% higher over the last year. Following aggressive rate hikes by the US Federal Reserve, risk-off sentiments were accentuated amongst foreign investors. Foreign Portfolio Investment (FPI) outflows from the Indian markets amounted to almost USD 5.5 Bn in FY23. As a result, the rupee depreciated by nearly 8% to ₹ 82.22 per dollar as of March 31, 2023, over March 2022 (₹ 75.81 per dollar). On the positive side, India maintained sufficient forex reserves at USD 578.5 Bn (March 31, 2023) to finance the CAD and intervene in the forex market to manage volatility in the rupee.

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

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

OUTLOOK FOR FY24

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

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

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

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

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

POSSIBLE THREATS

a. Global Risks

i. Global Slowdown

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

ii. High Global Debt

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

iii. Geopolitics

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

b. Domestic Risks

i. Possibility of El Nino

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

ii. Climate Risks

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

Key business initiatives achieved as part of lakshya 2026

I. Delivering Strong Performance by maintaining Market Leadership

Your Company continued to be amongst the leading financier in Farm Equipment Finance, Two-Wheeler Finance and Rural Group Loans & Micro Finance. New businesses viz. Consumer Loans and SME, further contributed to retail growth. Retail disbursements were up 69%, reaching an all-time high of ₹ 42,065 Cr resulting in book growth. The Retail book grew from ₹ 45,084 Cr to ₹ 61,053 Cr during the year under review. Wholesale book (includes defocused) reduced decisively from ₹ 43,257 Cr to ₹ 19,840 Cr resulting in a flat book on y-o-y basis. Thus, while the book remained flat, the composition of the underlying book and growth changed significantly, reflecting a commitment to delivering on the Lakshya strategy.

II. Fintech@Scale - PLANET App

Your Company launched Personalised Lending & Assisted NETworks (PLANET), a customer-facing app, in March 2022. The app has crossed over 3 million downloads in the first year of launch, expanding the digital footprint through D2C proposition. The app provides a bouquet of services ranging from providing servicing solutions to applying for a Consumer Loan as well as creating a Two-Wheeler and Farmer ecosystem. The app is being ramped up to create an end-to-end digital journey for the spectrum of products across both urban and rural customer landscapes.

III. Resilient and Prudent Asset Liability Management

The Liability franchise built by your Company enabled it to navigate the environment during Covid-19 and challenges continuing even today. While interest rates increased 250 bps during the year, a sound ALM strategy saw yearly WACC reducing by 4 bps for your Company. Your Company continued to leverage on PSL borrowings through which ₹ 8,756 Cr was raised during the year. A diversified borrowings profile and a change in portfolio mix to Retail is providing a hedge to increasing interest rates, thereby aiding healthy NIMs.

IV. Strong Balance Sheet

Your Company's strong risk management framework, use of data, and analytics helped in reducing retail GS3 from 3.82% in FY22 to 3.41% in FY23. The retail GS3 assets have a PCR of 80%. Further your Company carries additional provision of ₹ 1,171 Cr (Macro, enhanced and OTR provisions) corresponding to 1.99% of standard book.

Your Company is comfortably capitalised with a CRAR of 24.52% (Tier I at 22.10%) and carries a liquidity of ₹ 18,068 Cr to face any uncertainties arising out of the current macro situation.

Financial ratios

The company has incurred loss of ₹ 505.03 Cr as at March 31, 2023 against profit of ₹ 807.93 Cr as at March 31, 2022 on account of one time impact of change in business model in wholesale segment amounting to ₹ 2450.17 Cr which is presented as "Exceptional item" in Profit & Loss account for the year ended March 31, 2023.

OUR BUSINESSES

Your Company has granular digital & data analytics powered retail franchise pan-India, delivered through a network spanning 27,500+ employees, across 100+ cities / towns & ~2,00,000 villages with 28,000+ partner touch points. This in turn caters to the requirements of 2 Cr+ customer database through a suite of customer-focused products.

Our customer-focused Retail business comprises the following:

1. Farmer Finance (Farmer)
2. Rural Business Finance (Small Rural Entrepreneur)
3. Urban Finance (Urban Individual)
4. SME Finance (Urban Business)

The Wholesale business comprises Infrastructure Finance and Real Estate Finance.

RETAIL FINANCE

Farmer Finance

Farm Equipment Finance

Domestic tractor volumes grew by 12% on a y-o-y basis on the back of good monsoon, adequate reservoir levels, robust mandi arrivals of crops and record Rabi sowing. Around 9.4 lakhs tractors were sold during FY23. Retail demand across key geographies continued to be strong on the back of positive customer sentiments led by finance availability and better price realisation of both, Rabi & Kharif crops. Continual Government focus on the agriculture sector and favourable Minimum Support Prices (MSP) on crops has further led to a growth in tractor demand.

Owing to its strong OEM and dealer relationship, your Company continued to be a leading financier in the Farm Equipment lending industry and has achieved an important milestone of financing more than 1 lakh new tractors in a fiscal year. Your Company's core capability of a digitally enabled process through an employee-assisted app offers seamless analytics and AI-based customer onboarding experience and providing one of the best industry disbursement TAT of less than 24 hours. This, coupled with your Company's focus on addressing existing customers' additional financial needs, has resulted in farm loan disbursements growth by 25% y-o-y to ₹ 6,450 Cr. Thereby resulting in a y-o-y book size of ₹ 12,819 Cr, 13% y-o-y increase.

The double-digit book growth has been achieved while operating with well-established credit guardrails, thereby resulting in one of the industry best collection efficiencies which have been consistently above 90%. This has been augmented by analytics-led segmentation and prioritisation of the portfolio, leading to focused on-field & call centre allocation and timely collection efforts with the right intensity.

Rural Business Finance

Rural Group Loans & Micro Finance

FY23 for Rural Group Loans & Micro Finance Industry was characterised by resilience and healthy rebound in growth shown by the sector post covid induced disruption for last 2 years. On the back of healthy credit demand and improving portfolio quality, the industry's gross loan portfolio crossed ₹ 3.3 lakh Cr as on Mar'23 clocking 15%+ y-o-y growth with ~7.3 Cr unique customers.

Committed to the financial inclusion of unserved rural customer segments and backed by strong rural presence and digitally enabled processes, your Company was able to disburse ₹ 16,910 Cr to ~35 lakhs rural women customers for the current financial year. The Company's loan portfolio stood at ₹ 18,693 Cr as of FY23, recording a y-o-y growth of 41%.

The business growth strategy was led by focus on optimal geographical & product mix, resulting in expansion in targeted geographies & higher customer retention. Further, consistent refinement in process and controls through instant credit checks, reduced TATs, and straight through journeys, led to field force productivity enhancement and customer experience enrichment.

Your Company's collection-led business model along with strong risk management framework comprising Early Warning Signals (EWS) resulted in best-in-class portfolio quality with regular collection efficiency at 99.8%.

With this, your Company is focusing on diversifying its product suite to cater to the financial needs of the entire rural household in this segment. Your Company has identified few adjacent product opportunities like Rural LAP & Business loans which are expected to be launched in FY24.

Urban Finance:

Two-wheeler Finance:

The Indian two-wheeler industry (currently with market size of ~ ₹ 89,000 cr live book) has experienced a growth rate of 18% y-o-y. However, it is yet to reach the peak of pre-covid level. This trend suggests a healthy demand for two-wheelers in the market. The primary drivers of this growth have been the strong demand during the festive season, rising asset prices leading to an increase in finance penetration, an upsurge in demand for feature-rich premium models and the rising growth in the electric two- wheeler segment. This year too, motorcycles maintained their dominant share in the two-wheeler market versus mopeds/scooters.

Consumers are trending their preferences towards electric two-wheelers due to their favourable Total Cost of Ownership (TCO) compared to petrol counterparts. It is noteworthy that the low barrier to entry through imports has attracted many new brands and players into the market. On the consumer end, the top three consideration factors for purchasing an electric vehicle are features, running costs, and price. Environmental concerns and performance follow closely as secondary factors.

Going forward, growth of the two-wheeler industry is likely to be influenced pertinently by how the electric two-wheeler market evolves. As per the data from Vahan, the total number of two-wheelers sold in India is ~1.6 Cr, out of which approximately 50% were financed.

Your Company performed well in the markets that it is present in, with ~8.5 lakhs units financed. The disbursements and book growth have been impressive, indicating your Company's strong position in the market with y-o-y jump of 40% in disbursements and 20% in book.

Your Company's underwriting process is powered by an in-house algorithm-driven engine that ensures quick processing and provides industry-best TAT. The entire process is executed through an assisted app held by field-level executives. Its strong distribution franchise of 5,500+ partners has paved the way to increase the counter share at specific dealers. The pan-India geographical spread and significant presence in major cities, urban and semi-urban locations has taken its branch count to 93 branches. During the year, in an effort towards building a geo-agnostic franchise, your Company created a DIY journey through its flagship D2C app – PLANET app. AI-driven digital collection analytics continues to help your Company to increase the efficiency of the overall collection process and maintain a healthy loan book.

Last year, your Company launched a new loan product - Sabse Khaas Loan (SKL) Pro. The key features of this product include no hypothecation of the asset with 80% LTV. While majority of the industry remains non-income proof, Your Company has endeavored to cater to both new-to-credit & credit-tested customer segment with analytical-driven approach.

Home Loans and Loan Against Property:

The mortgage market in India, (industry size of ₹ 28 lakh Cr for Home Loan & ₹ 6.7 lakh Cr of LAP) coming out of Covid, witnessed steady growth in FY23. This was despite being faced with a rapid rising interest rate cycle wherein the regulator revised the repo rate by around 250 bps.

Your Company has grown its book and disbursements with y-o-y jump of close to 100% over previous year in disbursements thus reaching ₹ 4,730 Cr and 26% growth in book size reaching ₹ 13,410 Cr. This has been achieved by your Company changing the customer mix of Salaried to Self-Employed Non-Professional (SENP) from 88:12 to 59:41 for new disbursement.

Structure-wise, your Company changed its focus from salaried segment to SENP & LAP, putting more emphasis on creating multidirectional distribution sourcing agents like DSA, Referral Agents, Developer and Digital business.

Home Loans:

Despite the rise in policy interest rates, the real estate market continued to show strong buyer sentiment. In the second half of CY22, new launches in the residential segment increased by 30% y-o-y, and for the full year, it was up by 41%. Despite high inventory levels, increased sales resulted in a decline in Quarters to Sell (QTS) levels from 10.2 to 7.2 quarters in H2 CY22. Prices grew between 4-7% in all markets, with Mumbai, NCR, Bengaluru, and Pune posting the highest rise. However, sales in the less than ₹ 5 Mn ticket size segment declined from 42% in H2 FY21 to 35% in H2 FY22.

In this scenario, your Company disbursed ₹ 4,188 Cr Home Loans in FY23 (up by 83% y-o-y).

LAP:

The Gross Loan Portfolio (GLP) of LAP in the industry has been showing steady growth over the past three quarters on a y-o-y basis. Up to ₹ 2 Cr ticket size LAP market contributes 43% volume to overall LAP market. Your Company operates in this segment. Low-ticket LAP is expected to outperform high-ticket LAP as the former is linked to essential services, and currently, the Indian services sector is performing better than the manufacturing sector.

Your Company disbursed ₹ 542 Cr worth LAP in FY23. The contribution of Mortgage Loan, as part of total Retail Housing disbursement, increased by 97% y-o-y in FY23.

Consumer Loans:

The Personal Loan industry in India is experiencing consistent double-digit growth year after year, with a market size of ₹ 9.9 lakh Cr. Despite the existence of several loan products in the market, online Personal Loans (PL) has emerged as one of the most favoured loan options.

Your Company embarked on launching this product two years ago by tapping into its existing base of over 55 lakhs two-wheeler customers. This year, basis the success of this product, your Company expanded the sourcing channel to e-aggregators comprising partnerships with over 18 fintech players, aggregators, and BFSI companies. The availability of customer-related data comprising demographics, credit and income has enabled your Company to provide differentiated offers to its prospective customers.

The Company in FY23 endeavored to enhance customer experience manifold by launching its D2C app, PLANET. This app offers key digital geo-agnostic seamless DIY journeys, with loans being processed as fast as within 7 minutes of application.

As a result of these efforts, your Company disbursed ₹ 4,886 Cr in FY23 as against ₹ 2,254 Cr in FY22 in Consumer Loans Meanwhile, your Company's book size grew from ₹ 2,301 Cr in FY22 to ₹ 5,471 Cr in FY23. Despite this growth, Your Company maintained its collection efficiency at 99.0% in FY23 through collection analytics interventions.

SME Finance:

As per MSME pulse, demand for MSME loans (measured in terms of number of commercial credit inquiries) accelerated and grew about 1.7 times the demand of two years ago. NBFC saw credit demand crossing 2x for the same period. The formalisation of MSMEs and their adoption of platform-based banking services enabled lenders to capture more data. This makes credit processing and loan delivery seamless, and underwriting and debt collection more granular, boosting confidence of financial institutions.

Post the pilot launch in FY22, SME Loans business expanded geographically from 2 locations to 17. The book size stood at ₹ 1,378 Cr with disbursement towards Professional & Business Loans. Currently your Company is sourcing from 80+ DSAs across the nation. During the year, your Company disbursed ₹ 1,473 Cr with a customer base of 6,000+ on book. The USP provided by your Comapny is a direct-to-channel journey, and offers digitally simplified processes and strong value proposition to the customer – through term loan & dropline overdraft.

Wholesale Finance

Your Company is in the process of transforming itself into a retail finance company. This process of retailisation is expected to be completed through a two-pronged approach of growing the retail book as well as reducing the wholesale book through accelerated sell-down. In this regard, your Company, during the year, ceased incremental fresh sanctions in Infrastructure Finance. Disbursements made were towards committed sanction lines. In Real Estate Finance there have been no incremental sanctions in the past 3 years and disbursements, if any, were for project completion.

Consequently, the wholesale book (includes defocused) reduced from ₹ 36,657.41 Cr in FY22 to ₹ 15,355.93 Cr in FY23.

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

DIGITAL & DATA ANALYTICS

Seven years back, your Company forayed into taking strategic decisions that redefined the manner in which it did business. These decisions included:

- Keeping data at the core of decision making
- Eliminating subjectivity/bias in decision-making
- Algorithm-led sourcing, underwriting disbursements, and servicing
- Call on digital-only disbursements and veering towards digital collections
- Using surrogates/proxies to underwrite both in the rural and urban areas
- Moving beyond credit bureaus to source customers i.e., new-to-credit/other customers, thus making it geo-agnostic

If we look back, these interventions have not been sudden but gradual gnawing of changes in a calibrated manner through ecosystem-based analysis and co-ordination. Thus, it became evident that digital and data analytics is a key strategic step in the sustainable development of the retail business franchise.

These Investments in building digital and analytics prowess led to the following results:

- Your Company emerging as one of the leading financiers in its flagship products: Farm Equipment Finance, Two- Wheeler Finance and Rural Group Loans & Micro Finance
- Enhancing customer experience and
- Providing best-in-class Turn Around Time (TAT)

To enable systems to run faster, become more agile and to enable faster decision-making through the use of analytics, structural changes were made with IT infrastructure being moved to Cloud. Employee-assisted apps were developed to provide the much-needed medium for field employees to undertake seamless sourcing, underwriting, disbursements, collections and servicing. These apps in rural areas brought about a clear sustainable manner in which financial services could be delivered seamlessly to customers.

The apps include features such as:

- Face recognition
- Customer image capturing with liveness matching for KYC
- Advanced dedupe technology
- Geospatial intelligence
- E-signing of agreement
- Instant mandate registration
- Penny fuzzy for bank verification

One of the key differentiators for your Company has been the way credit is underwritten. Underwriting is data-driven and centralised algorithm-based, allowing decision-making free from human bias. Machine learning refines algorithm to make it more agile and robust, leading to better portfolio decisions. Today, our Two-Wheeler scorecard works on the 5th generation scorecard with the 6th generation being underway and an analysis of vintage curves reflects how portfolio delinquencies have reduced since the 1st generation scorecard.

Digital - Role in Lakshya 2026

Shaping of Retail Financing in the last decade

Trends in Retail Financing facilitated by digital & data

Till 2015:

Traditionally, lending decisions were driven principally around the asset being financed due to limited customer information availability. This led to the emergence of 'Product Expert Companies' specialising in asset financing as their expertise revolved around analysing the asset (viz. asset type, model type, horsepower, and longevity)

Further to this, a layer of channel/dealership got added that helped in prioritising and growing business around the performance of dealers and other channel networks. This led to sharpening the business around the OEM, leading to a symbiotically viable relationship between the financial institution, OEM and the dealer/channel. So, by now, the institutions were able to lend to the customer basis the asset and channel data parameters.

2015-2019:

Then came a paradigm shift, wherein RBI directed banks & NBFCs to share credit information with credit information companies. With this, detailed data repository with Credit Bureaus could be harnessed with the market moving from a then single credit bureau to three, thereby bringing in competition. This provided financial institutions with holistic information about the indebtedness of the borrower thereby democratising customer information. This summarily changed the status quo that an institution owns the customer.

Another dimension of information that became publicly available was macro data comprising water reservoir levels, fiscal deficit of states, sowing and harvesting patterns, mandi prices, rainfall map data by district, and other relevant macro data (both rural and urban). This helped in building econometric models around converting macroeconomic trends to predictable microeconomic portfolio indicators at the pin code level.

2019-2023:

Reporting of customer credit and other granular data to all 4 credit bureaus by all financial institutions became mandatory by RBI. Further on, the regulator has added another layer comprising Fixed Obligation to Income Ratio (FOIR) based income estimation for credit appraisal. This has led to the financial institutions' development of proprietary income models around their customers.

Today, with the pace of digital adoption especially built on the back of the India stack, there are multiple non-traditional sources of data viz. payments and transactions history, tax returns which provide better insight into customers.

So, apart from asset and dealer level data, we have data on macro-economic indicators, customer indebtedness, customer income, and payment data that provide us with a holistic and scientific thesis of understanding customer needs and the opportunity to build a suite of hyper-customized products that caters to his/her needs.

As data becomes the lens through which a financial institution appraises a prospective customer, your Company foresees a gradual conversion of customers from unorganised lending to organised lending, thereby leading to financial inclusion and ready availability of credit.

As a pertinent player in rural India and foraying deeper into urban India, your Company envisages this as the required amount of financing will have to be made available anytime, anywhere on tap.

Building a Fintech@Scale

These trends have culminated in the need for a shift in focus from the product to the customer.

Your Company is well-positioned to leverage this shift, having built a strong asset, customer and digital franchise over the past 7 years. Products are now being launched keeping the customer at the core by understanding the need of customers. The aim is to provide a more holistic value proposition by leveraging the availability of customer and family related data and data around assets. New products around the flagship products are being crafted to create a customer need fulfilment ecosystem through the digital medium.

The products being envisaged around the Rural Business franchise include Micro LAP and Rural Individual Loans, Agri-allied loans around the Farmer finance franchise. The 2 Cr+ customer database, which your Company has, is being used to cross- sell and up-sell. Your Company is also building an omnichannel customer ecosystem to enhance customer engagement throughout the lifecycle, creating opportunities for cross-sell, up-sell and customer retention.

In the quest towards evolution of an optimum distribution franchise to build a Fintech@Scale, your Company has come a long way from having channel based traditional approach to direct autonomous channels. This started with having a:

- Physical distribution network
- Moving to analytics based channel management
- And Assisted apps & centralized underwriting
- Thereby developing a geo-agnostic D2C PLANET app for sourcing, collections and servicing

HUMAN RESOURCES

As a financial services provider, people are the greatest assets and the core strength of your Company's business. Your Company has consistently been agile and improved its human resource practices to match the dynamic workplace. As of March 31, 2023, your Company employed 27,485 employees.

The Human Resources of the Company can be broadly divided into 3 categories:

- The field force comprising the sales, collections, and operations staff
- The supervisory and middle management personnel at the state and zonal levels
- The personnel comprising top and middle management located at the corporate office of these, the first category of employees, who constitute 75% of the workforce are core to your Company as they ensure Last Mile Delivery of financial services. These employees are the ones to be provided maximum attention in terms of human resources management and to be cared for as:
- They form your Company's point of contact/ intervention/servicing with the customer
- They are the wheels of your Company that ensure timely disbursement and collection of credit
- They ensure that your Company touches those customers who can be located/identified through latitude-longitude coordinates. Thereby making your Company's presence felt far deeper than a Taluka/ Tehsil/Village while leading its customers into the financial inclusion threshold
- They represent the discipline, reach, and granularity that the Company brings to this business.

These employees have sustainably helped your Company achieve its organisational goals even in the most trying environment, especially in rural areas. They have been identified as Company's catalysts of change as they represent the 'L&T Finance' brand all across rural and urban India.

With the Lakshya 2026 strategy of customer focus, they form the workforce who would actually be selling this suite of products to the customers. It is pertinent to note that 50% of your Company's retail business comes from deep rural areas. The field force that has been recruited are also from these areas. This ensures that your Company empowers rural India with employment and career development opportunities. Your Company is driven by stories of such employees who have risen through the ranks.

The welfare and other employee friendly measures that your Company drives at the field force level, defines the growth path and accelerated pace of retailisation that it is likely to achieve.

Some of the notable measures for the field force are encapsulated as under:

All the new frontline recruits attend a 2-day Parichay programme where they understand the ethos of your Company, the benefits they are entitled to, and the job they are supposed to perform. Moreover, employees are trained to improve their customer acquisition skills so that their productivity improves and they earn more incentives.

Your Company believes in enabling the performance of frontline employees and providing them with a career path subject to their performance. In the last 3 years, your Company has provided role elevations to 3,581 frontline employees in Rural Business Finance, 242 frontline employees in Urban Finance and 102 frontline employees in Farmer Finance.

In order to express your Company's gratitude to the frontline employees and motivate them, Rising Star Awards was organised. Last year, 552 winners and this year 550 winners have been felicitated with the prestigious award.

Your Company firmly believes in meritocracy i.e., superior rewards for superior performers. In addition to market-aligned salaries and allowances in the senior and middle management category, your Company provides ESOPs and retention pay for the best performers. Over and above that, your Company also believes in career progression by providing role enhancement and increasing the scope of their work. This builds their confidence and motivates them to take up higher-level responsibilities. Job rotation is another effective medium of helping people who are specialists in their respective fields to take up leadership roles and grow in their career.

Your Company has a focused approach to keeping employees motivated and engaged:

Communicating Purpose

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

Engaging Employees

Your Company launched 'WhatsApp Connect' for all its employees. Currently, over 25,000 employees are connected through WhatsApp and receive important product and employee benefits updates, among others, through the channel. The channel has become an effective source of information dissemination in a large distributed retail setup.

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

Investing in People

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

Last year, Internal Job Posting was introduced in September 2022, under which, as soon as any new vacancy is published internally, the first preference is given to internal talent. This enables the movement of talent across businesses and functions and provides a career path to employees.

Rewarding Performance

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

Additionally, initiatives such as the Wall of Fame continued to recognise the outstanding and exceptional contributions of the employees throughout the year. Together, these practices serve to acknowledge your Company's gratitude to its biggest assets – its people – for their unstinted support and contributions.

Developing Future leaders

Your Company has always invested in developing internal talent to create the next generation of leaders. Last year, your Company launched Annual Talent Identification and Development process. The top 120 leaders of the organisation undertook Hogan Personality Assessment, considered gold standard in personality assessments, to understand their areas of improvement and build greater self-awareness. These leaders will now be honing their skills in leading themselves, leading teams, leading relationships, leading results, and leading businesses with a series of development interventions planned in FY24.

This year your Company completed a succession planning exercise for critical roles. The exercise aimed to minimise people risks and groom talent to take up specific roles within a defined timeframe.

Caring for Employees

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

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

In FY21, your Company rolled out financial support for families of employees who unfortunately lost their lives while in active service. This includes the continuation of payment of monthly salary for two years to the nominee, one-time ex gratia payment of ₹ 2 lakhs, education assistance to children till graduation, and education assistance to spouse for pursuing vocational/professional courses. The welfare support extended by your Company during FY23 was ₹15.4 lakhs under this support scheme.

RISK MANAGEMENT

Risk management implies controlling potential future events that may adversely impact business operations and functioning. It is about adopting a proactive approach instead of being reactive. Risk management forms a vital part of your Company's businesses and the Company is cognizant of the prominent role it plays in its long-term success especially to be a retail digitally-enabled Fintech@ Scale. Your Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk, fraud risk, cyber risk and operational risk are some of the risks that your Company is exposed to. With this as the backdrop, your Company has in place a Board-approved Risk Management Framework. This framework encompasses a risk appetite statement, risk limits framework, risk dashboards, and Early Warning Signals. The Risk Management Committee (RMC) heads and supervises the efficiency of this framework periodically. Your Company's Risk Management function works independently from the business units under the guidance of the RMC. This helps ensure guidance during challenges, underscore oversight and balance the risk/reward decisions. Post large-scale events, stress tests are conducted by your Company, which help assess the durability of the balance sheet. It provides useful insights to the management regarding a better understanding of the nature and extent of any vulnerabilities, quantifies the impact and develops plausible business-as-usual mitigating actions. Your Company's Risk Management function periodically onboards an external independent firm. This firm helps your Company review its approach to risk and ensures alignment with the best market practices. This is crucial for the assessment of your Company's capital strength and earning volatility. A rigorous examination of your Company's resilience is carried and observed against external macroeconomic shocks. This has immensely helped your Company stay ahead of the curve as one of the leading NBFCs with the highest AAA credit rating. Moreover, your Company has taken cognisance of the newer emerging risks such as reputational, sustainability, and climate-related risks and has developed a framework to address these risks.

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

Credit risk

Your Company is exposed to various kinds of risks, including operational, liquidity and market. However, credit risk is the single largest risk for your Company's business. Therefore, your Company carefully and efficiently manages its exposure to this risk. To demonstrate strength in credit risk management, a new-age portfolio management framework has been implemented as part of our Lakshya 2026 journey. The focus is on strengthening underwriting capabilities for existing as well as new-to- credit customers by investing further in building geo- agnostic underwriting capabilities. Thus, improving digital and analytical capabilities wherein your Company is able to arrive at decision by considering multiple variables and increase use of scorecards and bureau in credit decisioning. All these initiatives enable us to reduce credit costs, improve efficiency, maintain consistency, and, more importantly allow your Company to build scale cost- effectively. Your Company also has an effective review mechanism in place. It uses state-of-the-art Early Warning Signals to recognise potentially weak credit while stressing on maintaining 'Zero DPD' (Days Past Due indicates the number of days a loan repayment has not been made past the due date). Your Company has been able to ensure stable asset quality amid volatile times and a difficult lending environment. To strengthen risk management, it is also important to improve asset quality. The steps your Company has taken to build a new-age credit portfolio management framework, stringent adherence to the prudent risk norms and diligently following the institutionalised processes have led to improved asset quality.

Your Company's provisioning policy is cautious, conservative, and prudent in nature. As per the RBI notification on acceptance of Ind-AS for regulatory reporting, it computes provision as per Ind-AS 109 and as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). If the impairment allowance in the aggregate, under Ind-AS 109, is lower than the provisioning required under IRACP (including standard asset provisioning), the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. As part of the Covid response, your Company had undertaken an arithmetic modeling on the plausible conduct of the debtors' behavior to build incremental provisions and strengthen the balance sheet. As on March 31, 2023, your Company carried ₹1,171 Cr of macro- prudential and other additional non-GS3 provisions to shield against any challenges arising due to the after-effect of the pandemic.

Operational risk

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

Market/liquidity risk

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

Fraud risk

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

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

IT security risk

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

Regulatory risk

Keeping in line with the highest standards of compliance practices, your Company has undertaken projects to strengthen the compliance with guidelines on Fair Practices code, Outsourcing guidelines, and Customer grievances. The areas of review include the process and methodology of solving customer grievances, repossession, and outsourcing arrangements. The project on review of outsourcing was undertaken with a view to strengthen the existing process and to align with the best in class practices. On the project on Repossession and Resale review was done to ascertain that LTF practices were best-in-class in the industry and your Company has worked on revamping the existing Repossession and Resale process. On the Customer service project, the intention was to redesign Customer Service Resolution Framework to provide seamless and timely customer service experience to the customers.

ESG

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

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

ESG-enabled Policy Ecosystem

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

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

Integrating ESG in Operations

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

Commitment towards Social Well-being

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

Employee well-being has always been one of the top-most priorities of your Company. The Company has identified Diversity and Inclusion programmes and undertaken various initiatives to encourage hiring of women and PWD (Persons with Disabilities) as covered in detail in the Human Resources section of this report. During the year, women representation in Group Executive Committee was 27%.

During FY23, your Company worked towards the inclusive social transformation of rural communities through its CSR initiatives impacting 11.78 lakhs+ lives, empowering 960 Digital Sakhis and 5,500 women entrepreneurs.

Ensuring Robust Governance

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Your Company's commitment to CSR goes beyond compliance with legal and regulatory requirements. The Company recognises that its actions can have a far-reaching impact on society and that it has a duty to contribute to positive social and environmental outcomes. Towards this, while the CSR budget for FY24 (total amount across entities within LTF), is less than the CSR budget for FY23, your Board has approved the proposal to retain the CSR spend at the same level as FY23.

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

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

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

Digital Financial Inclusion

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

Disaster Management:

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

Other Initiatives:

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

Independent Auditor's Report

To The Members of L&T 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 Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including 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 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, 2023, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 47 of the standalone financial statements which describes the impact of reclassification due to the change in business model and fair valuation of the Company's wholesale loan asset portfolio. Based on the change in business model, the wholesale loan assets previously measured at amortised cost have been reclassified and remeasured to fair value through profit and loss as on October 1, 2022. The one-time impact of such reclassification consequent to change in business model and fair valuation of wholesale loan asset portfolio, amounting to Rs. 2,450.17 crore has been presented as "Exceptional items" in the standalone financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. 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 determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the Key Audit Matter were addressed in our audit
1.	**Allowance for Expected Credit Loss on Retail Loan Assets and Structured Corporate Finance loan assets: (Refer Note 06 to the standalone financial statements)**	
	As at March 31, 2023, Retail loan assets and structured corporate finance loan assets aggregated Rs. 58,097.81 crores (net of expected credit losses), constituting 58.29% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") involves a significant level of management judgement and estimation uncertainty.	Our audit procedures relating to the allowance for ECL included the following, but are limited to: We have examined the policies approved by the Board of Directors of the Company that articulate the Company's business model for managing its financial assets to achieve its business objectives. We have also verified the methodology adopted for computation of ECL and measuring lending exposures.

Sr. No.	Key Audit Matter	How the Key Audit Matter were addressed in our audit
	Management makes various assumptions when estimating ECL. The significant assumptions that we focused on in our audit included those with greater levels of management judgement and for which variations had the most significant impact on ECL. These included assumptions made in determining forward looking economic scenarios and their probability weightings (specifically the central and downside scenarios given these have the most material impact on ECL) and estimating management judgemental adjustments and significant discounted cash flows for material credit impaired exposures. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: Each borrower is classified into Stage 1, 2, 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e. maximum of the DPDs from among the different facilities ["Max DPD"] provided to that borrower. Inherently, significant judgment is involved in the use of models to estimate ECL which includes determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity and as a result are considered the most significant judgments in the Company's modelling approach. The modelling methodologies used to estimate ECL are developed using historical experience. The impact of the prevailing macroeconomic conditions has also resulted in certain limitations in the reliability of these methodologies to forecast the extent and timing of future customer defaults and therefore estimate ECL. In addition, modelling methodologies do not incorporate all factors that are relevant to estimating ECL, such as differentiating the impact on industry sectors and economic conditions. These limitations are addressed with management overlay, the measurement of which is inherently judgemental and subject to a high level of estimation uncertainty.	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. Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes. Tested the design and the operating effectiveness of relevant internal controls, including the IT controls relevant to the impairment loss allowance process, as detailed below: - verified the 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. - checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio. - reconciled the total retail and structured corporate finance loans considered for ECL assessment with the books of accounts to ensure the completeness. Performed the following substantive procedures on sample of loan assets: - tested appropriateness of staging of borrowers based on DPD and other loss indicators. - tested the factual accuracy of information such as period of default and other related information used in estimating the PD. - evaluated the reasonableness of applicable assumptions included in LGD computation. - evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model. - verified the completeness and adequacy of the disclosures made in the financial statements and ensured compliance with Ind AS provisions.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>How the Key Audit Matter were addressed in our audit</th></tr>
<tr><td></td><td>Accordingly, we have identified the Allowance for Expected Credit Loss on Retail Loan Assets and Structured Corporate Finance loan assets as KAM because it requires a high degree of judgement and estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</td><td></td></tr>
<tr><td>2.</td><td colspan="2">Fair valuation of wholesale loan assets portfolio
(Refer Note 6 and Note 47 to the standalone financial statements)</td></tr>
<tr><td></td><td>As part of its four-year Business Strategy – “Lakshya 2026”, the Company has decided to reduce its wholesale loan asset portfolio in the near term through accelerated sale or prepayments.

During the year, the Company has changed its business model for wholesale loan assets portfolio which were previously measured at amortised cost. These assets have been reclassified and remeasured to fair value through profit and loss as on October 1, 2022. The one-time impact of reclassification and fair valuation, consequent to change in business model amounting to ₹ 2,450.17 crores has been presented as “Exceptional item” in Statement of Profit and Loss.

The Company carried out the fair valuation of these assets as on October 01, 2022, which was the reclassification date. Consequent to the reclassification, these assets are remeasured at fair value on each reporting date.

The Company used valuation techniques, modelling assumptions, and estimates of unobservable market inputs which required significant management judgement. Management has engaged the services of an expert in order to assist with the valuation of the wholesale loan portfolio.

We have identified this matter as KAM because auditing management’s judgements and assumptions used in the estimation of the fair value of these loan assets was complex due to the highly judgemental nature of valuation techniques, key modelling assumptions and significant unobservable inputs. This included the consideration of any incremental risks arising from the impact of current macroeconomic influences on valuation techniques and inputs, such as geopolitics, inflation, and the after- effects of the COVID-19 pandemic. Also, there is significant management judgement involved in the classification and subsequent re-classification of such assets, which also have a significant impact on the financial statements.</td><td>Our Audit procedures with respect to this matter included the following, but not limited to:

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over management’s process for valuation of such wholesale loan asset portfolio, including controls over market data inputs, model and methodology governance, and valuation adjustments.

Involved our valuation specialist and performed the following procedures:

- Tested the appropriateness of valuation techniques, models and methodologies, and the inputs used in those models by performing an independent revaluation of certain complex loan assets.
- Used independent models, inputs and compared inputs to available market data.
- Challenged key judgements in relation to a sample of loan assets measured at fair value.
- Calculated a range of comparable values and considered reasonable alternative key assumptions and compared results.
- Verified fair valuation of loan assets as at the date of reclassification.
- Verified the completeness and adequacy of the disclosures made in the financial statements.</td></tr>
</table>

Sr. No.	Key Audit Matter	How the Key Audit Matter were addressed in our audit
	Information Technology ("IT") Systems and Controls	
	The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter because of the high-level of automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	Our Audit procedures included the following, but not limited to: Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the Company's IT systems. With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the Company, we have evaluated and tested relevant IT general controls. On such "In-scope IT systems" we have performed the following procedures: Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people, process and technology. Tested design and operating effectiveness of key controls over user access management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing, incident management and data centre security. Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment. Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system.

Information Other than the Standalone 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 the Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, including the Annexures to Board's Report, is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report, including the Annexures to Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, the 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 the 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 Responsibilities 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 judgement 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 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

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 for the year ended March 31, 2023, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 – Refer Note 39 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 54 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 this clause is not applicable.

As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, and based on the audit procedures performed by us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V and the rules thereunder.

For **M S K A & Associates** Chartered Accountants ICAI Firm Registration No: 105047W	For **Kalyaniwalla & Mistry LLP** Chartered Accountants ICAI Firm Registration No: 104607W / W100166
Srividya Vaidison Partner Membership No: 207132 UDIN: 23207132BGQRZF5604	**Roshni R. Marfatia** Partner Membership No: 106548 UDIN: 23106548BGUVWX2378
Mumbai April 28, 2023	Mumbai April 28, 2023

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF L&T FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (including Right of Use Asset).

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, and based on the audit procedures performed by us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company except for the title deeds of following immovable properties, which are not held in the name of the Company:

Sr. No.	Description of Property	Gross carrying value (Rs. in crore)	Held in name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of company (also indicate if in dispute)
1	Building at Baroda	0.38	Erstwhile L&T Finance Limited	No	24 Years	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.

(d) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, and based on the audit procedures performed by us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us by the Management and based on the audit procedures performed by us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at various points of time during the year, from banks and financial institutions on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us and based on audit procedures performed by us, the quarterly returns filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company for the respective quarters.

iii. (a) The Company's principal business is to give loans. Hence, the provisions stated in paragraph 3(iii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans and advances in nature of loans, the schedule of repayment of principal and payment of interest have been stipulated by the Company. Considering that the Company is a Non-Banking Financial Company engaged in the business of granting loans with the diverse range of financial products and services across rural finance, housing finance and infrastructure finance, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been detailed hereunder because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 51.14 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue* (₹ in crore)	Interest amount overdue (₹ in crore)	Total overdue (₹ in crore)	Remarks
9,39,841	3,666.20	165.73	3,831.93	According to the information and explanation given to us, reasonable steps have been taken by the Company for recovery of principal amount and interest.

**The amount indicates the total principal outstanding in case of the overdue accounts as at March 31, 2023.*

(e) The Company's principal business is to give loans. Hence, the provisions stated in paragraph 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information and explanations given to us, the Company has granted loans and advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

Particulars	Other Parties (₹ in crore)	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	279.17	None	None
- Agreement does not specify any terms or period of repayment (B)	None	None	None
Total (A+B)	**279.17**	**None**	**None**
Percentage of loans/advances in nature of loans to the total loans	0.38%	None	None

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186(1) of the Act. The other sub-sections of Section 186 of the Act are not applicable to the Company.

v. The Company being a systematically important non-deposit taking NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues applicable to it, have been regularly deposited by the Company with appropriate authorities during the year.

There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues applicable to it, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, cess and any other statutory dues on account of any dispute, are as follows:

Nature of dues	**Forum where dispute is pending**	**Period to which the amount relates**	**Sum of Amount Involved (₹ in crore)**	**Sum of Amount (net after payment under protest) (₹ in crore)**
Additional Interest / Penal Interest / Default Interest under Declared Services	CESTAT	2013-14	39.86	39.86
		2013-14 to 2016-17	0.00*	0.00*
		2014-15	70.01	70.01
		2015-16	105.02	105.02
		2016-17	179.70	169.70
Demand of Tax on Repossessed Assets	DC (Appeal)	2012-13	4.83	3.32
		2011-12	3.50	2.37
		2013-14	9.17	6.16
		2014-15	20.09	13.32
		2015-16	9.33	4.63
		2016-17	4.85	1.95
	JC (Appeal)	2007-08	0.53	0.53
	JC (Appeal) - III	2014-15	7.00	7.00
	Sr Joint Commissioner CT	2011-12	0.03	0.03
		2013-14	0.01	0.01
		2016-17	0.39	0.39
Demand of Tax on Repossessed Assets & ITC Mismatch.	DC (Appeal)	2017-18	1.12	0.35
Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	D.C.(Appeal)	1998-99	0.01	0.01
		2000-01	0.00*	0.00*
		2012-13	0.04	0.04

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Sum of Amount Involved (₹ in crore)	Sum of Amount (net after payment under protest) (₹ in crore)
	D.C.(Appeal) - 1	1995-96	0.00*	0.00*
		1996-97	0.05	0.04
		2000-01	0.00*	0.00*
		2002-03	0.00*	0.00*
	JC (Appeal) - III	2015-16	0.36	0.34
		2016-17	0.17	0.16
		2017-18	0.04	0.04
	Tribunal	2004-05	1.11	1.04
Local hire purchase turnover made taxable	Kerala High Court	1999-00	0.07	0.07
Service tax levied on upfront fees collected	The Commissioner - Service Tax -1, Mumbai	2006-07	0.27	0.02
		2007-08	3.68	0.33
		2008-09	0.85	0.07
Refusal of input tax credit (ITC)	Appellate Board	2007-08	2.10	2.10
	CESTAT	2007-08	0.24	0.24
		2007-10	0.00*	0.00*
		2008-09	3.54	3.09
		2008-11	0.00*	0.00*
		2009-10	16.65	16.14
		2010-11	5.03	5.03
		2011-12	2.62	2.62
		2012-13	3.50	3.50
		2013-14	5.19	5.19
	JC (Appeal)	2013-14	0.09	0.09
		2014-15	0.06	0.06
		2012-13	0.04	0.04
		2012-13	0.02	0.02
	JC (Appeal) - III	2011-12	3.39	3.05
		2012-13	3.43	3.13
		2013-14	0.93	0.88
Service tax levied on receipt of interest on delayed payment	Commissioner -Appeal	2011-12	0.06	0.06
	Custom Excise & Service Tax Appellate Tribunal	2005-06 to 2010-11	0.84	0.84
Towards Input Credit Short Reversal & Deemed Supply	GST	2019-20	1.94	1.81
Towards Input Credit Short Reversal & Deemed Supply	GST	2018-19	2.20	2.07

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Sum of Amount Involved (₹ in crore)	Sum of Amount (net after payment under protest) (₹ in crore)
Payment of Stamp Duty on account of Amalgamation	Revenue Authority, Maharashtra Pune	2017-18	14.61	-
Income tax:				
1) Reassessment proceeding is bad in law based on change of opinion 2) Disallowance of hedging loss 3) Disallowance of mark to market loss	CIT (A)	2007-08	0.71	0.71
1) Disallowance of expenses pertaining to earning exempt income 2) Disallowance of ESOP Reimbursement Expenses	CIT (A)	2012-13	7.95	7.95
Withdrawal of claim of education cess	CIT(A)	2019-20	2.46	2.46
Grand Total			**539.71**	**487.89**

*0.00 represents less than Rs. 1 lakh.

viii. According to the information and explanations given to us, and based on the audit procedures performed by us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any to financial institutions, banks and debenture holders. The Company has not taken any loans or borrowings from Government or any other lender.

However, inadvertently due to some data migration issue, the first instalment of principal repayment on one non-convertible debenture amounting to Rs. 71.43 crore due on October 18, 2022, was credited to debenture holder's account, along with the applicable interest for 1 day, on October 19, 2022. Refer Note 46 to the Standalone Financial statements.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, and based on the audit procedures performed by us, money raised by way of term loans during the year have been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds in the normal course of business.

(d) According to the information and explanations given to us, and based on the audit procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and the audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provision stated in clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) Since we have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2023, the provisions stated in paragraph (xi)(b) of the Order are not applicable to the Company.

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in Note No. 33 to the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination of the reports, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit in accordance with the guidance provided in SA 610 – 'Using the work of Internal Auditors'.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Institution as a Non-Deposit taking Systemically Important (NBFC-ND-SI) Company.

(b) In our opinion, and according to the information and explanations given to us, the Company has obtained Certificate of Registration from RBI for conducting activities relating to Non-banking financing activities.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by RBI. Accordingly, the provisions stated in paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Larsen & Toubro Group ('Group') has one Core investment Company as a part of its group.

xvii. According to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated in paragraph 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us, and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects that require to be transferred to a Fund specified in Schedule VII to the Act as per requirement of second proviso to Section 135(5) of the Act. Accordingly, the provisions stated in paragraph 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In respect of ongoing projects, the Company has transferred Unspent Amount to a special account, within a period of thirty days from the end of the financial year and is in compliance with provision of section 135(6) of the Act.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements.

For **M S K A & Associates** Chartered Accountants ICAI Firm Registration No: 105047W	For **Kalyaniwalla & Mistry LLP** Chartered Accountants ICAI Firm Registration No: 104607W / W100166
Srividya Vaidison Partner Membership No: 207132 UDIN: 23207132BGQRZF5604	**Roshni R. Marfatia** Partner Membership No: 106548 UDIN: 23106548BGUVWX2378
Mumbai April 28, 2023	Mumbai April 28, 2023

Annexure 'B' to Independent Auditor’s Report

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF L&T FINANCE LIMITED

[Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the Members of L&T Finance Limited on the Standalone Financial Statements for the year ended March 31, 2023]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of L&T Finance Limited (“the Company”) as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Srividya Vaidison
Partner
Membership No: 207132
UDIN: 23207132BGQRZF5604

Mumbai
April 28, 2023

For **Kalyaniwalla & Mistry LLP**
Chartered Accountants
ICAI Firm Registration No: 104607W / W100166

Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 23106548BGUVWX2378

Mumbai
April 28, 2023

Balance Sheet as at March 31, 2023

(₹ in crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS:			
1. Financial assets			
(a) Cash and cash equivalents	2	7,894.05	4,233.83
(b) Bank balance other than (a) above	3	2,976.49	1,909.36
(c) Derivative financial instruments	4	174.45	204.04
(d) Receivables	5		
(i) Trade receivables		2.34	5.24
(ii) Other receivables		136.82	56.43
(e) Loans	6	70,960.60	77,529.06
(f) Investments	7	14,312.53	9,303.95
(g) Other financial assets	8	82.31	82.78
		96,539.59	**93,324.69**
2. Non-financial assets			
(a) Current tax assets (net)		545.82	580.18
(b) Deferred tax assets (net)	51	1,781.56	1,401.20
(c) Property, plant and equipment	9	44.67	19.41
(d) Intangible assets under development	10	4.72	21.79
(e) Other Intangible assets	10	115.21	115.76
(f) Right of use assets	35	56.13	32.36
(g) Other non-financial assets	11	586.73	676.44
		3,134.84	**2,847.14**
Total Assets		**99,674.43**	**96,171.83**
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		-	0.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		749.85	423.48
(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		38.79	6.49
(b) Debt securities	13	30,758.36	34,665.61
(c) Borrowings (other than debt securities)	14	46,492.30	40,356.40

Balance Sheet as at March 31, 2023

(₹ in crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
(d) Subordinated liabilities	15	2,798.48	3,297.59
(e) Lease liabilities	35	61.45	35.53
(f) Other financial liabilities	16	531.72	662.54
		81,430.95	**79,447.83**
b. Non-financial liabilities			
(a) Current tax liabilities (net)		151.85	155.55
(b) Provisions	17	30.67	25.86
(c) Other non-financial liabilities	18	46.19	51.36
		228.71	**232.77**
2. Equity			
(a) Equity share capital	19	2,864.17	2,684.17
(b) Other equity	20	15,150.60	13,807.06
		18,014.77	**16,491.23**
Total Liabilities and Equity		**99,674.43**	**96,171.83**
Significant accounting policies	**1**		
See accompanying notes forming part of the standalone financial statements	**2 to 57**		

In terms of our report attached.
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

In terms of our report attached.
For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No: 104607W/W100166

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

Srividya Vaidison
Partner
Membership No: 207132

Roshni R. Marfatia
Partner
Membership No: 106548

Dinanath Dubhashi
Chairperson
DIN : 03545900

Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2023

Place : Mumbai
Date : April 28, 2023

Place : Mumbai
Date : April 28, 2023

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in crore)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from operations			
(i)	Interest income	21	11,934.86	10,969.31
(ii)	Dividend income	22	-	0.14
(iii)	Rental income	23	0.22	1.73
(iv)	Fees and commission income	24	134.26	86.40
I	**Total revenue from operations**		**12,069.34**	**11,057.58**
II	**Other income**	25	526.73	387.55
III	**Total income (I + II)**		**12,596.07**	**11,445.13**
	Expenses			
(i)	Finance costs	26	5,347.35	5,065.27
(ii)	Net loss on fair value changes	27	541.51	1,075.90
(iii)	Net loss on derecognition of financial instruments under amortised cost category	28	359.66	285.01
(iv)	Impairment on financial instruments	29	1,550.41	1,676.79
(v)	Employee benefits expenses	30	1,382.86	1,061.46
(vi)	Depreciation, amortisation and impairment	31	105.71	95.73
(vii)	Other expenses	32	1,294.74	1,093.10
IV	**Total expenses (IV)**		**10,582.24**	**10,353.26**
V	**Profit before exceptional items and tax (III - IV)**		**2,013.83**	**1,091.87**
VI	**Exceptional items**	47	2,450.17	-
VII	**Profit/(loss) before tax (V - VI)**		**(436.34)**	**1,091.87**
VIII	**Tax expense**			
	(1) Current tax	51	474.19	118.35
	(2) Deferred tax	51	(405.50)	165.54
	Total tax expense		**68.69**	**283.89**
IX	**Profit/(loss) for the year (VII - VIII)**		**(505.03)**	**807.98**
X	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(1.41)	1.99
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.35	(0.50)
	Subtotal (A)		**(1.06)**	**1.49**

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in crore)

Particulars		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
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		(14.47)	21.22
	b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		85.80	52.53
	(ii) Income tax relating to items that will be reclassified to profit or loss		(21.60)	(13.22)
	Subtotal (B)		**49.73**	**60.53**
	Total other comprehensive income (A+B)		**48.67**	**62.02**
XI	**Total comprehensive income for the year (IX + X)**		**(456.36)**	**870.00**
XII	**Earnings per equity share:**	38		
	Basic earnings per equity share (₹)		(1.85)	3.01
	Diluted earnings per equity share (₹)		(1.85)	3.01
	Significant accounting policies	**1**		
	See accompanying notes forming part of the standalone financial statements	**2 to 57**		

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Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2023

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Statement of Cash Flow for the year ended March 31, 2023

(₹ in crore)

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flows from operating activities:**		
	Profit/(loss) before tax	(436.34)	1,091.87
	Adjustments for:		
	Net (profit)/loss on sale of property, plant and equipment (refer note : 25)	(2.97)	0.03
	Net loss on fair value changes (refer note : 27)	541.51	1,075.90
	Net loss on derecognition of financial instruments under amortised cost category (refer note : 28)	359.66	285.01
	Impairment on financial instruments (refer note : 29)	1,550.41	1,676.79
	Exceptional items (refer note : 47)	2,450.17	-
	Depreciation, amortisation and impairment (refer note : 31)	105.71	95.73
	Operating profit before working capital changes	**4,568.15**	**4,225.33**
	Changes in working capital		
	Adjustments for increase/(decrease) in operating liabilities		
	Other financial liabilities	(374.34)	(803.39)
	Lease liabilities	(11.91)	(19.80)
	Provisions	3.40	1.28
	Trade and other payables	358.48	60.19
	Other non-financial liabilities	(5.17)	11.66
	Adjustments for (increase)/decrease in operating assets		
	Other non-financial assets	125.39	256.05
	Other financial assets	(1.57)	13.44
	Trade and other receivables	(82.41)	26.96
	Cash generated from operations	**4,580.02**	**3,771.72**
	Direct taxes paid (net)	(439.64)	(192.88)
	Loans (disbursed)/repayment (net)	2,722.69	(1,650.29)
	Net cash generated from operating activities (A)	**6,863.07**	**1,928.55**
B.	**Cash flows from investing activities :**		
	Change in other bank balance	(1,067.13)	(460.08)
	Purchase of property, plant and equipment[2]	(36.39)	(7.93)
	Proceeds from sale of property, plant and equipment	3.56	0.81
	Purchase of intangible assets[2]	(64.67)	(67.86)
	Purchase of investments[3]	(8,769.58)	(3,609.10)
	Proceeds on sale of investments	2,659.10	2,417.61
	Net cash used in investing activities (B)[4]	**(7,275.11)**	**(1,726.55)**
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity shares[7]	1,979.90	-
	Proceeds from borrowings[5]	24,295.86	18,667.63
	Repayment of borrowings[5]	(22,203.50)	(18,948.63)
	Net cash generated from/(used in) from financing activities (C)	**4,072.26**	**(281.00)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3,660.22**	**(79.00)**

Statement of Cash Flow for the year ended March 31, 2023

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents at beginning of the year	4,233.83	4,312.83
Cash and cash equivalents at the end of the year	7,894.05	4,233.83
Net increase/(decrease) in cash and cash equivalents	**3,660.22**	**(79.00)**

Notes:

1. Statement of standalone 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.
2. Purchase of Property, Plant and Equipment (PPE), represents additions to PPE and intangible assets adjusted for movement of (a) capital-work-in-progress for PPE and (b) intangible assets under development during the year.
3. Purchase of investments is after adjustments of proceeds from sale / redemption of mutual fund.
4. Net cash used in investing activity excludes investments aggregating to nil (Previous year ₹ 10.97 crore) acquired against claims.
5. Includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.
6. Net cash generated from operating activity is determined after adjusting the following: ₹ in crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest received	11,879.49	11,284.89
Dividend received	-	0.14
Interest paid	5,701.88	5,781.49

7. Proceeds from issue of equity shares includes ₹ 1,800 crore (previous year: nil) from securities premium and net off share issue expenses ₹ 0.10 crore (previous year: nil).
8. The above standalone statement of cash flows includes ₹ 13.45 crore (previous year: ₹ 5.41 crore) towards corporate social responsibility (refer note 36).

Significant accounting policies **1**

See accompanying notes forming part of the financial statements **2 to 57**

In terms of our report attached.
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Firm Registration No: 105047W

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For Kalyaniwalla & Mistry LLP
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For and on behalf of the Board of Directors of
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Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2023

Place : Mumbai
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Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

Particulars	As at March 31, 2023 Number of Shares	As at March 31, 2023 Equity share capital (₹ in crore)	As at March 31, 2022 Number of Shares	As at March 31, 2022 Equity share capital (₹ in crore)
Issued, subscribed and fully paid up equity shares outstanding as at the beginning of the year	2,68,41,72,360	2,684.17	2,68,41,72,360	2,684.17
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	**2,68,41,72,360**	**2,684.17**	**2,68,41,72,360**	**2,684.17**
Changes in equity share capital during the year	18,00,00,000	180.00	-	-
Issued, subscribed and fully paid up equity shares outstanding as at the end of the year	**2,86,41,72,360**	**2,864.17**	**2,68,41,72,360**	**2,684.17**

B. Other equity

(₹ in crore)

Particulars	Reserves and Surplus: Capital redemption reserve	Debenture redemption reserve	Securities premium	Capital reserve	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)(viii) 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, 2021	3.20	213.11	10,800.89	585.64	130.43	1,314.25	27.42	911.35	(463.30)	(473.25)	(10.94)	-	(101.74)	12,937.06
Profit for the year	-	-	-	-	-	-	-	-	-	807.98	-	-	-	807.98
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	-	1.49	-	-	-	1.49
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	-	-	21.22	-	39.31	60.53
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**809.47**	**21.22**	**-**	**39.31**	**870.00**
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	-	161.60	-	-	-	(161.60)	-	-	-	-
Transfer to general reserve	-	(207.96)	-	-	207.96	-	-	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-		-	-	40.00	-	(40.00)	-	-	-	-
Balance as at March 31, 2022	**3.20**	**5.15**	**10,800.89**	**585.64**	**338.39**	**1,475.85**	**27.42**	**951.35**	**(463.30)**	**134.62**	**10.28**	**-**	**(62.43)**	**13,807.06**

Note:

1. There is no share application money pending allotment & no monies received against share warrant.
2. There is no increase in carrying value of asset on account of revaluation as per IND AS 16 and IND AS 38, hence revaluation reserve is not required.
3. There is no compound financial instrument having equity component.
4. There is no foreign operation of the company, hence no exchange difference on translating the financial statement of foreign operations is required as per IND AS 21.

Statement of Changes in Equity for the year ended March 31, 2023

(₹ in crore)

Particulars	Reserves and Surplus										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	Debenture redemption reserve	Securities premium	Capital reserve	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)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings				
Balance as at April 1, 2022	**3.20**	**5.15**	**10,800.89**	**585.64**	**338.39**	**1,475.85**	**27.42**	**951.35**	**(463.30)**	**134.62**	**10.28**	**-**	**(62.43)**	**13,807.06**
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	(505.03)	-	-	-	(505.03)
Actuarial gain/(loss) on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	-	(1.06)	-	-	-	(1.06)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	-	-	(14.47)	-	64.20	49.73
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(506.09)**	**(14.47)**	**-**	**64.20**	**(456.36)**
Issue of equity shares	-	-	1,800.00	-	-	-	-	-	-	-	-	-	-	1,800.00
Share issue expenses	-	-	(0.10)	-	-	-	-	-	-	-	-	-	-	(0.10)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	(4.01)	-	-	4.01	-	-	-	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	-	-	61.00	-	(61.00)	-	-	-	-
Balance as at March 31, 2023	**3.20**	**1.14**	**12,600.79**	**585.64**	**342.40**	**1,475.85**	**27.42**	**1,012.35**	**(463.30)**	**(432.47)**	**(4.19)**	**-**	**1.77**	**15,150.60**

Note:

1. There is no share application money pending allotment & no monies received against share warrant.
2. There is no increase in carrying value of asset on account of revaluation as per IND AS 16 and IND AS 38, hence revaluation reserve is not required.
3. There is no compound financial instrument having equity component.
4. There is no foreign operation of the company, hence no exchange difference on translating the financial statement of foreign operations is required as per IND AS 21.

Significant accounting policies **1**

See accompanying notes forming part of the standalone financial statements **2 to 57**

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Place : Mumbai
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Brief Profile:

L&T Finance Limited (the "Company" or "LTF") has been incorporated under the companies Act 1956, on November 24, 1993. LTF is a subsidiary of L&T Finance Holdings Limited and is registered with the Reserve Bank of India ("RBI") as a Non-Deposit taking Systemically Important (NBFC-ND-SI) Companies. As an NBFC-ND-SI, the Company is primarily in business of lending and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-ND-SI.

The RBI vide its press release dated September 30, 2022 has categorised the Company in the Upper layer under Scale Based Regulation (SBR) for NBFCs.

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 groups 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 groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.5. Business Combination:

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".

The company accounts for 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 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 the reclassification.

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.

(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 are recorded in statement of profit and loss.

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;
- 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.

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 days past due.

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.

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. Asset acquired under settlement of claims:

Asset acquired under settlement of claims are initially recognised on acquisition of the assets based on the fair value of the property, including cost of acquisition. Asset acquired under settlement of claims are subsequently measured at the prevailing market price/fair valuation or acquisition cost, whichever is lower, on periodic basis.

Any profit or loss arising on the sale of complete unit is recognised in Statement of Profit and Loss.

1.12. Derivative financial instruments:

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

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.

Fair Value Hedge: Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship are fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

1.13. 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.

(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.

(iii) Net gain on 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 on 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. Interest income on financial assets held at FVTPL, is recognised under "interest income on financial assets classified at fair value through profit or loss".

(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.

1.14. 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.

1.15. Property, plant and equipment (PPE):

PPE including subsequent expenditure, if any, 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 impairment losses and accumulated depreciation, respectively. 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.

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.

1.16. 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.

1.17. 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 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.

1.18. 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.

1.19. 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, less any lease incentives received 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.

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.

1.20. 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.

1.21. 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.

1.22. 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.

1.23. 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.

1.24. Foreign currencies:

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

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

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

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

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

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

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

1.25. 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 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.

1.26. 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.

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.

1.27. 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.

1.28. 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.

1.29. 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.

1.30. 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.

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

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

Ind AS 1 - Presentation of Financial Statements

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

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

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

Ind AS 102 - Share-based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments: Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

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

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

Note 2 : Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	9.57	7.23
Balances with banks in current accounts #	3,436.59	845.80
Cheques, drafts on hand	-	-
Bank deposits with original maturity less than three months*	4,447.89	3,380.80
Total cash and cash equivalents	**7,894.05**	**4,233.83**

includes current year balance of ₹ 0.11 crore (previous year: ₹ 0.13 crore) towards unutilised funds raised through public issue.

*The Company has identified certain fixed deposits with bank, amounting to ₹ 1,000 crore as at March 31, 2023 and is in the process of lien marking the same against the secured debt securities.

Note 3 : Bank balance other than note 2 above

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks	181.20	367.46
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	2,694.19	1,540.89
Banks deposits with maturity greater than three months and less than twelve months	101.10	1.01
Total bank balance other than note 2 above	**2,976.49**	**1,909.36**

Note 4 : Derivative financial instruments

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Part I (Derivatives held for hedging)		
(i) Currency derivatives:		
Notional Amounts		
- Cross currency Interest rate swap	864.55	3,014.34
Fair value assets		
- Cross currency Interest rate swap	172.39	287.46
Fair value liabilities		
- Cross currency Interest rate swap	-	(83.42)
Subtotal (i)	**172.39**	**204.04**
(ii) Interest rate derivatives:		
Notional Amounts		
- Overnight Interest rate swaps	800.00	-
Fair Value Assets		
- Overnight Interest rate swaps	2.06	-
Fair Value Liabilities		
- Overnight Interest rate swaps	-	-
Subtotal (ii)	**2.06**	**-**
Total derivative financial instruments (i)+(ii)	**174.45**	**204.04**

Note 4 : Derivative financial instruments

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Part II (Derivaties for risk management purpose)		
(i) Fair value hedging:		
Notional Amounts		
- Fair value derivaties	300.00	-
Fair Value Assets		
- Fair value derivaties	0.77	-
Fair Value Liabilities		
- Fair value derivaties	-	-
Subtotal (i)	**0.77**	**-**
(ii) Cash flow hedging:		
Notional Amounts		
- Currency derivatives	864.55	3,014.34
- Interest rate derivatives	500.00	-
Fair value assets		
- Currency derivatives	172.39	287.46
- Interest rate derivatives	1.29	-
Fair Value Liabilities		
- Currency derivatives	-	(83.42)
- Interest rate derivatives	-	-
Subtotal (ii)	**173.68**	**204.04**
Total derivative financial instruments (i)+(ii)	**174.45**	**204.04**

Note:

1. The company has a board approved policy for entering in to derivative transcations. Derivative comprises of currency and interest rate swap and OIS. Refer the accounting policy for derivative financial instruments.

Note 5 : Receivables

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
(a) Receivables considered good - secured	-	-
(b) Receivables considered good - unsecured	2.34	5.24
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables - credit impaired		
Receivables	1.10	2.98
Less : Impairment loss allowance	(1.10)	(2.98)
Total trade receivables (i)	**2.34**	**5.24**

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

Note 5 : Receivables

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Other receivables		
(a) Receivables considered good - Secured	-	-
(b) Receivables considered good - unsecured	134.28	46.60
(c) Receivables which have significant increase in Credit Risk	-	-
(d) Receivables from related parties* (refer note : 33)	2.54	9.83
(e) Receivables - credit impaired		
Receivables	4.92	-
Less : Impairment loss allowance	(4.92)	-
Total other receivables (ii)	**136.82**	**56.43**
Total receivables (i+ii)	**139.16**	**61.67**

*There are no dues by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(iii) Ageing Schedule for Trade Receivables#

₹ in crore

	Particulars	Outstanding as on March 31, 2023					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	2.26	0.05	0.03	-	-	2.34
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv)	Undisputed Trade Receivables – credit impaired	-	-	1.10	-	-	1.10
(v)	Less : Impairment loss allowance	-	-	(1.10)	-	-	(1.10)
(vi)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**2.26**	**0.05**	**0.03**	**-**	**-**	**2.34**

₹ in crore

Particulars		Outstanding as on March 31, 2022					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	5.24	-	-	-	-	5.24
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv)	Undisputed Trade Receivables – credit impaired	2.98	-	-	-	-	2.98
(v)	Less : Impairment loss allowance	(2.98)	-	-	-	-	(2.98)
(vi)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total		**5.24**	**-**	**-**	**-**	**-**	**5.24**

The above ageing is prepared on the basis of date of transaction. There are no "Unbilled" and "Not Due" invoices, hence not disclosed separately.

Note 6 : Loans

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) At amortised cost		
- Loans repayable on demand	-	718.28
- Term loans	61,384.00	57,420.18
- Leasing	0.43	5.17
- Debentures	-	192.70
Total gross loans at amortised cost	**61,384.43**	**58,336.33**
Less: Impairment loss allowance	(3,286.62)	(3,561.05)
Total net loans at amortised cost (i)	**58,097.81**	**54,775.28**
(ii) At fair value through profit or Loss		
- Loans repayable on demand	279.17	-
- Term loans	14,508.46	23,119.45
- Debentures	270.18	343.00
Total gross loans at fair value through profit or loss	**15,057.81**	**23,462.45**
Less: Impact of fair value changes	(2,195.02)	(708.67)
Total net loans at fair value through profit or loss (ii)	**12,862.79**	**22,753.78**
Total net loans (A) = (i)+(ii)	**70,960.60**	**77,529.06**

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

Note 6 : Loans

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(B)		
(i) At amortised cost		
- Secured by tangible assets*	34,394.74	41,312.49
- Unsecured	26,989.69	17,023.84
Total gross loans at amortised cost	**61,384.43**	**58,336.33**
Less: Impairment loss allowance	(3,286.62)	(3,561.05)
Total net loans at amortised cost (i)	**58,097.81**	**54,775.28**
(ii) At fair value through profit or loss:		
- Secured by tangible assets*	15,035.30	23,462.45
- Unsecured	22.51	-
Total gross loans at fair value through profit or loss	**15,057.81**	**23,462.45**
Less: Impact of fair value changes	(2,195.02)	(708.67)
Total net loans at fair value through profit or loss (ii)	**12,862.79**	**22,753.78**
Total net loans (B) = (i)+(ii)	**70,960.60**	**77,529.06**
*Includes loans under Emergency Credit Line Guarantee Scheme.		
(C)		
(I) Loans in India		
(i) At amortised cost		
- Public sector	-	43.75
- Others	61,384.43	58,292.58
Total gross loans at amortised cost	**61,384.43**	**58,336.33**
Less: Impairment loss allowance	(3,286.62)	(3,561.05)
Total net loans in India at amortised cost (i)	**58,097.81**	**54,775.28**
(ii) At fair value through profit or loss:		
- Public sector	6.25	-
- Others	15,051.56	23,462.45
Total gross loans at fair value through profit or loss	**15,057.81**	**23,462.45**
Less: Impact on fair value changes	(2,195.02)	(708.67)
Total net loans at fair value through profit or loss (ii)	**12,862.79**	**22,753.78**
Total net loans in India (C)(I) = (i)+(ii)	**70,960.60**	**77,529.06**
(II) Loans outside India		
(i) At amortised cost	-	-
Less: Impairment loss allowance	-	-
Total net loans outside India at amortised cost (i)	**-**	**-**
(b) 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)	**70,960.60**	**77,529.06**

Note: There are no loans or advances, in the nature of loans, which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013), either severally or jointly with any other person.

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
A. Investments in fully paid equity shares						
(a) Subsidiaries (at cost)						
(i) Unquoted						
L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	10.00	43,81,12,390	646.80	10.00	37,56,89,110	478.26
L&T Infra Investment Partners Advisory Private Limited	10.00	50,00,000	5.00	10.00	50,00,000	5.00
L&T Infra Investment Partners Trustee Private Limited	10.00	1,00,000	0.10	10.00	1,00,000	0.10
Total investment in equity shares of Subsidiaries			**651.90**			**483.36**
(b) Other equity shares						
(i) Quoted						
(a) Investments carried at fair value through profit or loss						
JSW Ispat Special Product Limited	10.00	5,93,420	1.85	10.00	5,93,420	1.91
Monind Limited	10.00	4,638	-	10.00	4,638	-
Monnet Project Developers Limited	10.00	11,279	-	10.00	11,279	-
Diamond Power Infrastructure Limited	10.00	13,56,057		10.00	13,56,057	-
3I Infotech Limited	10.00	2,42,638	0.67	10.00	2,42,638	1.24
MIC Electronics Limited	2.00	13,46,154	1.60	2.00	13,46,154	2.25
Dish TV India Limited	-	-	-	10.00	3,59,27,667	58.74
Zee Learn Limited	10.00	2,21,62,667	7.20	10.00	2,21,62,667	27.48
Zee Media Corporation Limited	10.00	2,53,98,667	21.85	10.00	2,53,98,667	42.16
Siti Networks Limited	10.00	5,73,83,732	6.60	10.00	5,73,83,732	16.35
Future Retail Limited	10.00	26,47,883	0.55	10.00	26,47,883	8.26
Total investment in Other quoted equity shares			**40.32**			**158.39**
(ii) Unquoted						
(a) Investments carried at fair value through profit or loss						
The Kalyan Janatha Sahakari Bank Limited	-	-	-	10.00	20,000	0.05
The Malad Sahakari Bank Limited	10.00	100	-	10.00	100	-
Coastal Projects Limited	10.00	78,96,884	-	10.00	78,96,884	-
ICOMM Tele Limited	10.00	41,667	-	10.00	41,667	-
Hanjer Biotech Energies Private Limited	10.00	2,08,716	-	10.00	2,08,716	-
Soma Enterprises Limited	10.00	5,00,000	-	10.00	5,00,000	-

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

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Mediciti Healthcare Services Private Limited	10.00	16,35,003	-	10.00	16,35,003	-
Tikona Infinet Limited	10.00	4,25,912	-	10.00	4,25,912	-
Bhoruka Power Corporation Limited	10.00	11,71,098	-	10.00	11,71,098	61.71
Bhoruka Power India Investments Private Limited	10.00	10	-	10.00	10	-
Soma Tollways Private Limited	10.00	1,92,65,780	166.19	10.00	1,92,65,780	329.10
Indian Highways Management Company Limited	10.00	15,00,000	1.73	10.00	15,00,000	1.73
KSK Mahanadi Power Company Limited	10.00	2,63,85,108	-	10.00	2,63,85,108	-
NSL Sugars Limited	10.00	29,25,656	-	10.00	29,25,656	-
Athena Chattisgarh Power Limited	10.00	6,93,00,000	-	10.00	6,93,00,000	-
Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited	10.00	5,026	-	10.00	5,026	-
Grameen Capital India Private Limited	10.00	21,26,000	-	10.00	21,26,000	-
Alpha Micro Finance Consultants Private Limited	10.00	2,00,000	-	10.00	2,00,000	-
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	9,07,264	-	10.00	9,07,264	-
Integrated Digital Info Services Limited	10.00	3,83,334	-	10.00	3,83,334	-
Elque Polyesters Limited	10.00	1,94,300	-	10.00	1,94,300	-
Revent Metalcast Limited (Erstwhile Castex Technologies Limited)	2.00	7,65,241	-	2.00	7,65,241	-
Gol Offshore Limited	10.00	1,13,44,315	-	10.00	1,13,44,315	-
SVOGL Oil Gas and Exploration Services Limited	10.00	34,37,172	-	10.00	34,37,172	-
Glodyne Technoserve Limited	6.00	3,19,262	-	6.00	3,19,262	-
Usher Agro Limited	10.00	3,35,344	-	10.00	3,35,344	-
Unity Infraprojects Limited	2.00	6,94,370	-	2.00	6,94,370	-
KSK Energy Ventures Limited	10.00	1,06,88,253	-	10.00	1,06,88,253	-
Saumya Mining Limited	10.00	10,77,986	-	10.00	10,77,986	-
Total investment in Other unquoted equity shares			**167.92**			**392.59**
Total investment in equity shares (A)			**860.14**			**1,034.34**
B. Investments in debt securities						
(a) Investment carried at fair value through profit or loss (FVTPL)						
Bhoruka Power Corporation Limited	1,00,000.00	25,771	105.83	1,00,000.00	25,771	392.50

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Soma Enterprises Limited	10.00	8,07,12,081	-	10.00	8,07,12,081	18.38
Tikona Infinet Limited	2,840.00	5,79,772	-	2,840.00	5,79,772	2.58
Total investment in debt securities carried at FVTPL			**105.83**			**413.46**
(b) Investment carried at fair value through other comprehensive income (FVOCI)						
The South Indian Bank Limited	1,00,000.00	38,759	400.86	1,00,000.00	38,759	407.83
ECL Finance Limited	1,000.00	15,00,000	159.43	1,000.00	15,00,000	161.89
U. P. Power Corporation Limited	-	-	-	5,00,000.00	2,070	159.58
Total investment in debt securities carried at FVOCI			**560.29**			**729.31**
Total investment in debt securities (B)			**666.12**			**1,142.77**
C. Investments in mutual funds						
(a) Investment carried at fair value through profit or loss						
L&T Low Duration Fund Direct Plan - Growth	-	-	-	-	8,74,15,476	208.58
L&T Money Market Fund Direct Plan - Growth	-	-	-	-	9,32,07,621	207.30
Nippon India Overnight Fund - Direct Plan - Growth Option	-	6,36,143	350.32	-	-	-
L&T Ultra Short Term Fund Direct Plan - Growth	-	-	-	-	6,87,16,207	250.06
Axis Liquid Fund - Direct Plan - Growth Option	-	22,01,707	550.62	-	-	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	-	1,65,47,167	600.80	-	-	-
Kotak Liquid Fund - DP-Growth	-	16,51,044	750.96	-	-	-
SBI Liquid Fund Direct Plan - Growth	-	12,78,544	450.47	-	-	-
Invesco Liquid Fund - Direct Plan- Growth	-	3,24,050	100.14	-	-	-
HDFC Liquid Fund -DP- Growth Option	-	7,91,774	350.22	-	-	-
ICICI Prudential Liquid Fund - DP- Growth	-	1,05,15,467	350.36	-	-	-
HSBC Liquid Fund - Growth	-	17,85,578	400.35	-	-	-
Mirae Asset Cash Management Fund - DP-Growth	-	2,10,668	50.07	-	-	-
UTI- Liquid Cash Plan-Direct Plan-Growth Option	-	5,42,735	200.24	-	-	-
Tata Liquid Fund- DP-Growth	-	9,86,519	350.35	-	-	-
Total investment in mutual funds (C)			**4,504.90**			**665.94**

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

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
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	38,74,000	-	10.00	38,74,000	-
3I Infotech Limited	5.00	38,96,954	-	5.00	38,96,954	-
10% SEW Vizag Coal Terminal Private Limited	10.00	47,95,256	-	10.00	47,95,256	-
Total investment in preference shares (D)			-			-
E. Investments in government securities						
(a) Investment carried at fair value through other comprehensive income						
8.15% Govt Stock -11-06-2022	-	-	-	100.00	5,00,00,000	516.74
6.84% Govt Stock 19-12-2022	-	-	-	100.00	3,00,00,000	311.00
8.08% GOI STOCK 2022	-	-	-	100.00	75,00,000	77.04
5.87% GOI STOCK 2022	-	-	-	100.00	1,60,00,000	162.17
182 DTB 18-08-22	-	-	-	100.00	35,00,000	34.49
7.37% Govt Stock 2023	100.00	1,65,00,000	170.60	100.00	95,00,000	100.85
7.16% GOI STOCK 2023	100.00	1,95,00,000	200.16	100.00	95,00,000	100.04
6.30% GOI STOCK 2023	100.00	20,00,000	20.62	100.00	20,00,000	20.95
7.35% GOI STOCK	100.00	2,53,14,000	258.44	-	-	-
7.68% GOI STOCK	100.00	85,00,000	87.31	-	-	-
8.83% GOI STOCK	100.00	62,44,400	65.10	-	-	-
7.59% GOI STOCK	100.00	2,50,00,000	256.84	-	-	-
5.63% GOI STOCK	100.00	2,10,00,000	206.99	-	-	-
7.27% GOI STOCK	100.00	40,00,000	41.53	-	-	-
182 DTB 14-09-23	100.00	2,50,00,000	77.56	-	-	-
364 DTB 14-09-23	100.00	80,00,000	242.38	-	-	-
364 DTB 29-06-23	100.00	1,10,00,000	108.25	-	-	-
364 DTB 06-07-23	100.00	80,00,000	78.60	-	-	-
364 DTB 03-08-23	100.00	1,50,00,000	146.59	-	-	-
182 DTB 04-05-23	100.00	50,00,000	49.73	-	-	-
Total investment in government securities (E)			**2,010.70**			**1,323.28**
F. Investment in other securities						
(a) Subsidiaries: Investment carried at fair value through profit or loss (FVTPL)						
L&T Infra Investments Partner Fund						
Class B	100.00	2,07,02,441	106.07	100.00	2,11,33,404	213.59
Class C	100.00	5,00,000	4.07	100.00	5,00,000	5.68

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Class D	10.00	10,000	0.01	10.00	10,000	0.01
Total investment in other securities of subsidiaries carried at FVTPL			**110.15**			**219.28**
(b) Investment carried at fair value through profit or loss (FVTPL)						
KKR India debt Opportunities Fund II	1,000.00	1,56,523	0.17	1,000.00	3,66,954	14.27
KKR India debt Opportunities Fund III	-	-	-	1,000.00	21,226	-
LICHFL Urban Development Fund	10,000.00	10,000	1.62	10,000.00	10,000	1.21
LICHFL Housing And Infrastructure Trust	100.00	26,80,556	26.81	100.00	15,72,360	15.72
Total investment in other securities carried at FVTPL			**28.60**			**31.20**
(c) Investment carried at fair value through other comprehensive income (FVOCI)						
Indinfravit Trust	100.00	1,00,000	0.90	100.00	1,00,000	0.91
Total investment in other securities carried at FVOCI			**0.90**			**0.91**
Total investment in other securities (F)			**139.65**			**251.39**
G. Investment in pass through certificates						
(a) Investment carried at fair value through other comprehensive income						
Goldstein IFMR Capital	43.00	8,57,170	2.45	43.00	8,57,170	2.45
Smith IFMR Capital	4.00	1,20,96,782	3.29	4.00	1,20,96,782	3.29
Syme IFMR Capital	1.00	1,42,10,515	1.11	1.00	1,42,10,515	1.11
Moses IFMR Capital	1.00	22,50,000	0.22	1.00	22,50,000	0.22
Total investment in pass through certificate (G)			**7.07**			**7.07**
H. Investment in security receipts						
(a) Investment carried at fair value through profit or loss						
Phoenix ARF Scheme 9	1.00	6,612	-	1.00	6,612	-
Phoenix ARF Scheme 11	1.00	44,208	-	1.00	44,208	-
Phoenix ARF Scheme 13	5.00	27,404	-	5.00	27,404	-
Phoenix ARF Scheme 14	1,000.00	34,882	-	1,000.00	34,882	-
Phoenix Trust FY 19-6	85.00	12,49,500	10.62	505.00	12,49,500	63.10
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	32,30,000	-	547.16	32,30,000	-

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

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
JMFARC LTF June 2017 Trust	525.87	7,78,349	15.11	628.20	7,78,349	19.00
Suraksha ARC - 024 Trust	-	-	-	1,000.00	10,87,176	108.72
Suraksha ARC - 020 Trust	767.04	8,67,000	50.46	768.17	8,67,000	50.60
Suraksha ARC - 020 Trust (Series - II)	888.89	1,26,310	7.75	888.89	1,26,310	7.75
Phoenix Trust FY 20-4	257.00	30,26,000	38.88	257.00	30,26,000	38.88
Omkara PS10/2019-20 Trust	1,000.00	62,429	-	1,000.00	1,32,605	3.17
EARC TRUST SC 367	779.63	1,17,30,000	773.04	904.00	1,17,30,000	1,056.66
ARCIL-CPS-062-I-Trust	942.00	51,85,000	366.17	1,000.00	51,85,000	388.05
Suraksha ARC - 037 Trust	1,000.00	11,07,125	109.47	1,000.00	11,07,125	109.47
Phoenix Trust FY 14-9	931.00	11,08,935	-	931.00	11,08,935	-
EARC Trust - SC 105	768.00	11,90,000	-	812.00	11,90,000	14.50
EARC Trust - SC 132	1.00	8,500	0.00*	903.20	8,500	0.77
JM Financials (JMFARC) Series	525.87	26,21,651	52.83	680.90	26,21,651	66.44
ARCIL-CPS-I-Trust	744.03	58,05,500	431.95	977.00	58,05,500	567.19
Arcil-AST- IX Trust	986.00	76,58,500	755.20	986.00	76,58,500	755.20
CFMARC Trust 67	1,000.00	5,93,691	29.92	1,000.00	6,58,291	36.38
CFMARC Trust 73	1,000.00	22,29,040	210.92	1,000.00	22,76,266	215.65
CFMARC Trust 74	1,000.00	10,92,896	101.39	1,000.00	10,98,795	101.98
CFMARC Trust 76	1,000.00	5,76,334	54.55	1,000.00	5,85,429	55.46
Pegasus Group Thirty Eight Trust 1	823.85	3,28,729	15.46	929.00	3,28,729	18.92
ACRE 109 TRUST	819.49	7,82,000	57.68	969.88	7,82,000	75.84
Phoenic Trust FY 22-7	751.00	31,53,500	162.45	807.00	31,53,500	213.86
Phoenix Trust-FY 22-16	921.00	95,20,000	624.47	1,000.00	95,20,000	918.64
CFMARC TRUST - 104	1,000.00	5,71,200	57.12	-	-	-
CFMARC TRUST - 103	1,000.00	5,48,250	54.83	-	-	-
ARCIL-CPS-65-I-Trust	1,000.00	7,48,00,000	738.71	-	-	-
ARCIL-CPS-III TRUST	1,000.00	59,67,000	591.74	-	-	-
Phoenic Trust FY 23-7	990.00	83,30,000	820.30	-	-	-
Total investment in security receipts (H)			**6,131.02**			**4,886.23**
Total investments (I)			**14,319.60**			**9,311.02**
(i) Investments outside India			-			-
(ii) Investments in India			14,319.60			9,311.02
Total Investments (II)			**14,319.60**			**9,311.02**
Less: Allowance for Impairment loss (III)						
Investment carried at fair value through other comprehensive income			7.07			7.07
Net total investment (IV)= (I)-(III)			**14,312.53**			**9,303.95**

*Amount less than ₹ 1 lakh

Note 8 : Other financials assets

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	67.61	64.55
Other advances	3.30	10.43
Margin money deposits	11.40	7.80
Total other financials assets	**82.31**	**82.78**

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Buildings : Owned*	0.38	-	-	0.38	0.05	0.01	-	0.06	**0.32**	**0.33**
Lease hold renovation : Owned	9.37	2.91	0.88	11.40	7.59	0.85	0.88	7.56	**3.84**	**1.78**
Plant and equipments : Lease out	2.80	-	-	2.80	2.16	-	-	2.16	**0.64**	**0.64**
Computers : Owned	40.29	4.75	0.33	44.71	35.20	2.20	0.30	37.10	**7.61**	**5.09**
Furniture and fixtures										
Owned	10.93	4.22	0.29	14.86	7.50	0.71	0.20	8.01	6.85	3.43
Leased out	4.74	-	-	4.74	4.06	-	-	4.06	0.68	0.68
Sub total - Furniture and fittings	**15.67**	**4.22**	**0.29**	**19.60**	**11.56**	**0.71**	**0.20**	**12.07**	**7.53**	**4.11**
Office equipment										
Owned	13.53	15.60	0.28	28.85	9.08	4.69	0.25	13.52	15.33	4.45
Leased out	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Sub total - Office equipment	**13.54**	**15.60**	**0.28**	**28.86**	**9.08**	**4.69**	**0.25**	**13.52**	**15.34**	**4.46**
Vehicles										
Owned	3.88	8.91	0.68	12.11	1.18	2.06	0.44	2.80	9.31	2.70
Leased out	0.93	-	0.71	0.22	0.63	0.02	0.51	0.14	0.08	0.30
Sub total - Vehicles	**4.81**	**8.91**	**1.39**	**12.33**	**1.81**	**2.08**	**0.95**	**2.94**	**9.39**	**3.00**
Total	**86.86**	**36.39**	**3.17**	**120.08**	**67.45**	**10.54**	**2.58**	**75.41**	**44.67**	**19.41**

Note:

*The title deed of the immovable property acquired under the scheme of amalgamation, is held in the name of erstwhile L&T Finance Limited which was merged with the Company with effect from 01 April, 2016, also the tittle deed holder is not a promoter, director or related party of the Company.

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Buildings : Owned*	0.38	-	-	0.38	0.04	0.01	-	0.05	0.33	0.34
Lease hold renovation : Owned	11.78	0.57	2.98	9.37	9.48	0.87	2.76	7.59	1.78	2.30
Plant and equipments : Lease out	2.80	-	-	2.80	2.16	-	-	2.16	0.64	0.64
Computers : Owned	40.36	-	0.07	40.29	30.51	4.72	0.03	35.20	5.09	9.85
Furniture and fixtures										
Owned	10.71	0.83	0.61	10.93	7.11	0.73	0.34	7.50	3.43	3.60
Leased out	4.74	-	-	4.74	3.94	0.12	-	4.06	0.68	0.80
Sub total - Furniture and fittings	**15.45**	**0.83**	**0.61**	**15.67**	**11.05**	**0.85**	**0.34**	**11.56**	**4.11**	**4.40**
Office equipment										
Owned	9.82	3.89	0.18	13.53	6.39	2.90	0.21	9.08	4.45	3.43
Leased out	0.01	-	-	0.01	-	-	-	-	0.01	0.01
Sub total - Office equipment	**9.83**	**3.89**	**0.18**	**13.54**	**6.39**	**2.90**	**0.21**	**9.08**	**4.46**	**3.44**
Vehicles										
Owned	2.44	2.64	1.20	3.88	1.60	0.72	1.14	1.18	2.70	0.84
Leased out	1.72	-	0.79	0.93	0.97	0.17	0.51	0.63	0.30	0.75
Sub total - Vehicles	**4.16**	**2.64**	**1.99**	**4.81**	**2.57**	**0.89**	**1.65**	**1.81**	**3.00**	**1.59**
Total	**84.76**	**7.93**	**5.83**	**86.86**	**62.20**	**10.24**	**4.99**	**67.45**	**19.41**	**22.56**

Note:

*The title deed of the immovable property acquired under the scheme of amalgamation, is held in the name of erstwhile L&T Finance Limited which was merged with the Company with effect from 01 April, 2016, also the tittle deed holder is not a promoter, director or related party of the Company.

Note 10 : Other intangible assets and Intangible assets under development

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	For the year	Disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Other intangible assets										
Specialised software	314.37	80.56	-	394.93	198.61	81.11	-	279.72	115.21	115.76
Distribution and customer network rights	438.80	-	-	438.80	438.80	-	-	438.80	-	-
(a) Total other intangible assets	**753.17**	**80.56**	**-**	**833.73**	**637.41**	**81.11**	**-**	**718.52**	**115.21**	**115.76**
(b) Intangible assets under development									**4.72**	**21.79**

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Other intangible assets										
Specialised software	242.72	71.65	-	314.37	131.83	66.78	-	198.61	115.76	110.89
Distribution and customer network rights	438.80	-	-	438.80	438.80	-	-	438.80	-	-
(a) Total other intangible assets	**681.52**	**71.65**	**-**	**753.17**	**570.63**	**66.78**	**-**	**637.41**	**115.76**	**110.89**
(b) Intangible assets under development									**21.79**	**23.84**

(b) Intangible assets under development

(i) Schedule of ageing of Intangible assets under development as at March 31, 2023*

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.60	0.12	-	-	4.72
Projects temporarily suspended	-	-	-	-	-
Total	**4.60**	**0.12**	**-**	**-**	**4.72**

(ii) Schedule of Ageing of completion of Intangible assets under development as at March 31, 2022*

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	21.79	-	-	-	21.79
Projects temporarily suspended		-	-	-	-
Total	**21.79**	**-**	**-**	**-**	**21.79**

* Above Intangible asset under development is neither overdue nor exceeded its cost compared to its original plan.

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

Note 11 : Other non-financials assets

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	38.43	25.68
Advances to others	27.47	27.44
Amount paid under protest	52.76	52.72
Capital advances	2.10	0.92
Assets acquired in settlement of claims	465.97	569.68
Total other non-financials Assets	**586.73**	**676.44**

Note 12 : Payables

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade payables		
Micro enterprises and small enterprises (refer note: 43)	-	0.19
Due to others	748.36	378.73
Due to related parties (refer note: 33)	1.49	44.75
Total trade payables (i)	**749.85**	**423.67**
(ii) Other payables		
Micro enterprises and small enterprises (refer note: 43)	-	-
Due to others	-	6.49
Due to related parties (refer note: 33)	38.79	-
Total other payables (ii)	**38.79**	**6.49**
Total payables (i+ii)	**788.64**	**430.16**

(iii) Trade Payables aging schedule

(₹ in crore)

	Particulars	Outstanding as on 31st March 2023 *					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-	-
(ii)	Others	-	17.31	-	-	-	17.31
(iii)	Disputed Dues - MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
(v)	Bill Raised But not paid	-	27.41	-	-	-	27.41
(vi)	Undue Bills	705.13	-	-	-	-	705.13
	Total	**705.13**	**44.72**	-	-	-	**749.85**

(₹ in crore)

	Particulars	Outstanding as on 31st March 2022 *					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	0.19	-	-	-	0.19
(ii)	Others	-	62.36	-	-	-	62.36
(iii)	Disputed Dues - MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
(v)	Bill Raised But not paid	-	16.15	-	-	-	16.15
(vi)	Undue Bills	344.97	-	-	-	-	344.97
	Total	**344.97**	**78.70**	-	-	-	**423.67**

* The above ageing is preapared on the basis of date of transaction

Note 13 : Debt securities

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) At amortised cost		
- Redeemable non convertible debentures (refer note 13 (a))	23,331.91	28,327.60
- Commercial papers (net) (refer note 13 (b))	7,426.45	6,338.01
Total debt securities at amortised cost (A)	**30,758.36**	**34,665.61**
(B)		
(I) Debt securities in India		
(i) At amortised cost	30,758.36	34,665.61
(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)	**30,758.36**	**34,665.61**
(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)	**30,758.36**	**34,665.61**

13 (a) Secured redeemable non convertible debentures as on March 31, 2023

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series A FY 2020-21	₹ 10 lakh each	28-04-2020	1,152.51	7.80%	28-04-2023	Redeemable at par at the end of 1095 days from the date of allotment

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series I FY 2020-21 opt 1	₹ 10 lakh each	17-03-2021	300.76	6.15%	17-05-2023	Redeemable at par at the end of 791 days from the date of allotment
Series C FY 2018-19	₹ 10 lakh each	29-08-2018	499.92	8.44%	18-05-2023	Redeemable at par at the end of 1723 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	29-05-2013	117.78	8.35%	29-05-2023	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2021-22	₹ 10 lakh each	30-09-2021	58.66	7.70%	12-06-2023	Redeemable at par at the end of 620 days from the date of allotment
Series C FY 2020-21	₹ 10 lakh each	12-06-2020	318.22	7.70%	12-06-2023	Redeemable at par at the end of 1095 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 lakh each	01-07-2016	10.66	8.75%	30-06-2023	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2020-21 - MLD	₹ 10 lakh each	03-07-2020	150.50	7.00%	03-07-2023	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 lakh each	20-07-2020	90.36	7.00%	03-07-2023	Redeemable at par at the end of 1078 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 lakh each	22-07-2016	16.96	8.70%	21-07-2023	Redeemable at par at the end of 2555 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	02-08-2018	37.05	8.86%	02-08-2023	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 2021-22 - MLD	₹ 10 lakh each	08-09-2021	32.43	5.12%	08-09-2023	Redeemable at par at the end of 730 days from the date of allotment
Series J FY 2020-21 opt 1	₹ 10 lakh each	09-09-2020	519.27	7.30%	08-09-2023	Redeemable at par at the end of 1094 days from the date of allotment
Series F FY 2020-21	₹ 10 lakh each	02-12-2020	610.74	5.85%	01-12-2023	Redeemable at par at the end of 1094 days from the date of allotment
Series J FY 2018-19	₹ 10 lakh each	04-01-2019	817.16	9.00%	04-01-2024	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 2018-19	₹ 10 lakh each	11-01-2019	27.52	8.90%	11-01-2024	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-01-2019	25.48	9.00%	09-02-2024	Redeemable at par at the end of 1855 days from the date of allotment
Series K FY 2021-22 option 2	₹ 10 lakh each	03-12-2021	52.32	9.00%	09-02-2024	Redeemable at par at the end of 798 days from the date of allotment
Series G FY 2020-21	₹ 10 lakh each	03-03-2021	451.88	6.40%	01-03-2024	Redeemable at par at the end of 1094 days from the date of allotment
Series N FY 2018-19	₹ 10 lakh each	01-02-2019	25.36	9.02%	11-03-2024	Redeemable at par at the end of 1865 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	30.38	9.10%	13-03-2024	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	13-03-2019	236.20	9.25%	13-03-2024	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	13-03-2019	1.77	8.75%	13-03-2024	Redeemable at par at the end of 1827 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series IV option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	60.21	8.89%	13-03-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	78.82	8.80%	15-04-2024	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	15-04-2019	201.57	9.00%	15-04-2024	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	15-04-2019	1.55	8.48%	15-04-2024	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	15-04-2019	21.93	8.66%	15-04-2024	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	15-04-2019	0.32	8.81%	15-04-2024	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	15-04-2019	25.76	9.01%	15-04-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series H FY 2020-21	₹ 10 lakh each	10-03-2021	50.19	6.45%	10-05-2024	Redeemable at par at the end of 1157 days from the date of allotment
Reissuance - Series A FY 2021-22	₹ 10 lakh each	30-04-2021	301.58	6.45%	10-05-2024	Redeemable at par at the end of 1106 days from the date of allotment
Reissuance - Series C FY 2021-22	₹ 10 lakh each	27-05-2021	201.62	6.45%	10-05-2024	Redeemable at par at the end of 1079 days from the date of allotment
Series A FY 2022-23	₹ 10 lakh each	01-07-2022	184.89	7.55%	01-07-2024	Redeemable at par at the end of 731 days from the date of allotment
Series E FY 2020-21 opt 2	₹ 10 lakh each	13-07-2020	258.47	7.90%	12-07-2024	Redeemable at par at the end of 1460 days from the date of allotment
Series C FY 2022-23 - MLD	₹ 10 lakh each	27-07-2022	213.83	7.20%	27-08-2024	Redeemable at par at the end of 762 days from the date of allotment
Reissuance-Series E FY 2022-23 MLD	₹ 10 lakh each	08-08-2022	75.47	7.20%	27-08-2024	Redeemable at par at the end of 750 days from the date of allotment
Reissuance-Series F FY 2022-23 MLD	₹ 10 lakh each	19-08-2022	124.72	7.20%	27-08-2024	Redeemable at par at the end of 739 days from the date of allotment
Series F FY 2021-22 option 2	₹ 10 lakh each	31-08-2021	517.14	5.90%	30-08-2024	Redeemable at par at the end of 1095 days from the date of allotment
Series K FY 2020-21 opt 2	₹ 10 lakh each	16-09-2020	181.38	7.15%	16-09-2024	Redeemable at par at the end of 1461 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	03-11-2020	307.25	6.55%	01-11-2024	Redeemable at par at the end of 1459 days from the date of allotment
Series M FY 2020-21	₹ 10 lakh each	03-11-2020	205.00	6.75%	01-11-2024	Redeemable at par at the end of 1459 days from the date of allotment
Series J FY 2021-22	₹ 10 lakh each	16-11-2021	219.97	6.25%	15-11-2024	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2017-18	₹ 10 lakh each	29-06-2017	684.39	7.59%	18-11-2024	Redeemable at par at the end of 2699 days from the date of allotment
Series K FY 2021-22 option 1	₹ 10 lakh each	03-12-2021	153.03	6.25%	03-12-2024	Redeemable at par at the end of 1096 days from the date of allotment

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-2019	23.67	8.45%	23-12-2024	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	23-12-2019	331.74	8.60%	23-12-2024	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	23-12-2019	0.79	8.15%	23-12-2024	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	23-12-2019	75.14	8.29%	23-12-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series K FY 2022-23 - MLD	₹ 10 lakh each	24-11-2022	163.69	7.75%	27-12-2024	Redeemable at par at the end of 764 days from the date of allotment
Reissuance-Series F FY 2022-23 MLD	₹ 10 lakh each	07-12-2022	106.72	7.75%	27-12-2024	Redeemable at par at the end of 751 days from the date of allotment
Series L FY 2021-22	₹ 10 lakh each	23-12-2021	305.00	6.15%	23-01-2025	Redeemable at par at the end of 1127 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	28-01-2020	101.40	8.45%	17-02-2025	Redeemable at par at the end of 1847 days from the date of allotment
Series J FY 2022-23	₹ 10 lakh each	17-11-2022	66.88	7.88%	11-03-2025	Redeemable at par at the end of 845 days from the date of allotment
Series O FY 2022-23 - MLD	₹ 1 Lakh each	06-01-2023	73.21	7.70%	21-03-2025	Redeemable at par at the end of 805 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 lakh each	19-05-2015	47.91	8.84%	19-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	26-05-2015	32.27	8.90%	26-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 lakh each	26-05-2015	21.50	8.85%	26-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16 opt 5	₹ 25 lakh each	05-06-2015	26.82	8.90%	05-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 lakh each	05-06-2015	53.61	8.84%	05-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2022-23 - MLD	₹ 10 lakh each	20-12-2022	174.49	7.73%	20-06-2025	Redeemable at par at the end of 913 days from the date of allotment
Series B FY 2020-21	₹ 10 lakh each	09-07-2020	294.40	7.85%	09-07-2025	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	10-07-2020	364.00	7.75%	10-07-2025	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 lakh each	17-07-2015	10.63	8.95%	17-07-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2020-21 opt 1	₹ 10 lakh each	13-07-2020	527.60	7.95%	28-07-2025	Redeemable at par at the end of 1841 days from the date of allotment
Series B FY 2022-23 Option 1	₹ 10 lakh each	15-07-2022	210.99	7.75%	14-08-2025	Redeemable at par at the end of 1126 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series B FY 2022-23 Option 2	₹ 10 lakh each	15-07-2022	316.39	7.74%	15-09-2025	Redeemable at par at the end of 1158 days from the date of allotment
Reissuance-Series D FY 2022-23	₹ 10 lakh each	02-08-2022	231.30	7.87%	15-09-2025	Redeemable at par at the end of 1140 days from the date of allotment
Series M FY 2021-22	₹ 10 lakh each	01-02-2022	570.89	6.45%	26-09-2025	Redeemable at par at the end of 1333 days from the date of allotment
Series H FY 2022-23	₹ 10 lakh each	19-10-2022	517.16	7.95%	31-10-2025	Redeemable at par at the end of 1108 days from the date of allotment
Series J FY 2022-23 - MLD	₹ 10 lakh each	09-11-2022	176.01	7.81%	10-11-2025	Redeemable at par at the end of 1097 days from the date of allotment
Series G FY 2022-23	₹ 10 lakh each	29-08-2022	605.56	7.53%	28-11-2025	Redeemable at par at the end of 1187 days from the date of allotment
Series AJ FY 2015-16 opt 2	₹ 25 lakh each	08-02-2016	52.62	8.75%	06-02-2026	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2022-23 - MLD option 1	₹ 10 lakh each	07-12-2022	306.88	7.84%	10-02-2026	Redeemable at par at the end of 1161 days from the date of allotment
Reissuance-Series P FY 2022-23 MLD	₹ 10 lakh each	24-01-2023	20.51	7.84%	10-02-2026	Redeemable at par at the end of 1113 days from the date of allotment
Series N FY 2022-23	₹ 10 lakh each	29-12-2022	510.13	7.95%	27-02-2026	Redeemable at par at the end of 1156 days from the date of allotment
Reissuance-Series N FY 2022-23	₹ 10 lakh each	29-12-2022	393.19	7.95%	27-02-2026	Redeemable at par at the end of 1156 days from the date of allotment
Series R FY 2022-23 Option 1	₹ 1 Lakh each	31-03-2023	149.99	8.33%	30-03-2026	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	20-04-2016	5.41	8.65%	20-04-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-05-2019	913.12	8.80%	28-05-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	31-07-2019	15.85	8.55%	31-07-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	25-10-2016	10.33	7.90%	23-10-2026	Redeemable at par at the end of 3650 days from the date of allotment
Series T FY 2016-17	₹ 25 lakh each	16-11-2016	48.37	7.95%	16-11-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-2019	25.44	8.50%	23-12-2026	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	23-12-2019	404.92	8.65%	23-12-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	11.35	8.85%	15-04-2027	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	15-04-2019	380.36	9.05%	15-04-2027	Redeemable at par at the end of 2922 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	0.45	8.52%	15-04-2027	Redeemable at par at the end of 2922 days from the date of allotment

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series VII option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	17.44	8.70%	15-04-2027	Redeemable at par at the end of 2922 days from the date of allotment
Series R FY 2022-23	₹ 1 Lakh each	01-03-2023	143.41	8.15%	01-03-2028	Redeemable at par at the end of 1827 days from the date of allotment
Reissuance-Series R FY 2022-23	₹ 1 Lakh each	01-03-2023	201.38	8.15%	01-03-2028	Redeemable at par at the end of 1827 days from the date of allotment
Reissuance-Series R FY 2022-23 option 2	₹ 1 Lakh each	31-03-2023	281.06	8.15%	01-03-2028	Redeemable at par at the end of 1797 days from the date of allotment
Series A FY 2011-12	₹ 8.57 lakh each	18-10-2011	436.89	9.70%	18-10-2023	Redeemable at par in 6 equal installments
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	7.99	9.20%	13-03-2029	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	110.65	9.35%	13-03-2029	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	13-03-2019	0.70	8.84%	13-03-2029	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	13-03-2019	101.48	8.98%	13-03-2029	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B2 FY 2019-20 opt 2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 lakh each	11-02-2020	278.82	8.55%	28-01-2030	Redeemable at par at the end of 3639 days from the date of allotment
Reissuance - Series B FY 2020-21 opt 3 (Original issuance series B FY 2020-21)	₹ 10 lakh each	30-06-2020	393.56	8.10%	28-06-2030	Redeemable at par at the end of 3650 days from the date of allotment
Series J FY 2020-21 opt 2	₹ 10 lakh each	09-09-2020	103.98	7.66%	09-09-2030	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	16-09-2020	52.22	7.66%	09-09-2030	Redeemable at par at the end of 3645 days from the date of allotment
Series E FY 2017-18	₹ 10 lakh each	30-12-2020	1,528.81	7.62%	30-12-2030	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2021-22	₹ 10 lakh each	19-05-2021	1,064.27	7.40%	19-05-2027	Redeemable at par in 5 installments
Series Q FY 2022-23	₹ 1 Lakh each	14-02-2023	277.56	8.05%	14-02-2033	Redeemable at par at the end of 3653 days from the date of allotment
Total 13(a)			**23,331.91**			

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 ₹ 0.11 crore is in current account (includes ₹ 0.13 crore unutilised from amount raised in previous year).

(b) Commercial papers (net) as on March 31, 2023

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2023 (₹ in crore)
Bullet	Upto 1 year	upto 7.00%	2,828.68
Bullet	Upto 1 year	7.01%-8.00%	4,597.77
Total 13(b)			**7,426.45**

13 (a) Secured redeemable non convertible debentures as on March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series I option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	177.75	9.00%	13-04-2022	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	13-03-2019	691.59	9.10%	13-04-2022	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	13-03-2019	6.60	9.00%	13-04-2022	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	13-03-2019	104.94	9.10%	13-04-2022	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	120.16	8.70%	15-04-2022	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	15-04-2019	204.27	8.90%	15-04-2022	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 Lakh each	16-04-2015	43.43	8.95%	15-04-2022	Redeemable at par at the end of 2556 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	4.46	8.71%	15-04-2022	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	15-04-2019	20.75	8.91%	15-04-2022	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 - MLD	₹ 10 Lakh each	24-04-2019	100.02	8.36%	22-04-2022	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	06-06-2018	75.53	8.65%	28-04-2022	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	14-11-2018	41.18	8.65%	28-04-2022	Redeemable at par at the end of 1261 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	06-06-2018	61.69	8.60%	28-04-2022	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, 2023

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series K FY 2015-16 opt 2	₹ 25 Lakh each	22-05-2015	11.83	8.81%	20-05-2022	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2015-16 opt 1	₹ 25 Lakh each	26-05-2015	16.12	8.81%	26-05-2022	Redeemable at par at the end of 2557 days from the date of allotment
Series N FY 2015-16 opt 2	₹ 25 Lakh each	29-05-2015	11.81	8.81%	27-05-2022	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 Lakh each	06-07-2018	48.25	8.95%	10-06-2022	Redeemable at par at the end of 1435 days from the date of allotment
Series B FY 2018-19 opt 1	₹ 10 Lakh each	06-07-2018	92.36	8.95%	10-06-2022	Redeemable at par at the end of 1435 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 Lakh each	01-07-2020	46.15	7.00%	01-07-2022	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2020-21	₹ 10 Lakh each	04-08-2020	22.52	7.00%	01-07-2022	Redeemable at par at the end of 696 days from the date of allotment
Series H FY 2020-21 - MLD	₹ 10 Lakh each	07-08-2020	59.67	7.00%	01-07-2022	Redeemable at par at the end of 693 days from the date of allotment
Series I FY 2020-21	₹ 10 Lakh each	14-08-2020	30.96	7.00%	01-07-2022	Redeemable at par at the end of 686 days from the date of allotment
Series L FY 2020-21 - MLD	₹ 10 Lakh each	18-09-2020	33.21	7.00%	01-07-2022	Redeemable at par at the end of 651 days from the date of allotment
Series G FY 2017-18 opt 2	₹ 25 Lakh each	19-06-2017	79.53	7.72%	19-07-2022	Redeemable at par at the end of 1856 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 Lakh each	21-06-2017	26.52	7.81%	21-07-2022	Redeemable at par at the end of 1856 days from the date of allotment
Series K FY 2015-16 opt 3	₹ 25 Lakh each	28-07-2015	3.18	8.90%	28-07-2022	Redeemable at par at the end of 2557 days from the date of allotment
Series W FY 2015-16 opt 6	₹ 25 Lakh each	07-08-2015	10.57	8.82%	05-08-2022	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2017-18	₹ 25 Lakh each	08-08-2017	488.16	7.71%	08-08-2022	Redeemable at par at the end of 1826 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 Lakh each	24-01-2019	50.82	8.93%	08-08-2022	Redeemable at par at the end of 1292 days from the date of allotment
Series D FY 2017-18 opt 2	₹ 25 Lakh each	25-07-2017	215.95	7.80%	16-08-2022	Redeemable at par at the end of 1848 days from the date of allotment
Series E FY 2020-21 - MLD	₹ 10 Lakh each	17-08-2020	55.00	6.05%	17-08-2022	Redeemable at par at the end of 730 days from the date of allotment
Series E FY 2017-18	₹ 25 Lakh each	30-08-2017	52.24	7.65%	30-08-2022	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2017-18	₹ 25 Lakh each	29-09-2017	207.71	7.65%	29-09-2022	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 Lakh each	06-10-2017	321.58	7.70%	06-10-2022	Redeemable at par at the end of 1826 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Reissuance- Series H FY 2018-19 opt 2 (Original issuance series N FY 2017-18)	₹ 25 Lakh each	20-11-2018	66.93	7.70%	06-10-2022	Redeemable at par at the end of 1416 days from the date of allotment
Series O FY 2015-16 opt 3	₹ 25 Lakh each	20-10-2015	33.74	8.65%	20-10-2022	Redeemable at par at the end of 2557 days from the date of allotment
Series AG FY 2015-16	₹ 25 Lakh each	13-11-2015	18.58	8.60%	11-11-2022	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 Lakh each	29-11-2019	641.20	8.55%	29-11-2022	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 Lakh each	29-11-2019	384.63	8.48%	29-11-2022	Redeemable at par at the end of 1096 days from the date of allotment
Series T FY 2017-18	₹ 25 Lakh each	12-12-2017	87.02	7.95%	12-12-2022	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	31-10-2018	16.75	7.95%	12-12-2022	Redeemable at par at the end of 1503 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-2019	30.36	8.25%	23-12-2022	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	23-12-2019	425.54	8.45%	23-12-2022	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	23-12-2019	0.85	7.96%	23-12-2022	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	23-12-2019	43.32	8.15%	23-12-2022	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	23-12-2019	7.48	8.26%	23-12-2022	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	23-12-2019	74.82	8.46%	23-12-2022	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2012-13	₹ 10 Lakh each	11-01-2013	458.86	9.00%	11-01-2023	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2019-20 opt 1	₹ 10 Lakh each	17-02-2020	806.43	8.50%	17-01-2023	Redeemable at par at the end of 1065 days from the date of allotment
Series E FY 2019-20	₹ 10 Lakh each	24-01-2020	410.80	8.25%	24-01-2023	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 2	₹ 10 Lakh each	17-02-2020	806.35	8.50%	17-02-2023	Redeemable at par at the end of 1096 days from the date of allotment
Series B FY 2019-20	₹ 10 Lakh each	28-02-2020	251.37	7.75%	28-02-2023	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2019-20	₹ 10 Lakh each	04-03-2020	75.43	7.68%	03-03-2023	Redeemable at par at the end of 1094 days from the date of allotment

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Reissuance - Series I FY 2020-21 opt 2 (Original issuance series F FY 2019-20)	₹ 10 Lakh each	17-03-2021	25.50	7.68%	03-03-2023	Redeemable at par at the end of 716 days from the date of allotment
Series D FY 2021-22	₹ 10 Lakh each	30-07-2021	513.86	7.68%	03-03-2023	Redeemable at par at the end of 581 days from the date of allotment
Series E FY 2021-22	₹ 10 Lakh each	10-08-2021	257.02	7.68%	03-03-2023	Redeemable at par at the end of 570 days from the date of allotment
Series F FY 2021-22 option 1	₹ 10 Lakh each	31-08-2021	514.36	7.68%	03-03-2023	Redeemable at par at the end of 549 days from the date of allotment
Series C FY 2019-20	₹ 10 Lakh each	04-03-2020	20.12	7.75%	15-03-2023	Redeemable at par at the end of 1106 days from the date of allotment
Series H FY 2021-22 - MLD	₹ 10 Lakh each	15-09-2021	51.53	5.62%	15-03-2023	Redeemable at par at the end of 546 days from the date of allotment
Series AK FY 2015-16	₹ 25 Lakh each	16-03-2016	10.04	8.80%	16-03-2023	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2019-20 opt 3	₹ 10 Lakh each	17-02-2020	907.45	8.50%	17-03-2023	Redeemable at par at the end of 1124 days from the date of allotment
Series A FY 2020-21	₹ 10 Lakh each	28-04-2020	1,150.64	7.80%	28-04-2023	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2020-21 opt 1	₹ 10 Lakh each	17-03-2021	300.74	6.15%	17-05-2023	Redeemable at par at the end of 791 days from the date of allotment
Series C FY 2018-19	₹ 10 Lakh each	29-08-2018	499.05	8.44%	18-05-2023	Redeemable at par at the end of 1723 days from the date of allotment
Series C FY 2013-14	₹ 10 Lakh each	29-05-2013	117.75	8.35%	29-05-2023	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2020-21	₹ 10 Lakh each	12-06-2020	317.73	7.70%	12-06-2023	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2021-22	₹ 10 Lakh each	30-09-2021	59.98	7.70%	12-06-2023	Redeemable at par at the end of 620 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 Lakh each	01-07-2016	10.66	8.75%	30-06-2023	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2020-21 - MLD	₹ 10 Lakh each	03-07-2020	140.32	7.00%	03-07-2023	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 Lakh each	20-07-2020	84.49	7.00%	03-07-2023	Redeemable at par at the end of 1078 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 Lakh each	22-07-2016	16.96	8.70%	21-07-2023	Redeemable at par at the end of 2555 days from the date of allotment
Series E FY 2018-19	₹ 10 Lakh each	02-08-2018	37.05	8.86%	02-08-2023	Redeemable at par at the end of 1826 days from the date of allotment
Series J FY 2020-21 opt 1	₹ 10 Lakh each	09-09-2020	518.70	7.30%	08-09-2023	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 2021-22 - MLD	₹ 10 Lakh each	08-09-2021	30.83	5.12%	08-09-2023	Redeemable at par at the end of 730 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series F FY 2020-21	₹ 10 Lakh each	02-12-2020	609.54	5.85%	01-12-2023	Redeemable at par at the end of 1094 days from the date of allotment
Series J FY 2018-19	₹ 10 Lakh each	04-01-2019	817.16	9.00%	04-01-2024	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 2018-19	₹ 10 Lakh each	11-01-2019	27.52	8.90%	11-01-2024	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 Lakh each	11-01-2019	25.47	9.00%	09-02-2024	Redeemable at par at the end of 1855 days from the date of allotment
Series K FY 2021-22 option 2	₹ 10 Lakh each	03-12-2021	53.87	9.00%	09-02-2024	Redeemable at par at the end of 798 days from the date of allotment
Series G FY 2020-21	₹ 10 Lakh each	03-03-2021	451.45	6.40%	01-03-2024	Redeemable at par at the end of 1094 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 Lakh each	01-02-2019	25.36	9.02%	11-03-2024	Redeemable at par at the end of 1865 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	30.31	9.10%	13-03-2024	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	13-03-2019	235.63	9.25%	13-03-2024	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	13-03-2019	1.76	8.75%	13-03-2024	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	13-03-2019	60.06	8.89%	13-03-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	78.64	8.80%	15-04-2024	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	15-04-2019	201.10	9.00%	15-04-2024	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	15-04-2019	1.55	8.48%	15-04-2024	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	15-04-2019	21.88	8.66%	15-04-2024	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	15-04-2019	0.30	8.81%	15-04-2024	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	15-04-2019	23.58	9.01%	15-04-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series H FY 2020-21	₹ 10 Lakh each	10-03-2021	50.18	6.45%	10-05-2024	Redeemable at par at the end of 1157 days from the date of allotment
Reissuance - Series A FY 2021-22	₹ 10 Lakh each	30-04-2021	301.96	6.45%	10-05-2024	Redeemable at par at the end of 1106 days from the date of allotment
Reissuance - Series C FY 2021-22	₹ 10 Lakh each	27-05-2021	202.38	6.45%	10-05-2024	Redeemable at par at the end of 1079 days from the date of allotment
Series E FY 2020-21 opt 2	₹ 10 Lakh each	13-07-2020	258.22	7.90%	12-07-2024	Redeemable at par at the end of 1460 days from the date of allotment
Series F FY 2021-22 option 2	₹ 10 Lakh each	31-08-2021	517.08	5.90%	30-08-2024	Redeemable at par at the end of 1095 days from the date of allotment

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series K FY 2020-21 opt 2	₹ 10 Lakh each	16-09-2020	181.13	7.15%	16-09-2024	Redeemable at par at the end of 1461 days from the date of allotment
Series M FY 2020-21	₹ 10 Lakh each	03-11-2020	204.68	6.75%	01-11-2024	Redeemable at par at the end of 1459 days from the date of allotment
Series D FY 2020-21	₹ 10 Lakh each	03-11-2020	306.77	6.55%	01-11-2024	Redeemable at par at the end of 1459 days from the date of allotment
Series J FY 2021-22	₹ 10 Lakh each	16-11-2021	219.95	6.25%	15-11-2024	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2017-18	₹ 10 Lakh each	29-06-2017	683.67	7.59%	18-11-2024	Redeemable at par at the end of 2699 days from the date of allotment
Series K FY 2021-22	₹ 10 Lakh each	03-12-2021	153.01	6.25%	03-12-2024	Redeemable at par at the end of 1096 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-2019	23.61	8.45%	23-12-2024	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	23-12-2019	330.94	8.60%	23-12-2024	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	23-12-2019	0.79	8.15%	23-12-2024	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	23-12-2019	74.96	8.29%	23-12-2024	Redeemable at par at the end of 1827 days from the date of allotment
Series L FY 2021-22	₹ 10 Lakh each	23-12-2021	305.00	6.15%	23-01-2025	Redeemable at par at the end of 1127 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	05-02-2020	101.36	8.45%	17-02-2025	Redeemable at par at the end of 1839 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 Lakh each	19-05-2015	47.90	8.84%	19-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 Lakh each	26-05-2015	21.50	8.85%	26-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 Lakh each	26-05-2015	32.27	8.90%	26-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 Lakh each	05-06-2015	53.59	8.84%	05-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16 opt 5	₹ 25 Lakh each	05-06-2015	26.82	8.90%	05-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2020-21	₹ 10 Lakh each	09-07-2020	294.15	7.85%	09-07-2025	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2020-21	₹ 10 Lakh each	10-07-2020	363.81	7.75%	10-07-2025	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 Lakh each	17-07-2015	10.63	8.95%	17-07-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2020-21 opt 1	₹ 10 Lakh each	13-07-2020	527.20	7.95%	28-07-2025	Redeemable at par at the end of 1841 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series M FY 2021-22	₹ 10 Lakh each	01-02-2022	570.89	6.45%	26-09-2025	Redeemable at par at the end of 1333 days from the date of allotment
Series AJ FY 2015-16 opt 2	₹ 25 Lakh each	08-02-2016	52.62	8.75%	06-02-2026	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 Lakh each	20-04-2016	5.41	8.65%	20-04-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2018-19 opt 2	₹ 10 Lakh each	28-05-2019	913.12	8.80%	28-05-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 2019-20	₹ 10 Lakh each	31-07-2019	15.85	8.55%	31-07-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series S FY 2016-17	₹ 25 Lakh each	25-10-2016	10.33	7.90%	23-10-2026	Redeemable at par at the end of 3650 days from the date of allotment
Series T FY 2016-17	₹ 25 Lakh each	16-11-2016	48.36	7.95%	16-11-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-2019	25.39	8.50%	23-12-2026	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	23-12-2019	404.22	8.65%	23-12-2026	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	11.33	8.85%	15-04-2027	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	15-04-2019	379.80	9.05%	15-04-2027	Redeemable at par at the end of 2922 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-2019	0.45	8.52%	15-04-2027	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	15-04-2019	17.41	8.70%	15-04-2027	Redeemable at par at the end of 2922 days from the date of allotment
Series A FY 2011-12	₹ 10 Lakh each	18-10-2011	509.70	9.70%	18-10-2022	Redeemable at par in 7 equal istallments
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	7.98	9.20%	13-03-2029	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-2019	110.52	9.35%	13-03-2029	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	13-03-2019	0.70	8.84%	13-03-2029	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	13-03-2019	101.36	8.98%	13-03-2029	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B2 FY 2019-20 opt 2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 Lakh each	28-01-2020	278.78	8.55%	28-01-2030	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B FY 2020-21 opt 3 (Original issuance series B FY 2020-21)	₹ 10 Lakh each	13-07-2020	393.61	8.10%	28-06-2030	Redeemable at par at the end of 3637 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Earliest Date of redemption	Redeemable terms
Series J FY 2020-21 opt 2	₹ 10 Lakh each	09-09-2020	103.94	7.66%	09-09-2030	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	16-09-2020	52.23	7.66%	09-09-2030	Redeemable at par at the end of 3645 days from the date of allotment
Series E FY 2017-18	₹ 10 Lakh each	30-12-2020	1,528.81	7.62%	30-12-2030	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2021-22	₹ 10 Lakh each	19-05-2021	1,064.27	7.40%	19-05-2027	Redeemable at par in 5 installments
Total 13(a)			**28,327.60**			

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 ₹ 0.13 crore is in current account (includes ₹ 0.14 crore unutilised from amount raised in previous year).

13 (b) Commercial papers (net) as on March 31, 2022

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Bullet	Up to 1 years	upto 7.00%	6,338.01
Total			**6,338.01**

Note 14 : Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) At amortised cost		
(a) Term loans		
(i) from banks (refer note 14 (a))	20,260.14	13,597.77
(ii) from financial institutions (refer note 14 (b))	6,056.90	5,148.83
(b) External commercial borrowings (refer note 14 (c))	1,802.52	4,121.00
(c) Loan from related parties (refer note 14 (d) and note 33)	2,357.71	1,037.59
(d) Loan repayable on demand		
(i) from banks (refer note 14 (e))	15,515.56	16,451.21
(e) Collateralized borrowing and lending obligation (refer note 14 (f))	499.47	-
Total borrowings other than debt securities at amortised cost (i)	**46,492.30**	**40,356.40**
Total borrowings (other than debt securities) (A)	**46,492.30**	**40,356.40**

Note 14 : Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(B)		
(I) Borrowings (other than debt securities) in India		
(i) At amortised cost	44,689.78	36,235.40
(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)	**44,689.78**	**36,235.40**
(II) Borrowings (other than debt securities) outside India		
(i) At amortised Cost	1,802.52	4,121.00
(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)	**1,802.52**	**4,121.00**
Total borrowings (other than debt securities) (B) = (I)+(II)	**46,492.30**	**40,356.40**

Note14(a) Term loans from bank as on March 31, 2023 : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2023 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Yrs	356.27
		1 to 3 Yrs	1,203.90
		3 to 5 Yrs	40.63
	7.01%-8.00%	1 to 3 Yrs	4,774.39
		3 to 5 Yrs	1,024.78
	8.01%-9.00%	Upto 1 Yrs	48.61
		1 to 3 Yrs	1,056.56
	9.01%-10.00%	Upto 1 Yrs	7.27
Semi Annually	Upto 7.00%	1 to 3 Yrs	2,593.92
		3 to 5 Yrs	306.67
	7.01%-8.00%	Upto 1 Yrs	469.33
		3 to 5 Yrs	4,382.42
	8.01%-9.00%	Upto 1 Yrs	232.33
		1 to 3 Yrs	1,000.00
		3 to 5 Yrs	250.00
Bullet	Upto 7.00%	1 to 3 Yrs	499.64
		3 to 5 Yrs	474.04
	7.01%-8.00%	Upto 1 Yrs	50.01
	8.01%-9.00%	Upto 1 Yrs	300.01
		1 to 3 Yrs	150.01
Annually	Upto 7.00%	Upto 1 Yrs	100.01
		1 to 3 Yrs	130.02
	7.01%-8.00%	Upto 1 Yrs	50.01
		1 to 3 Yrs	31.00
	8.01%-9.00%	1 to 3 Yrs	728.32
Total			**20,260.14**

Nature of Security :

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

Note14(b)

Term loans from financial institutions as on March 31, 2023 : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2023 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Yrs	125.43
		1 To 3 Yrs	341.28
		3 To 5 Yrs	1,543.86
	7.01%-8.00%	3 To 5 Yrs	1,998.82
	8.01%-9.00%	Above 5 Yrs	501.90
Semi Annually	Upto 7.00%	1 To 3 Yrs	1,545.62
Total			**6,056.90**

Nature of Security :

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

Note14(c)

External commercial borrowings as on March 31, 2023 : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2023 (₹ in crore)
Bullet	Upto 7.00%	Upto 1 Yrs	755.57
	8.01%-9.00%	1 To 3 Yrs	1,046.94
Total			**1,802.52**

Nature of Security :

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

Note14(d)

Loan from related parties as on March 31, 2023 : Unsecured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2023 (₹ in crore)
Bullet	8.01%-9.00%	Up to 1 Yrs	2,357.71
Total			**2,357.71**

Note14(e)

Loan repayable on demand from bank as on March 31, 2023 : Secured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2023 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Yrs	7.01%-8.00%	5,137.40
			8.01%-9.00%	1,429.77
Line of Credit (LOC)	Bullet	Up to 1 Yrs	7.01%-8.00%	2,887.21
			8.01%-9.00%	2,000.53
	Quarterly	1 To 3 Yrs	7.01%-8.00%	295.00
		1 To 3 Yrs	Upto 7.00%	115.63
Total (A)				**11,865.54**

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, 2023: Unsecured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2023 (₹ in crore)
Working Capital Demand Loan	Bullet	Up to 1 Yrs	7.01%-8.00%	710.00
			8.01%-9.00%	235.00
			9.01%-10.00%	2,705.00
Cash Credit	Bullet	Up to 1 Yrs	7.01%-8.00%	0.02
Total (B)				**3,650.02**

Tota Loan repayable on demand as on March 31, 2023 (A+B)	**15,515.56**

Note14(f)

Collateralized borrowing and lending obligation as on March 31, 2023: Secured

Nature	Repayment Term	Residual Tenure as on the Balance sheet date	Interest Range	Balance as at March 31, 2023 (₹ in crore)
Collateralized borrowing and lending obligation (TREPS)	Bullet	Up to 1 Yrs	Upto 7.00%	499.47
Total				**499.47**

Nature of Security :

Collateralized borrowing and lending obligation (TREPS) is secured by government securities.

Note: The above outstanding disclosure are presented based on the residual tenure as on the balance sheet date for current and previous year.

Note14(a)

Term loans from bank as on March 31, 2022 : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2023 (₹ in crore)
Quarterly	Upto 7.00%	Upto 1 Yrs	112.51
		1 to 3 Yrs	1,934.55
		3 to 5 Yrs	907.02
	7.01%-8.00%	Upto 1 Yrs	31.24
		1 to 3 Yrs	584.82
Bullet	Upto 7.00%	1 to 3 Yrs	900.01
		3 to 5 Yrs	300.00
	7.01%-8.00%	Upto 1 Yrs	199.89
Semi Annually	Upto 7.00%	1 to 3 Yrs	2,773.80
		3 to 5 Yrs	1,768.00
	7.01%-8.00%	Upto 1 Yrs	49.76
		1 to 3 Yrs	2,185.05
Annually	Upto 7.00%	1 to 3 Yrs	1,701.08
	7.01%-8.00%	Upto 1 Yrs	100.02
		1 to 3 Yrs	50.01
Total			**13,597.77**

Nature of Security :

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

Note14 (a-1)

Term loans from financial institutions as on March 31, 2022 : Secured[2]

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Annually	Upto 7.00%	Upto 1 Yrs	249.28
Quarterly	Upto 7.00%	1 to 3 Yrs	917.11
		3 to 5 Yrs	1,942.22
Semi Annually	Upto 7.00%	Upto 1 Yrs	36.13
		1 to 3 Yrs	2,004.09
Total			**5,148.83**

Nature of Security :

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

Note14 (c)

External commercial borrowings as on March 31, 2022 : Secured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Bullet	Upto 7.00%	1 to 3 Yrs	751.88
	8.01%-9.00%	upto 1 Yrs	1,934.21
		1 to 3 Yrs	965.09
Total (A)			**3,651.18**

External commercial borrowings as on March 31, 2022 : Unsecured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Bullet	8.01%-9.00%	upto 1 Yrs	469.82
Total (B)			**469.82**

Total of External commercial borrowings as on March 31, 2022 (A+B)	**4,121.00**

Nature of Security :

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

Note 14(d)

Loan from related parties as on March 31, 2022 : Unsecured

Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Bullet	Upto 6.50%	Up to 1 Yrs	1,037.59
Total			**1,037.59**

Note 14(e)

Loan repayable on demand from bank as on March 31, 2022 : Secured

Nature	Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Working Capital Demand Loan	Bullet	Upto 7.00%	Upto 1 Yrs	5,286.94
		7.01%-8.00%	Upto 1 Yrs	2,387.00
Line of Credit (LOC)	Bullet	Upto 7.00%	Upto 1 Yrs	3,150.58
			1 to 3 Yrs	250.00
		7.01%-8.00%	Upto 1 Yrs	1,387.00
Cash Credit	Bullet	Upto 7.00%	Upto 1 Yrs	0.00
		8.01%-9.00%		4.69
Total (A)				**12,466.21**

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

Loan repayable on demand as on March 31, 2022 : Unsecured

Nature	Repayment Term	Interest Range	Residual Tenure as on the Balance sheet date	Balance as at March 31, 2022 (₹ in crore)
Working Capital Demand Loan	Bullet	Upto 7.00%	Upto 1 Yrs	660.00
		7.01%-8.00%		3,325.00
Total (B)				**3,985.00**
Total of Loan repayable on demand as on March 31, 2022 (A+B)				**16,451.21**

Nature of Security :

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

Note: The above outstanding disclosure are presented based on the residual tenure as on the balance sheet date for current and previous year.

Note 15 : Subordinated liabilities

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) At amortised cost		
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	404.80	404.39
(b) Subordinate debt Instruments (Refer note 15 (b))	2,393.68	2,893.20
Total subordinated liabilities at amortised cost (i)	**2,798.48**	**3,297.59**
(B)		
(I) Subordinated liabilities in India		
(i) At amortised cost	2,798.48	3,297.59
(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)	**2,798.48**	**3,297.59**
(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)	**2,798.48**	**3,297.59**

Note 15(a)

Unsecured redeemable non convertible debentures as on March 31, 2023 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2013-14	₹ 10 Lakh each	29-01-2014	50.80	10.35%	29-01-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series X FY 2015-16	₹ 10 Lakh each	27-08-2015	158.22	9.90%	27-08-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AL FY 2015-16	₹ 10 Lakh each	18-03-2016	49.82	9.50%	18-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 Lakh each	30-03-2016	50.03	10.10%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 Lakh each	30-03-2016	49.94	9.90%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 Lakh each	30-03-2016	29.81	9.50%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 2016-17	₹ 10 Lakh each	03-06-2016	16.19	9.60%	03-06-2026	Redeemable at par at the end of 3652 days from the date of allotment
			404.80			

Note 15(b)

Unsecured redeemable non convertible debentures as on March 31, 2023 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2013-14	₹ 10 Lakh each	31-01-2014	25.37	9.73%	31-01-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 2013-14	₹ 10 Lakh each	10-02-2014	20.24	9.73%	09-02-2024	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2013-14	₹ 10 Lakh each	18-02-2014	20.19	9.73%	16-02-2024	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2013-14	₹ 10 Lakh each	28-02-2014	25.24	10.90%	28-02-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series O FY 2013-14	₹ 10 Lakh each	04-03-2014	5.03	9.73%	04-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 Lakh each	14-03-2014	30.10	9.73%	14-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2013-14	₹ 10 Lakh each	27-03-2014	50.07	10.90%	27-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 Lakh each	27-03-2014	50.07	10.35%	27-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 Lakh each	30-06-2014	43.13	10.40%	28-06-2024	Redeemable at par at the end of 3651 days from the date of allotment
Series N FY 2014-15	₹ 10 Lakh each	13-11-2014	103.28	9.10%	13-11-2024	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, 2023

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series M FY 2014-15	₹ 10 Lakh each	31-12-2014	51.21	9.95%	31-12-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	19-01-2015	126.99	8.75%	17-01-2025	Redeemable at par at the end of 3651 days from the date of allotment
Series O FY 2014-15	₹ 10 Lakh each	29-01-2015	101.35	9.35%	29-01-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series U FY 2014-15	₹ 10 Lakh each	18-02-2015	226.68	8.75%	18-02-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	30-03-2015	50.03	9.95%	28-03-2025	Redeemable at par at the end of 3651 days from the date of allotment
Series A FY 2015-16	₹ 10 Lakh each	17-04-2015	108.41	8.90%	17-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 Lakh each	21-04-2015	86.13	8.90%	21-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16	₹ 10 Lakh each	22-04-2015	48.74	8.90%	22-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	29-04-2015	81.11	8.90%	29-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 Lakh each	15-05-2015	46.32	8.90%	15-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 Lakh each	03-06-2015	64.34	8.87%	03-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	14-07-2015	14.93	9.32%	14-07-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	25-07-2015	53.18	9.30%	24-07-2025	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	09-09-2015	105.17	9.25%	09-09-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AB FY 2015-16	₹ 10 Lakh each	15-09-2015	20.95	8.90%	15-09-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 Lakh each	30-01-2016	32.50	9.35%	29-01-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	09-02-2016	18.24	9.35%	09-02-2026	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	04-03-2016	50.34	9.48%	04-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 Lakh each	23-03-2016	100.23	9.30%	23-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016-17	₹ 10 Lakh each	21-07-2016	84.79	8.78%	21-07-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2016-17	₹ 10 Lakh each	04-01-2017	127.22	8.05%	04-01-2027	Redeemable at par at the end of 3652 days from the date of allotment
Series V FY 2016-17	₹ 10 Lakh each	30-01-2017	15.18	8.05%	29-01-2027	Redeemable at par at the end of 3651 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2023 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series B FY 2018-19	₹ 10 Lakh each	31-10-2018	46.57	9.10%	31-10-2028	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 Lakh each	14-07-2017	63.21	7.80%	13-07-2029	Redeemable at par at the end of 4382 days from the date of allotment
Series D FY 2019-20	₹ 10 Lakh each	13-09-2019	27.07	8.90%	13-09-2029	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2020-21	₹ 10 Lakh each	10-06-2020	91.33	8.30%	10-06-2030	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2020-21	₹ 10 Lakh each	20-07-2020	105.14	8.15%	19-07-2030	Redeemable at par at the end of 3651 days from the date of allotment
Series K FY 2016-17	₹ 10 Lakh each	09-08-2016	26.33	8.65%	08-08-2031	Redeemable at par at the end of 5477 days from the date of allotment
Series L FY 2016-17	₹ 10 Lakh each	12-08-2016	26.31	8.63%	12-08-2031	Redeemable at par at the end of 5478 days from the date of allotment
Series P FY 2016-17	₹ 10 Lakh each	07-09-2016	20.93	8.55%	05-09-2031	Redeemable at par at the end of 5476 days from the date of allotment
			2,393.68			

Note 15(a)

Unsecured redeemable non convertible debentures as on March 31, 2022 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2013-14	₹ 10 Lakh each	29-01-2014	50.71	10.35%	29-01-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series X FY 2015-16	₹ 10 Lakh each	27-08-2015	158.08	9.90%	27-08-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AL FY 2015-16	₹ 10 Lakh each	18-03-2016	49.73	9.50%	18-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 Lakh each	30-03-2016	50.03	10.10%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 Lakh each	30-03-2016	29.74	9.50%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 Lakh each	30-03-2016	49.90	9.90%	30-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 2016-17	₹ 10 Lakh each	03-06-2016	16.19	9.60%	03-06-2026	Redeemable at par at the end of 3652 days from the date of allotment
			404.39			

Note 15(b)

Unsecured redeemable non convertible debentures as on March 31, 2022 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2012-13	₹ 5 Lakh each	30-04-2012	218.20	9.90%	29-04-2022	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2012-13	₹ 10 Lakh each	21-12-2012	282.46	9.80%	21-12-2022	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2013-14	₹ 10 Lakh each	31-01-2014	25.33	9.73%	31-01-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 2013-14	₹ 10 Lakh each	10-02-2014	20.21	9.73%	09-02-2024	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2013-14	₹ 10 Lakh each	18-02-2014	20.17	9.73%	16-02-2024	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2013-14	₹ 10 Lakh each	28-02-2014	25.24	10.90%	28-02-2024	Redeemable at par at the end of 3652 days from the date of allotment
Series O FY 2013-14	₹ 10 Lakh each	04-03-2014	5.02	9.73%	04-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 Lakh each	14-03-2014	30.06	9.73%	14-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2013-14	₹ 10 Lakh each	27-03-2014	50.06	10.90%	27-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 Lakh each	27-03-2014	50.06	10.35%	27-03-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 Lakh each	30-06-2014	43.13	10.40%	28-06-2024	Redeemable at par at the end of 3651 days from the date of allotment
Series N FY 2014-15	₹ 10 Lakh each	13-11-2014	103.15	9.10%	13-11-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2014-15	₹ 10 Lakh each	31-12-2014	51.24	9.95%	31-12-2024	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	19-01-2015	126.90	8.75%	17-01-2025	Redeemable at par at the end of 3651 days from the date of allotment
Series O FY 2014-15	₹ 10 Lakh each	29-01-2015	101.21	9.35%	29-01-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series U FY 2014-15	₹ 10 Lakh each	18-02-2015	226.54	8.75%	18-02-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	30-03-2015	50.03	9.95%	28-03-2025	Redeemable at par at the end of 3651 days from the date of allotment
Series A FY 2015-16	₹ 10 Lakh each	17-04-2015	108.35	8.90%	17-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 Lakh each	21-04-2015	86.10	8.90%	21-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16	₹ 10 Lakh each	22-04-2015	48.73	8.90%	22-04-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	29-04-2015	81.08	8.90%	29-04-2025	Redeemable at par at the end of 3653 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2015-16	₹ 10 Lakh each	15-05-2015	46.30	8.90%	15-05-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 Lakh each	03-06-2015	64.32	8.87%	03-06-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	14-07-2015	14.93	9.32%	14-07-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	25-07-2015	53.17	9.30%	24-07-2025	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	09-09-2015	105.17	9.25%	09-09-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AB FY 2015-16	₹ 10 Lakh each	15-09-2015	20.94	8.90%	15-09-2025	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 Lakh each	30-01-2016	32.49	9.35%	29-01-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	09-02-2016	18.24	9.35%	09-02-2026	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	04-03-2016	50.36	9.48%	04-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 Lakh each	23-03-2016	100.23	9.30%	23-03-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016-17	₹ 10 Lakh each	21-07-2016	84.76	8.78%	21-07-2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2016-17	₹ 10 Lakh each	04-01-2017	127.18	8.05%	04-01-2027	Redeemable at par at the end of 3652 days from the date of allotment
Series V FY 2016-17	₹ 10 Lakh each	30-01-2017	15.17	8.05%	29-01-2027	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2018-19	₹ 10 Lakh each	31-10-2018	46.55	9.10%	31-10-2028	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 Lakh each	14-07-2017	63.19	7.80%	13-07-2029	Redeemable at par at the end of 4382 days from the date of allotment
Series D FY 2019-20	₹ 10 Lakh each	13-09-2019	27.04	8.90%	13-09-2029	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2020-21	₹ 10 Lakh each	10-06-2020	91.26	8.30%	10-06-2030	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2020-21	₹ 10 Lakh each	20-07-2020	105.07	8.15%	19-07-2030	Redeemable at par at the end of 3651 days from the date of allotment
Series K FY 2016-17	₹ 10 Lakh each	09-08-2016	26.33	8.65%	08-08-2031	Redeemable at par at the end of 5477 days from the date of allotment
Series L FY 2016-17	₹ 10 Lakh each	12-08-2016	26.31	8.63%	12-08-2031	Redeemable at par at the end of 5478 days from the date of allotment
Series P FY 2016-17	₹ 10 Lakh each	07-09-2016	20.92	8.55%	05-09-2031	Redeemable at par at the end of 5476 days from the date of allotment
			2,893.20			

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

Note 16 : Other financial liabilities

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit and margin money received	10.76	10.10
Unclaimed matured debentures and interest accrued theron	181.20	367.46
Liability for expenses*	269.19	197.70
Short term obligation	11.47	9.62
Other payables	59.10	77.66
Total other financial liabilities	**531.72**	**662.54**

* Includes unspent amount for CSR expenses amounting to ₹ 1.40 crore (previous year: nil) (refer note 36).

Note 17 : Provisions

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Compensated absences	19.93	18.10
Gratuity (refer note 34)	10.74	7.76
Total provisions	**30.67**	**25.86**

Note 18 : Other non-financial liabilities

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	**46.19**	51.36
Total other non-financial liabilities	**46.19**	51.36

Note 19 : Equity share capital

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Authorised				
Equity shares of ₹ 10 each	4,87,43,09,610	4,874.31	4,87,43,09,610	4,874.31
Preference shares of ₹ 100 each	12,00,000	12.00	12,00,000	12.00
		4,886.31		**4,886.31**
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up	2,86,41,72,360	2,864.17	2,68,41,72,360	2,684.17
		2,864.17		**2,684.17**

(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, 2023		As at March 31, 2022	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	2,68,41,72,360	2,684.17	2,68,41,72,360	2,684.17
Add: Issue of equity shares during the year	18,00,00,000	180.00	-	-
At the end of the year	**2,86,41,72,360**	**2,864.17**	**2,68,41,72,360**	**2,684.17**

(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, 2023	As at March 31, 2022
	No. of shares	No. of shares
Fully paid up pursuant to contract(s) without payment being received in cash	1,23,57,37,684	2,32,07,71,845

(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 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. The company has not declared dividend during the year.

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 Promoters

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	2,86,41,72,360	100%	2,68,41,72,360	100%

There is no change in equity shares holding % during the year by Promoters.

(f) Shares held by holding company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in crore	No. of shares	₹ in crore
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	2,86,41,72,360	2,864.17	2,68,41,72,360	2,684.17

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	2,86,41,72,360	100%	2,68,41,72,360	100%

(h) Refer note 49 for capital management for the company's objectives, policies and processes for managing capital.

Note 20 : Other equity

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	3.20	3.20
Debenture redemption reserve[1]	1.14	5.15
Securities premium[2]	12,600.79	10,800.89
Capital reserve[3]	585.64	585.64
General reserve[4]	342.40	338.39
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[5]	1,475.85	1,475.85
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]	1,012.35	951.35
Amalgamation adjustment account[8]	(463.30)	(463.30)
Retained earnings[9]	(432.47)	134.62
Change in fair value of debt instruments classified at fair value through other comprehensive income	(4.19)	10.28
Change in fair value of equity instruments measured at fair value through other comprehensive income	-	-
Cash flow hedging reserve	1.77	(62.43)
Total other equity	**15,150.60**	**13,807.06**

Notes:

1. **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.
2. **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.
3. **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.

4. **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.
5. **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.
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 transferred 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.

Note 21 : Interest Income

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) On financial assets measured at amortised cost		
- Interest on loans	9,103.27	8,143.11
- Interest on deposits with banks	92.17	47.09
- Other interest income	0.17	0.09
Total interest income on financial assets measured at amortised cost (i)	**9,195.61**	**8,190.29**
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	158.99	149.12
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**158.99**	**149.12**
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	2,579.42	2,627.79
- Interest income from investments	0.84	2.11
Total interest income on financial assets classified at fair value through profit or loss (iii)	**2,580.26**	**2,629.90**
Total interest income (i+ii+iii)	**11,934.86**	**10,969.31**

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

Note 22 : Dividend Income

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Dividend income	-	0.14
Total dividend income	**-**	**0.14**

Note 23 : Rental income

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease rental income	0.22	1.73
Total rental income	**0.22**	**1.73**

Note 24 : Fees and commission income

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consultancy fees and financial advisory fee	1.81	-
Other financial activities	132.45	86.40
Total fees and commission income	**134.26**	**86.40**

Note 25 : Other income

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income on cross sell	521.74	371.66
Profit/(loss) on sale of property, plant and equipment (net)	2.97	(0.03)
Other income	2.02	15.92
Total other income	**526.73**	**387.55**

Note 26 : Finance costs

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on debt securities	2,440.08	2,787.39
Interest on borrowings	2,601.46	1,944.16
Interest on subordinated liabilities	270.25	313.53
Other interest expense	35.56	20.19
Total finance cost	**5,347.35**	**5,065.27**

Note 27 : Net loss on fair value changes

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Net (gain)/loss on financial instruments classified at fair value through profit or loss		
(i) On trading portfolio		
- (Gain)/loss on sale of investments	(60.45)	1.14
- (Gain)/loss on sale of loan assets	775.86	(0.77)
- Fair value changes on loan assets - (gain)/loss	(1,285.41)	348.10
- Fair value changes on investments - (gain)/loss	1,096.61	259.05
(ii) On financial instruments designated at fair value through profit or loss	-	-
Total (A = i+ii)	**526.61**	**607.52**
(B) Net (gain)/loss on disposal of financial instruments classified at fair value through other comprehensive income		
- loss on sale of Investments	18.81	467.53
- Derivatives	(3.91)	0.85
Total B	**14.90**	**468.38**
Total net loss on fair value changes (A+B)	**541.51**	**1,075.90**
(C) Fair value changes:		
- Realised	734.22	467.90
- Unrealised	(192.71)	608.00
Total net loss on fair value changes (C)	**541.51**	**1,075.90**

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

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss on foreclosure and writeoff of loan	1,858.01	3,836.45
Less: Provision held reversed on derecognition of financial instruments	(1,498.35)	(3,551.44)
Total net loss on derecognition of financial instruments under amortised cost category	**359.66**	**285.01**

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

Note 29 : Impairment on financial instruments

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) On Financial instruments measured at fair value through other comprehensive income:		
- Investments	-	(394.77)
Total impairment on financial instruments measured at fair value through other comprehensive income (a)	**-**	**(394.77)**
(b) On financial instruments measured at amortised cost:		
- Loans	1,545.49	2,071.56
- Trade receivables	4.92	-
Total impairment on financial instruments on financial instruments measured at at amortised cost (b)	**1,550.41**	**2,071.56**
Total impairment on financial instruments (a+b)	**1,550.41**	**1,676.79**

Note 30 : Employee benefits expenses

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries	1,237.57	937.98
Contribution provident and pension fund (refer note: 34)	46.73	38.59
Contribution to gratuity fund (refer note: 34)	10.47	9.21
Share based payments to employees (refer note: 37)	23.93	13.79
Staff welfare expenses	64.16	61.89
Total employee benefits expenses	**1,382.86**	**1,061.46**

Note 31 : Depreciation, amortization and impairment

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note: 9)	10.54	10.24
Depreciation on Right of use assets (refer note : 35)	14.06	18.71
Amortisation of Intangible assets (refer note: 10)	81.11	66.78
Total depreciation, amortization and impairment	**105.71**	**95.73**

Note 32 : Other expenses

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	60.16	47.96
Rates and taxes	1.16	1.53
Repairs and maintenance	63.05	49.71
Advertisement and publicity	60.14	3.08
Printing and stationery	10.27	6.15
Telephone and postage	6.50	7.38

Note 32 : Other expenses

₹ in crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Directors' sitting fees	0.34	0.39
Auditors' remuneration (refer footnote)	1.61	1.38
Legal and professional charges	566.68	420.18
Insurance	3.40	3.87
Electricity charges	4.17	4.79
Travelling and conveyance	38.76	21.45
Stamping charges	0.75	0.76
Collection charges	419.61	435.70
Loan processing charges	10.54	8.42
Corporate social responsibility expenses (refer note: 36)	14.92	5.48
Donation	0.62	-
Corporate support charges	13.04	14.30
Bank charges	14.43	11.22
Non executive directors remunerations	0.85	0.80
Brand license fees	-	44.57
Miscellaneous expenses	3.74	3.98
Total administration and other expenses	**1,294.74**	**1,093.10**
footnote: Auditors' remuneration comprises the following*		
Statutory audit fees	0.50	0.50
Limited review fees	0.50	0.46
Tax audit Fees	0.10	0.10
Certification and other service	0.36	0.20
Expenses reimbursed	0.02	0.01
GST/Service tax (net of input credit)	0.13	0.11
	1.61	**1.38**

* Note: Auditors' remuneration excludes fees paid towards certification of public issue of NCD ₹ 0.65 Crore (Net of Credit) which is part of finance cost.

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

(a) List of Related Parties (with whom transactions were carried out during current and 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 Credit Limited (formerly known as 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. LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)
8. L&T Investment Management Limited *(Ceased with effect from November 25, 2022)*
9. L&T Financial Consultants Limited
10. Larsen & Toubro Electromech LLC
11. L&T Hydrocarbon Engineering Limited
12. L&T Technology Services Limited

E. Key Management Personnel

13. Mr. Dinanath Dubhashi
14. Mr. Sachinn Joshi *(Appointed as Whole Time Director with effect from October 8, 2021)*
15. Mr. Sunil Prabhune *(Ceased as Whole Time Director from August 12, 2021)*
16. Mr. P. V. Bhide *(Reappointed as an Independent Director from March 18, 2022)*
17. Dr (Mrs). Rajni R Gupte
18. Mr. Rishi Mandawat
19. Mr. Thomas Mathew T. *(Appointed as Independent Director with effect from April 12, 2021)*
20. Mrs. Nishi Vasudeva *(Appointed as Independent Director with effect from April 12, 2021)*

(b) Disclosure of related party transactions :

₹ in crore

Sr. No.	Nature of transaction[1]	2022-23	2021-22
1	**Inter corporate deposits borrowed**		
	L&T Finance Holdings Limited	6,085.58	2,060.86
	L&T Investment Management Limited	-	451.29
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	1,393.27	-
2	**Inter corporate deposits repaid**		
	L&T Finance Holdings Limited	4,746.08	2,115.66
	L&T Investment Management Limited	-	451.29
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	1,393.27	-
3	**Interest expense on inter corporate deposits**		
	L&T Finance Holdings Limited	141.04	47.67
	L&T Investment Management Limited	-	12.53
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	16.16	-
4	**Corporate support charges paid to**		
	L&T Finance Holdings Limited	11.96	13.12
5	**Rent and maintenance cost paid to**		
	L&T Financial Consultants Limited	44.54	41.54
	L&T Investment Management Limited	0.04	0.08
	Larsen & Toubro Limited	0.27	0.11

₹ in crore

Sr. No.	Nature of transaction[1]	2022-23	2021-22
6	**Rent and maintenance cost recovered from**		
	L&T Investment Management Limited	1.50	2.80
7	**Professional charges paid to**		
	Larsen & Toubro Limited	4.04	4.46
8	**IT professional charges paid to**		
	Larsen & Toubro Limited	1.52	1.26
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	1.78	1.01
9	**Brand license fees paid to**		
	Larsen & Toubro Limited	-	42.05
10	**ESOP cost paid to**		
	L&T Finance Holdings Limited	23.93	13.79
11	**Investment/(Redemption) in Units**		
	L&T Infra Investment Partners Fund	(4.31)	4.23
12	**Corporate support charges recovered from**		
	L&T Infra Investment Partners Advisory Private Limited	2.02	1.64
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	2.62	5.50
	L&T Investment Management Limited	22.20	13.51
	Larsen & Toubro Limited	1.16	1.26
13	**Purchase of consumables / materials from**		
	Larsen & Toubro Limited	1.91	-
14	**Processing fees paid on sale of loan portfolio**		
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	16.71	-
15	**Loan assets transfer to**		
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	5,059.04	-
16	**Loan assets transfer from**		
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	397.32	-
17	**Security deposit Paid/(Received)**		
	L&T Financial Consultants Limited	1.28	(0.47)
18	**Equity Capital Infused (including share premium)**		
	L&T Finance Holdings Limited	1,980.00	-
19	**Investment in Equity Shares**		
	L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	168.54	-
20	**Interest on non convertible debenture (Borrowings)**		
	Larsen & Toubro Limited	71.23	128.33
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	5.80	-
	L&T Technology Services	7.97	-

21 Compensation Paid to Key Managerial Personnel[2]

₹ in crore

Name of Key Management Personnel	2022-23				2021-22			
	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. Sachinn Joshi	3.88	-	-	3.88	1.34	-	-	1.34
Mr. Sunil Prabhune	-	-	-	-	3.67			3.67
Mr. P. V. Bhide	0.25	-	-	0.25	0.24	-	-	0.24
Dr (Mrs). Rajni R Gupte	0.28	-	-	0.28	0.28	-	-	0.28
Mr. Rishi Mandawat	0.11	-	-	0.11	0.17	-	-	0.17
Mr. Thomas Mathew T.	0.20	-	-	0.20	0.20	-	-	0.20
Ms Nishi Vasudeva	0.21	-	-	0.21	0.20	-	-	0.20

(c) Amount due to/from related parties:

₹ in crore

Sr. No.	Nature of transaction	As at March 31, 2023	As at March 31, 2022
1	**Inter corporate borrowings**		
	L&T Finance Holdings Limited	2,357.71	1,018.21
2	**Interest accrued on inter corporate borrowings**		
	L&T Finance Holdings Limited	-	19.38
3	**Investment in subsidiaries**		
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	646.80	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	110.15	219.28
5	**Non convertible debenture (Borrowings) from[3]**		
	Larsen & Toubro Limited	955.38	1,025.38
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	69.60	-
	L&T Technology Services	25.00	-
6	**Interest accrued on non convertible debenture (borrowings)**		
	Larsen & Toubro Limited	38.78	39.66
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	2.43	-
	L&T Technology Services	0.10	-
7	**Rent deposit to**		
	L&T Financial Consultants Limited	17.88	16.60

₹ in crore

Sr. No.	Nature of transaction	As at March 31, 2023	As at March 31, 2022
8	**Account payable**		
	Larsen & Toubro Electromech LLC	0.01	0.01
	L&T Hydrocarbon Engineering Limited	0.02	0.02
	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)	38.79	-
	L&T Finance Holdings Limited	1.36	-
	LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	0.10	0.15
	Larsen & Tourbo Limited	-	44.57
9	**Account receivable**		
	Larsen & Toubro Limited	2.54	1.14
	L&T Finance Holdings Limited	-	7.18
	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)	-	1.50
	L&T Investment Management Limited	-	0.01

Notes:

1 Transactions shown above are excluding GST, if any.

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

3 The above NCD balance includes purchase and sale from primary & secondary market.

Note : 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 ₹ 46.73 crore (previous year: ₹ 38.59 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. These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2023	As at March 31, 2022
A) Present Value of Defined Benefit Obligation		
- Wholly funded	45.45	39.30
- Wholly unfunded	-	-
	45.45	**39.30**
Less : Fair value of plan assets	(34.71)	(31.54)
Amount to be recognised as liability or (asset)	**10.74**	**7.76**
B) Amounts reflected in Balance Sheet		
Liabilities	10.74	7.76
Assets	-	-
Net liability	**10.74**	**7.76**

(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, 2023	As at March 31, 2022
1	Current Service Cost	10.47	9.21
2	Net Interest Cost	0.37	0.53
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	(3.22)	(2.67)
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	3.21	1.08
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	1.42	(0.40)
	v) Adjustment to recognize as asset celing	-	-
4	Past Service Cost	-	-
	Total (1 to 4)	**12.25**	**7.75**
i	Amount included in "employee benefits expenses"	10.47	9.21
ii	Amount included in as part of "finance cost'	0.37	0.53
iii	Amount included as part of "Other Comprehensive income"	1.41	(1.99)
	Total (i + ii + iii)	**12.25**	**7.75**

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

₹ in crore

Particulars	Gratuity Plan As at March 31, 2023	Gratuity Plan As at March 31, 2022
Opening balance of the present value of defined benefit obligation	39.30	33.23
Add : Current Service Cost	10.47	9.21
Add : Interest Cost	2.12	1.49
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	(3.22)	(2.67)
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	3.21	1.08
Less : Benefits paid	(5.86)	(3.79)
Add : Past service cost	-	-
Add : Liability assumed/(settled)*	(0.57)	0.75
Closing balance of the present value of defined benefit obligation	**45.45**	**39.30**

*On account of business combination or inter group transfer

Note: The company expects to fund ₹ 3.00 crore (pervious year ₹ 3.00 crore) towards its gratuity plan and ₹ nil (pervious year ₹ nil) towards its Trust managed provident fund plan during FY 2023-24.

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

₹ in crore

Particulars	Gratuity Plan As at March 31, 2023	Gratuity Plan As at March 31, 2022
Opening balance of the fair value of the plan assets	31.54	24.31
Add : interest income of plan assets	1.75	0.96
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	(1.42)	0.40
Add : Contribution by the employer	8.70	9.66
Less : Benefits paid	(5.86)	(3.79)
Add: Assets acquired/(settled)*	-	-
Closing balance of the fair value of the plan assets	**34.71**	**31.54**

*On account of business combination or inter group transfer

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

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

₹ in crore

Sr. No	Particulars	Gratuity Plan	
		As at March 31, 2023	As at March 31, 2022
1	Government of India Securities	1.31	1.38
2	Insurer managed funds - unquoted	26.30	23.29
3	Others debt instruments	1.08	1.55
4	Others - unquoted	6.02	5.32
	Total plan assets	**34.71**	**31.54**

(f) Principal actuarial assumptions at the valuation date:

₹ in crore

Sr. No	Particulars	Gratuity Plan	
		As at March 31, 2023	As at March 31, 2022
1	Discount rate	7.30%	5.90%
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.

(g) Attrition Rate:

The attrition rate varies from 6% to 31% (previous year: 6% to 31%) 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	Impact of change in discount rate	(2.06)	(1.91)	2.26	2.11
2	Impact of change salary escalation rate	2.20	2.02	(2.05)	(1.88)

(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, 2023	As at March 31, 2022
A)	**Present Value of Defined Benefit Obligation**		
	- Wholly funded	15.45	15.15
	- Wholly unfunded	-	-
		15.45	**15.15**
	Assets acquired on acquisition		
	Less : Fair Value of plan assets	(15.80)	(16.30)
	Add : Amount not recognised as an asset	-	-
	Amount to be recognised as liability or (asset)	**(0.35)**	**(1.15)**
B)	**Amounts reflected in Balance Sheet**		
	Liabilities	-	-
	Assets	(0.35)	(1.15)
	Net liability/(asset)	**(0.35)**	**(1.15)**

(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, 2023	As at March 31, 2022
1	Current Service Cost	-	-
2	Interest Cost	1.19	1.20
3	Interest Income on Plan Assets	-	-
4	Expected return on Plan Assets	(1.19)	(1.20)
5	Actuarial losses/(gains)	(0.80)	(0.58)
6	Actuarial gain/(loss) not recognised in Books	0.80	0.58
	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, 2023	As at March 31, 2022
Opening balance of the present value of defined benefit obligation	15.15	14.60
Add : Assets acquired on acquisition	-	-
Add : Current Service Cost	-	-
Add : Interest Cost	1.19	1.20
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	(0.87)	(1.76)
Add : Contribution by the employer	-	0.77
Add : Liability assumed/(settled)*	(0.03)	0.34
Closing balance of the present value of defined benefit obligation	**15.44**	**15.15**

*On account of business combination or inter group transfer

(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, 2023	As at March 31, 2022
Opening balance of the fair value of the plan assets	16.31	15.95
Add : Assets acquired on acquisition	-	-
Add : Interest income of plan assets	1.19	1.20
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	(0.80)	0.58
Add : Contribution by the employer	-	-
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(0.87)	(1.76)
Add: Assets acquired/(settled)*	(0.03)	0.34
Closing balance of plan assets	**15.80**	**16.31**

*On account of business combination or inter group transfer

(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, 2023	As at March 31, 2022
1	Government of India Securities	7.17	7.38
2	Corporate Bonds	5.09	4.97
3	Special Deposit Scheme	0.46	0.54
4	Public Sector Unit Bond	1.02	1.69
5	Others	2.06	1.73
	Total plan assets	**15.80**	**16.31**

(f) Principal actuarial assumptions at the valuation date:

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2023	As at March 31, 2022
1	Discount rate for the term of the obligation	7.46%	7.05%
2	Average historic yield on the investment portfolio	8.35%	8.64%
3	Discount rate for the remaining term to maturity of the investment portfolio	7.40%	6.85%
4	Future derived return on assets	8.41%	8.84%
5	Guaranteed rate of return	8.15%	8.10%

(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 2022-2023.

However, in view of the fall in equity values as at March 31, 2023 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 8.15% p.a.

Note : 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 buildings and office premises. 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 (Building and office premises)	Opening balance	Addition during the year	Derecognize during the year	Depreciation for the year	Closing balance
As at March 2023	32.36	39.68	1.84	14.06	56.13
As at March 2022	29.79	21.28	-	18.71	32.36

iii) Details with respect to lease liabilities

₹ in crore

Particulars	2022-23	2021-22
Opening Lease liability	35.53	34.05
Add: Additions during the year	39.68	21.28
Add: Interest accrued during the year	2.82	(5.69)
Less: Interest paid during the year	(2.82)	5.69
Less: Sale off	-	-
Less: Principal Repayment during the year	(13.76)	(19.80)
Closing Lease liability	**61.45**	**35.53**

iv) Interest expense on lease liabilities for F.Y. 2022-23 is ₹ 2.82 crore and for F.Y. 2021-22 is ₹ (5.69) crore

v) Expense relating to leases for which underlying asset is of low value for F.Y. 2022-23 is ₹ 7.03 crore and for F.Y. 2021-22 is ₹ 6.16 crore

vi) Expense related to short-term leases for F.Y. 2022-23 is ₹ 55.22 crore and for F.Y. 2021-22 is ₹ 43.50 crore

vii) Expense related to variable lease payments for F.Y. 2022-23 is Nil and F.Y. 2021-22 is Nil

viii) Income from sub-leasing of right of use assets for F.Y. 2022-23 is ₹ 2.09 crore and for F.Y. 2021-22 is ₹ 1.70 crore

ix) There are no gains or losses arising from sale and leaseback transactions ₹ Nil for F.Y. 2022-23 and F.Y. 2021-22.

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:

₹ in crore

Particulars	As at 31 March, 2023	As at 31 March, 2022
Receivable not later than 1 year	0.01	4.85
Receivable later than 1 year but not later than 2 year	-	0.01
Receivable later than 2 year but not later than 3 year	-	-
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	-	-
Gross investment in lease	**0.01**	**4.86**
Less: Unearned finance income	0.00*	0.23
Present value of minimum lease payment receivable	**0.01**	**4.63**

* less than 1 lakh

iii) Finance lease income on net investment in lease recognised in statement of Profit & loss during the F.Y. 2022-23 is ₹ 0.15 crore and for F.Y. 2021-22 is ₹ 1.50 crore

iv) Finance lease income relating to variable lease payments not depending on index/rate - NIL

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, 2021	**20.70**	**4.86**	**25.56**
Add: Finance lease income recognised in P&L	1.50	-	1.50
Less: Lease rental received (cash payment)	(22.20)	-	(22.20)
Add/Less: Change on account of any other factors	4.85	(4.85)	-
Opening value of Lease Receivables as on April 1, 2022	**4.85**	**0.01**	**4.86**
Add: Finance lease income recognised in P&L	0.15	-	0.15
Less: Lease rental received (cash payment)	(5.00)	-	(5.00)
Add/Less: Change on account of any other factors	0.01	(0.01)	-
Closing value of Lease Receivables as on March 31, 2023	**0.01**	**(0.00)**	**0.01**

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 undiscounted lease receivables:

₹ in crore

Particulars	As at 31 March, 2023	As at 31 March, 2022
Receivable not later than 1 year	-	0.16
Receivable later than 1 year but not later than 2 year	-	-
Receivable later than 2 year but not later than 3 year	-	-
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	**-**	**0.16**

iii) Lease income recognised in Profit & Loss account (Other than variable lease payment) for F.Y. 2022-23 is ₹ 0.07 crore and for F.Y. 2021-22 is ₹ 0.23 crore

iv) Lease income relating to variable lease payments not depending on index/rate : Nil

Note : 36 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 14.92 crore (previous year: ₹ 16.34 crore).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 14.92 crore (previous year: ₹ 5.48 crore) (Refer note no. 32 of financial statements), which comprises of:

₹ in crore

Particulars	2022-23			2021-22		
	In cash	Set off from previous years	Total	In cash	Set off from previous years	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	13.45	0.07	13.52	5.41	10.93	16.34

(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, 2021 available for set off in subsequent years	Actual amounts spent during FY 21-22	Amounts to be spent in FY 21-22 as per the requirements of Companies Act, 2013	Surplus carried forward to be set off in subsequent years
10.93	5.48	16.34	(0.07)

₹ in crore

Amount spent in excess of requirements as per Companies Act, 2013 as on March 31, 2022 available for set off in subsequent years	Actual amounts spent during FY 22-23	Amounts to be spent in FY 22-23 as per the requirements of Companies Act, 2013	Shortfall at the end of the year
0.07	13.45	14.92	1.40

(c) Reason for shortfall during the financial year 2022-23

New project(s) / program(s) of on-going nature were identified and launched during the financial year on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

(d) Nature of CSR activities during the financial year 2022-23

The payment for the CSR activities are done for Digital Financial Literacy and Entrepreneurship Development, Tree Plantation and Capacity Building of Water User Groups.

Nature of CSR activities during the financial year 2021-22

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

Note : 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 (A)	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited) (B)	Expense recovered by holding company till end of financial year (C)	Expenses charged to Statement of Profit and Loss for the year (D)	Remaining expenses to be recovered in future year (E = B-C)
As at March 31, 2023	250.27	226.45	23.93	23.82
As at March 31, 2022	258.69	202.52	13.79	56.17

Note : 38 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2022-23	2021-22
Basic Earning Per Share			
Profit/(loss) after tax as per statement of profit and loss (₹ in crore)	A	(505.03)	807.98
Weighted average number of equity shares outstanding during the year (Nos.)	B	2,72,41,17,565	2,68,41,72,360
Basic Earning Per Share (₹)	**A/B**	**(1.85)**	**3.01**
Diluted Earning Per Share			
Profit/(loss) after tax as per statement of profit and loss (₹ in crore)	A	(505.03)	807.98
Weighted average number of equity shares outstanding (Nos.)	B	2,72,41,17,565	2,68,41,72,360
Diluted Earning Per Share (₹)	**A/B**	**(1.85)**	**3.01**
Face value of shares (₹)		**10.00**	**10.00**

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

Note : 39 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	11.12	8.66
- Sales tax/ VAT / Service Tax / Stamp duty matter in dispute*	528.59	525.03
- Legal matter in dispute*	1.67	1.46
b) Bank Guarantees	6.00	125.29
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	260.05	403.88
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for#	25.05	16.29
b) Undisbursed Commitment	847.52	1,026.95

Note:

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

Figures reported above are excluding GST

Note : 40 Frauds committed against the company:

₹ in crore

Particulars	2022-23	2021-22
No. of cases of fraud which occurred during the year	10	149
Amount involved	12.38	2.73
Amount recovered	1.28	0.67
Amount provided/loss*	11.25	1.80

*net of recoveries.

Note : 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.

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2023	As at March 31, 2022
1	Future Retail Limited	56,18,102	16,53,117
2	Tata Steel Limited	47,92,720	4,79,272
3	Saumya Mining Limited	5,13,012	5,13,012
4	Punj Lloyd Limited	5	5
5	GHCL Limited	70,000	70,000
6	Golden Tobacco Limited	10,000	10,000

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2023	As at March 31, 2022
7	Hindustan National Glass & Industries Limited	15,00,716	34,04,499
8	Sterling International Enterprises Limited	2,17,309	2,17,309
9	Tulip Telecom Limited	14,01,762	14,01,762
10	Hanjer Biotech Energies Private Limited	3,25,096	3,25,096
11	VMC Systems Limited	7,17,736	7,17,736
12	KSK Energy Ventures Limited	3,08,446	3,08,446
13	Soma Enterprises Limited	24,47,655	24,47,655
14	Gwalior Bypass Project Limited	-	21,287
15	KSK Electricity Financing India Pvt Ltd	-	2,000
16	Avantha Holdings Limited	4,500	4,500
17	Ace Urban Developers Private Limited	-	15,250
18	KSK Mineral Resources Private Limited	34,22,910	-
19	Diamond Power Infrastructure Limited	3,000	-
20	Valdel Projects Corporation Pvt Ltd	1,532	1,532

Note : 42 Expenditure in foreign currency:

₹ in crore

Particulars	2022-23	2021-22
Professional Fees	0.33	0.21
License Fees	4.82	6.05
Finance Cost	67.26	59.68

Note : 43 Dues to micro enterprises and small enterprises:

₹ in crore

Sr. No.	Particulars	2022-23	2021-22
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;	-	-

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

₹ in crore

Sr. No.	Particulars	2022-23	2021-22
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.

Note : 44 Relationship with Struck Off Companies

(a) Amount outstanding as at March 31, 2023:

NIL

(b) Amount outstanding as at March 31, 2022:

Sr. No.	Name of Struck off company	Nature of transactions with struck off company	Balance outstanding (Gross) (₹ in crore)	Balance outstanding (Net) (₹ in crore)	Relationship with the struck off company, if any, to be disclosed
1	Earl Grey Hotels Private Limited	Vendor	-	-	NA
2	Inmech Engineering Private Limited	Receivable	0*	0*	NA

* less than ₹ 1 lakh

Note : 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, 2023			March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
ASSETS:						
Financial assets						
Cash and cash equivalents	7,894.05	-	7,894.05	4,233.83	-	4,233.83
Bank Balance other than (a) above	2,976.45	0.04	2,976.49	1,909.15	0.21	1,909.36
Derivative financial instruments	0.77	173.68	174.45	145.48	58.56	204.04
Receivables						
Trade receivables	2.34	-	2.34	5.24	-	5.24
Other receivables	136.82	-	136.82	56.43	-	56.43
Loans	35,640.89	35,319.71	70,960.60	41,607.88	35,921.18	77,529.06
Investments	7,116.18	7,196.35	14,312.53	2,877.85	6,426.10	9,303.95

Particular	March 31, 2023 Within twelve months	March 31, 2023 After twelve months	March 31, 2023 Total	March 31, 2022 Within twelve months	March 31, 2022 After twelve months	March 31, 2022 Total
Other financial assets	82.31	-	82.31	82.78	-	82.78
Non-financial assets						
Current tax assets (net)	-	545.82	545.82	-	580.18	580.18
Deferred tax assets (net)	-	1,781.56	1,781.56	-	1,401.20	1,401.20
Property, plant and equipment	-	44.67	44.67	-	19.41	19.41
Intangible assets under development	-	4.72	4.72	-	21.79	21.79
Other intangible assets	-	115.21	115.21	-	115.76	115.76
Right of use assets	-	56.13	56.13	-	32.36	32.36
Other non-financial assets	65.90	520.83	586.73	53.12	623.32	676.44
Total Assets	**53,915.71**	**45,758.72**	**99,674.43**	**50,971.76**	**45,200.07**	**96,171.83**
LIABILITIES :						
Financial liabilities						
Payables						
Trade payables	749.85	-	749.85	423.67	-	423.67
Other payables	38.79	-	38.79	6.49	-	6.49
Debt securities	13,675.71	17,082.65	30,758.36	17,442.53	17,223.08	34,665.61
Borrowings (other than debt securities)	29,099.33	17,392.97	46,492.30	26,701.20	13,655.20	40,356.40
Subordinated liabilities	374.13	2,424.35	2,798.48	600.37	2,697.22	3,297.59
Lease liabilities	12.48	48.97	61.45	13.18	22.35	35.53
Other financial liabilities	531.72	-	531.72	662.54	-	662.54
Non-financial liabilities						
Current tax liabilities (net)	151.85	-	151.85	155.55	-	155.55
Provisions	30.67	-	30.67	25.86	-	25.86
Other non-financial liabilities	46.19	-	46.19	51.36	-	51.36
Total liabilities	**44,710.72**	**36,948.94**	**81,659.66**	**46,082.76**	**33,597.84**	**79,680.60**

Note 46 Due to data migration issues, the first installment principal repayment on non-convertible security (INE691I07240) amounting to ₹ 71.43 crore was credited to bondholders account on October 19, 2022, instead of the due date of October 18, 2022, along with the applicable additional interest for 1 day. This delay was promptly resolved to ensure that future payments are not affected and appropriate disclosures were made to stock exchange & rating agencies. Credit reports further confirmed that this was a one-off event due to a technical issue and did not reflect any liquidity stress or financial inability of the Company to service its debt on time. The Company had sufficient liquidity available in the form of cash and liquid investments of ₹ 7,511 crore as on September 30, 2022 (around ₹ 4,500 crore as on October 18, 2022), in addition to unutilised bank lines & credit line from L&T Limited and the incident did not indicate any change in the Company's inherent credit quality.

Note 47 Reclassification of Wholesale loan asset portfolio:

As on September 30, 2022, the Business Model being followed by the Company involved accounting the Wholesale loan asset portfolio in its books of account in two different blocks as under:

1) Fair Value through Profit & Loss Account

2) Amortised Cost

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

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

Based on the change in the Business model, the Company had reclassified its wholesale loan asset portfolio previously measured at "Amortised cost" to "Fair value through profit & loss" as on October 1, 2022.

Effective from October 01, 2022, the Company has reclassified its Wholesale loan asset portfolio measured at amortised cost amounting to ₹ 12,271.31 crore to fair value through profit & loss account. The Company has carried out an independent fair valuation of wholesale loan asset portfolio as at October 01, 2022 by external registered valuer and one time impact of such reclassifications consequent to change in business model and fair valuation of its wholesale loan asset portfolio, amounting to ₹ 2,450.17 crore has been presented as an "Exceptional Item".

Note : 48 Disclosure persuant to Ind AS 7 "Statement of Cash Flows"

Change in liabilities arising from financing activities:

₹ in crore

Particulars	As at April 1, 2022	Net Cash flows	Non - cash changes			As at March 31, 2023
			Changes in fair values	Exchange Difference	Others	
Debt securities	34,665.61	(3,733.87)	(0.80)	-	(172.58)	30,758.36
Borrowings (other than debt securities)	40,356.40	6,301.23	(0.34)	(120.06)	(44.93)	46,492.30
Subordinated liabilities	3,297.59	(475.00)	-	-	(24.11)	2,798.48
Total liabilities from financing activities	**78,319.60**	**2,092.36**	**(1.14)**	**(120.06)**	**(241.62)**	**80,049.14**

₹ in crore

Particulars	As at April 1, 2021	Net Cash flows*	Non - cash changes: Changes in fair values	Non - cash changes: Exchange Difference	Non - cash changes: Others*	As at March 31, 2022
Debt securities	37,230.48	(1,625.43)	-	-	(939.44)	34,665.61
Borrowings (other than debt securities)	38,658.11	1,544.20	-	116.69	37.40	40,356.40
Subordinated liabilities	3,501.59	(200.00)	-	-	(4.00)	3,297.59
Total liabilities from financing activities	**79,390.18**	**(281.23)**	**-**	**116.69**	**(906.04)**	**78,319.60**

* previous year net cashflow & others has been reclassified.

Footnote: Others include mainly amortisation of issue cost and changes in accrued interest.

Note 49: 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

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.

Wholesale Business

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.

Retail Business (Rural and Urban Finance)

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 and internal rating 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. Multi variable regression framework is used to establish a linkage between company's default rates and various macroeconomic variables like unemployment rate, GDP, inflation, domestic credit investment, farm reservoir levels amongst others. 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).Probability weights have been assigned to each scenario based on Company's outlook of the economic forecasts.

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).

The following are additional considerations for each type of portfolio held by the Company:

Wholesale Business

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 Business - (Rural and Urban Finance)

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).

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, 2023			As at March 31, 2022		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets						
Equity instruments (Subsidiary)	651.90	-		483.36	-	
Total financial assets at cost	**651.90**	**-**		**483.36**	**-**	
Cash and cash equivalent and other bank balances	10,870.54	-		6,143.19	-	
Loans and advances at amortised cost	58,097.81	-	Refer footnote below	54,775.28	-	Refer footnote below
Trade receivables	2.34	-		5.24	-	
Other receivables	136.82	-		56.43	-	
Other financial assets	82.31	-		82.78	-	
Total financial assets at amortised cost	**69,189.82**	**-**		**61,546.28**	**-**	
Financial assets at fair value through profit or loss	23,951.55	-		29,520.87	-	
Total financial instruments at fair value through profit or loss	**23,951.55**	**-**		**29,520.87**	**-**	
Derivative financial instruments	174.45	-		204.04	-	
Financial instruments at fair value through Other Comprehensive Income	2,571.88	-		2,053.50	-	
Total Financial instruments at fair value through Other Comprehensive Income	**2,746.33**	**-**		**2,257.54**	**-**	
Total on-balance sheet	**96,539.59**	**-**		**93,324.69**	**-**	

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Off balance sheet						
Contingent liabilities	807.43	-		1,064.32	-	
Other commitments	872.57	-		1,043.24	-	
Total off-balance sheet	**1,680.00**	**-**		**2,107.56**	**-**	
Total	**98,219.59**	**-**		**95,432.25**	**-**	

Footnote:

(i) Retail loans, other than unsecured loans aggregating ₹ 34,109.08 crore as of March 31, 2023, 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, 2022: ₹ 28,722.90 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.

(ii) Wholesale loan assets 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 and Non-convertible debentures ("NCD") (Refer Note 41), pledged with the Company as collateral by the borrowers and those shares are being held by the Company as bailee.

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, 2023. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, 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, 2022 is as under:

(i) Funding Concentration based on significant counterparty:

F.Y.	No. of Significant Counterparties	Amount (₹ crore)	% of Total Deposits	% of Total Liabilities
2022-23	**19**	**54,069**	**N.A.**	**63%**
2021-22	**21**	**51,274**	**N.A.**	**62%**

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:

F.Y.	Amount (₹ crore)	% of Total Borrowings
2022-23	42,572	54%
2021-22	38,631	50%

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	FY 2022-23		FY 2021-22	
		Amount (₹ crore)	% Of Total Liabilities	Amount (₹ crore)	% Of Total Liabilities
1	Term Loans	26,315	31%	18,767	23%
2	Private Non-Convertible Debentures	23,134	27%	26,571	32%
3	Working Capital Bank Lines	15,516	18%	16,451	20%
4	Commercial Papers	7,590	9%	6,470	8%
5	Public Non-Convertible Debentures	2,079	2%	3,908	5%
6	External Commercial Borrowings	1,611	2%	3,760	5%
7	Inter Corporate Borrowings	2,358	3%	1,018	1%
	Total	**78,602**	**92%**	**76,944**	**92%**

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.

(v) Stock Ratios:

Sr. No.	Stock Ratio	FY 2022-23 (%)	FY 2021-22 (%)
1	Commercial papers as a % of total liabilities	9%	8%
2	Commercial papers as a % of total assets	7%	6%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0%	0%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%	0%
5	Other short-term liabilities as a % of total liabilities	26%	29%
6	Other short-term liabilities as a % of total assets	21%	24%

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%

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 FY2023 is as under:

LCR Disclosure		Q1-FY2023		Q2-FY2023		Q3-FY2023		Q4-FY2023	
(Rs. in Crore)		Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)**	**1,911.04**	**1,911.04**	**1,874.82**	**1,874.82**	**2,160.04**	**2,160.04**	**1,972.78**	**1,972.78**
	Cash in hand & Bank Balance	445.53	445.53	370.73	370.73	389.03	389.03	448.53	448.53
	Treasury Bills / G Sec (including Lending Under CBLO / TREPS Platform)	1,431.99	1,431.99	1,482.63	1,482.63	1,439.83	1,439.83	1,421.36	1,421.36
	CBLO (Treps Lending)	33.52	33.52	21.47	21.47	331.18	331.18	102.89	102.89
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	3,790.63	4,359.22	3,930.57	4,520.16	2,483.30	2,855.80	1,107.86	1,274.04
4	Secured wholesale funding	1,151.69	1,324.44	1,151.67	1,324.42	1,526.51	1,755.48	2,426.60	2,790.59
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	654.37	752.53	480.32	552.37	874.12	1,005.24	818.98	941.83

LCR Disclosure		Q1-FY2023		Q2-FY2023		Q3-FY2023		Q4-FY2023	
(Rs. in Crore)		Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value	Total Unweighted[1] Value	Total Weighted[2] Value
7	Other contingent funding obligations	88.30	101.55	111.30	128.00	49.38	56.79	94.67	108.86
8	**TOTAL CASH OUTFLOWS**	**5,684.99**	**6,537.74**	**5,673.86**	**6,524.94**	**4,933.31**	**5,673.30**	**4,448.11**	**5,115.33**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,170.13	1,627.60	1,871.44	1,403.58	2,071.32	1,553.49	2,006.74	1,505.05
11	Other cash inflows[3]	13,493.19	10,119.89	10,844.22	8,133.17	15,170.66	11,378.00	15,881.06	11,910.80
12	**TOTAL CASH INFLOWS**	**15,663.32**	**11,747.49**	**12,715.66**	**9,536.74**	**17,241.98**	**12,931.49**	**17,887.80**	**13,415.85**
			Total Adjusted value		**Total Adjusted value**		**Total Adjusted value**		**Total Adjusted value**
13	**TOTAL HQLA**		**1,911.04**		**1,874.82**		**2,160.04**		**1,972.78**
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))		**1,634.43**		**1,631.23**		**1,418.33**		**1,278.83**
15	LIQUIDITY COVERAGE RATIO (%)[4]		**117%**		**115%**		**152%**		**154%**

Notes:

1. Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows). Averages are calculated basis simple average of daily observations for the quarterly LCR.
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, Fixed deposit placed with banks as well as available undrawn funding lines.
4. All of the HQLA, cash inflows and outflows are in rupee terms and there is no currency mismatch.
5. The above LCR ratios are prepared on the baisis of RBI guidelines prescribed for liquidity risk management framework and same has been reported by management on quartely basis and same is relied upon by auditors.

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.

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

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.

Note: 49.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

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

₹ in crore

Particulars		As at March 31, 2023			As at March 31, 2022		
		Gross carrying amount	Expected Credit Loss	Carrying amount (net of impairment provision)	Gross carrying amount	Expected Credit Loss	Carrying amount (net of impairment provision)
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	56,530.86	1,177.27	55,353.59	48,644.71	1,072.62	47,572.09
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	2,656.71	366.05	2,290.66	7,516.16	1,054.42	6,461.74
	Financial assets for which credit risk has increased significantly and credit-impaired	2,196.86	1,743.30	453.56	2,175.46	1,434.01	741.45
Total		**61,384.43**	**3,286.62**	**58,097.81**	**58,336.33**	**3,561.05**	**54,775.28**

Note: 49.2Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

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

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2021	876.13	344.65	3,820.15	5,040.93
New assets originated or purchased*	856.54	21.53	44.39	922.46
Transfers to Stage 1	22.80	(7.99)	(14.81)	-
Transfers to Stage 2	(117.09)	130.03	(12.94)	-
Transfers to Stage 3	(34.35)	(7.28)	41.63	-
Amount written off	-	-	(1,797.23)	(1,797.23)
Impact of changes in credit risk on account of stage movements	(22.29)	225.08	961.18	1,163.97

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Increase/ (Decrease) provision on existing financial assets including recovery	(509.12)	348.40	(1,608.36)	(1,769.08)
ECL as on March 31, 2022	**1,072.62**	**1,054.42**	**1,434.01**	**3,561.05**
New assets originated or purchased*	1,076.39	61.15	111.58	1,249.12
Transfers to Stage 1	66.22	(46.71)	(19.51)	-
Transfers to Stage 2	(6.73)	16.21	(9.48)	-
Transfers to Stage 3	(21.29)	(315.79)	337.08	-
Amount written off	-	-	(1,404.77)	(1,404.77)
Impact of changes in credit risk on account of stage movements	(64.40)	67.57	1,365.66	1,368.83
Increase/ (Decrease) provision on existing financial assets including recovery	(921.29)	(259.32)	14.03	(1,166.58)
Reclassification to fair value through P&L (Refer note 47)	(24.25)	(211.49)	(85.29)	(321.03)
ECL as on March 31, 2023	**1,177.27**	**366.04**	**1,743.31**	**3,286.62**

(b) Reconciliation of Gross carrying amount - Loans at amortised cost:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2021	50,082.35	5,314.15	5,360.40	60,756.90
New assets originated or purchased*	26,911.40	278.70	63.60	27,253.70
Transfers to Stage 1	224.60	(193.05)	(31.55)	-
Transfers to Stage 2	(3,263.47)	3,296.11	(32.64)	-
Transfers to Stage 3	(1,340.98)	(199.07)	1,540.05	-
Amount written off	-	-	(1,846.58)	(1,846.58)
Net recovery	(23,969.19)	(980.68)	(2,877.82)	(27,827.69)
Gross carrying amount as on March 31, 2022	**48,644.71**	**7,516.16**	**2,175.46**	**58,336.33**
New assets originated or purchased*	40,493.67	592.85	143.84	41,230.36
Transfers to Stage 1	1,001.82	(956.21)	(45.61)	-
Transfers to Stage 2	(1,149.46)	1,171.90	(22.44)	-
Transfers to Stage 3	(712.65)	(1,425.83)	2,138.48	-
Amount written off	-	-	(1,450.44)	(1,450.44)
Net recovery	(22,140.85)	(1,910.80)	(408.86)	(24,460.51)
Reclassification to fair value through P&L (Refer note 47)	(9,606.38)	(2,331.35)	(333.58)	(12,271.31)
Gross carrying amount as on March 31, 2023	**56,530.86**	**2,656.72**	**2,196.85**	**61,384.43**

* excludes assets originated or purchased and derecognised during the year

Note: 49.3 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, 2023	As at March 31, 2022
I	**Measured at fair value through profit or loss (FVTPL):**			
	(i)	Investment in equity instruments	208.24	550.98
	(ii)	Investment in preference shares	-	-
	(iii)	Investment in bonds/debentures	105.83	413.46
	(iv)	Investment in mutual funds	4,504.90	665.94
	(v)	Investment in government securities	-	-
	(vi)	Investment in security receipt	6,131.04	4,886.23
	(vii)	Investment in units of fund	138.75	250.48
	(viii)	Loans	12,862.79	22,753.78
	(ix)	Derivative financial instruments	0.77	-
	Sub-total (I)		**23,952.32**	**29,520.87**
II	**Measured at amortised cost:**			
	(i)	Loans	58,097.81	54,775.28
	(ii)	Trade receivables	2.34	5.24
	(iii)	Other receivables	136.82	56.43
	(iv)	Other financial assets	82.31	82.78
	(v)	Cash and cash equivalents and bank balances	10,870.54	6,143.19
	Sub-total (II)		**69,189.82**	**61,062.92**
III	**Measured at fair value through other comprehensive income (FVTOCI):**			
	(i)	Investment in bonds/Debentures	560.29	729.31
	(ii)	Investment in government securities	2,010.69	1,323.28
	(iii)	Investment in equity instruments	-	-
	(iv)	Investment in pass through certificates	-	-
	(v)	Derivative financial instruments	173.68	204.04
	(vi)	Investment in units of fund	0.90	0.91
	Sub-total (III)		**2,745.56**	**2,257.54**
	Total (I+II+III)		**95,887.70**	**92,841.33**

Foot note: Investment in subsidiaries valued at cost current year: ₹ 651.90 crore (previous year: ₹ 483.36 crore).

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

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
I	**Measured at 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	30,758.36	34,665.61
	(ii) Borrowings (other than debt securities)	46,492.30	40,356.40
	(iii) Subordinated liabilities	2,798.48	3,297.59
	(iv) Trade payables	749.85	423.67
	(v) Other payables	38.79	6.49
	(vi) Lease liabilities	61.45	35.53
	(vii) Other financial liabilities	531.72	662.54
	Sub-total (II)	**81,430.95**	**79,447.83**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	**-**	**-**
	Sub-total (III)	**-**	**-**
	Total (I+II+III)	**81,430.95**	**79,447.83**

Note: 49.4 : Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

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

₹ in crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	58,097.81	58,097.81	54,775.28	54,775.28
Total	**58,097.81**	**58,097.81**	**54,775.28**	**54,775.28**
Financial liabilities:				
Debt Securities	30,758.36	30,491.65	34,665.61	35,785.31
Borrowings (other than debt securities)	46,492.30	45,794.11	40,356.40	40,210.22
Subordinated liabilities	2,798.48	2,764.84	3,297.59	3,435.06
Lease liabilities	61.45	61.45	35.53	35.53
Total	**80,110.59**	**79,112.06**	**78,355.13**	**79,466.13**

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, 2023

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

₹ in crore

As at March 31, 2023	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	58,097.81	58,097.81	Discounted cashflow approach
Total financial assets	**-**	**-**	**58,097.81**	**58,097.81**	
Financial liabilities:					
Debt Securities	-	-	30,491.65	30,491.65	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	45,794.11	45,794.11	Discounted cashflow approach
Subordinated liabilities	-	-	2,764.84	2,764.84	Discounted cashflow approach
Lease liabilities	-	-	61.45	61.45	Discounted cashflow approach
Total financial liabilities	**-**	**-**	**79,112.06**	**79,112.05**	

₹ in crore

As at March 31, 2022	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	54,775.28	54,775.28	Discounted cashflow approach
Total financial assets	**-**	**-**	**54,775.28**	**54,775.28**	
Financial liabilities:					
Debt Securities	-	-	35,785.31	35,785.31	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	40,210.22	40,210.22	Discounted cashflow approach
Subordinated liabilities	-	-	3,435.06	3,435.06	Discounted cashflow approach
Lease liabilities	-	-	35.53	35.53	
Total financial liabilities	**-**	**-**	**79,466.13**	**79,466.13**	

Note: 49.5

Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

₹ in crore

Particulars	As at March 31, 2023				As at March 31, 2022			
	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	40.32	-	167.92	208.24	158.39	-	392.59	550.98
- Preference shares	-	-	-	-	-	-	-	-
- Bonds and debentures	-	-	105.83	105.83	-	-	413.46	413.46
- Mutual funds	4,504.90	-	-	4,504.90	665.94	-	-	665.94
- Security receipts	-	-	6,131.04	6,131.04	-	-	4,886.23	4,886.23
- Units of fund	-	-	138.45	138.74	-	-	250.48	250.48
Loans	-	-	12,862.79	12,862.79	-	-	22,753.78	22,753.78
Derivative financial instruments	-	0.77	-	0.77	-	-	-	-
Sub total	**4,545.22**	**0.77**	**19,406.33**	**23,952.32**	**824.33**	**-**	**28,696.54**	**29,520.87**

₹ in crore

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income:								
Investments								
- Bonds and debentures	-	560.29	-	560.29	-	729.31	-	729.31
- Government securities	-	2,010.69	-	2,010.69	-	1,323.28	-	1,323.28
- Pass through certificates	-	-	-	-	-	-	-	-
- Investment in Units of Fund	-	0.90	-	0.90		0.91	-	0.91
Derivative financial instruments	-	173.68	-	173.68	-	204.04	-	204.04
Sub total	**-**	**2,745.56**	**-**	**2,745.56**	**-**	**2,257.54**	**-**	**2,257.54**
Total Financial assets at fair value	**4,545.22**	**2,746.33**	**19,406.33**	**26,697.88**	**824.33**	**2,257.54**	**28,696.54**	**31,778.41**
Financial liabilities:								
Financial liabilities at fair value through profit and loss:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Financial liabilities at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note :

Quoted investments having inactive markets are classified in Level 2.

Note: 49.6 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, 2022 and March 31, 2023 :

₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
Balance as at April 1, 2021	**330.88**	**0.68**	**651.08**	**-**	**4,114.87**	**301.76**	**22,877.67**	**28,276.94**
Acquisitions	61.71	1.00	-	-	1,484.10	14.79	7,315.58	**8,877.18**
Transfer from Level 2 to Level 3	-	-	-	-	-	-	-	**-**
Deletions/redemption	-	(1.20)	(588.85)	(0.01)	(462.75)	(38.31)	(7,091.37)	**(8,182.49)**
Gains/(losses) recognised in profit or loss	-	(0.48)	(74.06)	-	(249.99)	(27.76)	(348.10)	**(700.39)**
Gains/(losses) recognised in other comprehensive income	-	-	30.52	-	-	-	-	**30.52**
Impairment recognised in profit or loss	-	-	394.77	0.01	-	-	-	**394.78**

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

₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
As at March 31, 2022	**392.59**	**-**	**413.46**	**-**	**4,886.23**	**250.48**	**22,753.78**	**28,696.54**
Acquisitions	0.09	-	-	-	2,289.65	11.08	12,797.84	**15,098.65**
Transfer from Level 2 to Level 3	-	-	-	-	-	-	-	**-**
Deletions/redemption	(0.05)	-	-	-	(663.83)	(25.35)	(21,202.46)	**(21,891.70)**
Gains/(losses) recognised in profit or loss	(224.71)	-	(307.64)	-	(381.00)	(97.46)	(1,486.36)	**(2,497.18)**
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	**-**
Impairment recognised in profit or loss	-	-	-	-	-	-	-	**-**
As at March 31, 2023	**167.92**	**-**	**105.83**	**-**	**6,131.04**	**138.75**	**12,862.79**	**19,406.31**
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, 2022	**-**	**(0.48)**	**320.71**	**0.01**	**(249.99)**	**(27.76)**	**(348.10)**	**(305.61)**
As at March 31, 2023	**(224.71)**	**-**	**(307.64)**	**-**	**(381.00)**	**(97.46)**	**(1,486.36)**	**(2,497.17)**
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, 2022	-	-	30.52	-	-	-	-	**30.52**
As at March 31, 2023	-	-	-	-	-	-	-	**-**

Note: 49.7 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, 2023	March 31, 2022		March 31, 2023 Favourable	March 31, 2023 Unfavourable	March 31, 2022 Favourable	March 31, 2022 Unfavourable
Investments							
- Equity instruments	167.92	392.59	5.00%	8.40	(8.40)	19.63	(19.63)
- Preference shares	-	-	5.00%	-	-	-	-
- Bonds and debentures	105.83	413.46	0.25%	0.26	(0.26)	1.03	(1.03)
- Pass Through Certificates	-	-	0.25%	-	-	-	-
- Security Receipts	6,131.04	4,886.23	5.00%	306.55	(306.55)	244.31	(244.31)
- Units of fund	138.75	250.48	5.00%	6.94	(6.94)	12.52	(12.52)
Loans	12,862.79	22,753.78	0.25%	32.16	(32.16)	56.88	(56.88)
Total	**19,406.32**	**28,696.54**		**354.31**	**(354.31)**	**334.38**	**(334.38)**

Note: 49.8 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, 2023			As at March 31, 2022		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non-derivative liabilities:						
Borrowings*	46,357.30	42,881.06	89,238.37	47,667.03	39,707.17	87,374.20
Trade payables	749.85	-	749.85	423.67	-	423.67
Other payables	38.79	-	38.79	6.49	-	6.49
Lease liabilities	12.48	48.97	61.45	13.18	22.35	35.53
Other financial liabilities	531.72	-	531.72	662.54	-	662.54
Total	**47,690.14**	**42,930.03**	**90,620.18**	**48,772.91**	**39,729.51**	**88,502.43**
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, 2023	As at March 31, 2022
Undrawn backup lines	6,930.97	3,265.16
Line of credit from Ultimate Holding Company	1,800.00	1,800.00

(c) Ind AS 107 - Financial Instruments: Disclosures - Carrying amount of collateral given

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents*	1,000.00	4,498.00
Bank Balances other than cash and cash equivalent	2,679.00	-
Investments	1,517.51	-
Loans	68,471.91	73,678.19
Total	**73,668.42**	**78,176.19**

*The Company has identified certain fixed deposits with bank, amounting to ₹ 1,000 crore as at March 31, 2023 and is in the process of lien marking the same against the secured debt securities.

Note 49.9 : Capital management

(i) Risk management

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets out of which Tier I Capital should be at least 9% of risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 52.1 for the Company's Capital ratios.

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.

(c) The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks - which include credit, liquidity and market.

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:

₹ in crore

Particulars	March 31, 2023	March 31, 2022
Total debt	80,049.14	78,319.60
Networth	17,387.49	15,876.71
Debt to equity ratio	**4.60**	**4.93**

1. Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Networth.
2. Net worth is calculated as defined in section 2(57) of Companies Act, 2013.

(ii) There were no defaults/delay in repayment of loans or payment of interest except as given in note 46. Further, there were no breaches of loan agreement during the year which enables the lender to demand accelerated repayment.

(iii) **Dividends**

₹ in crore

Particulars	March 31, 2023	March 31, 2022
(a) Equity shares		
Final dividend for the year ended March 31, 2023 of ₹ Nil per fully paid share (Previous year : Nil)	-	-
Interim dividend for the year ended March 31, 2023 of ₹ Nil per fully paid share (Previous year : ₹ Nil)	-	-
(b) Dividends not recognised at the end of the reporting year	-	-

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Note: 49.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2023	As at March 31, 2022
Liability – External Commercial Borrowings	USD 12,50,00,000	USD 43,50,00,000
Assets – Cross Currency Interest Rate Swap Contracts	USD 12,50,00,000	USD 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, 2023	As at March 31, 2022
Variable rate borrowings	20,522.59	22,245.51
Fixed rate borrowings	58,579.33	54,698.80
Total borrowings	**79,101.92**	**76,944.31**

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

₹ in crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	6.98%	20,522.59	25.94%	6.75%	22,245.51	28.91%
Interest rate swap at variable rate	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	**6.98%**	**20,522.59**	**25.94%**	**6.75%**	**22,245.51**	**28.91%**

(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 2022-23	FY 2021-22	March 31, 2023	March 31, 2022
Interest rates – increase by 25 basis points *	(41.34)	(33.66)	(41.34)	(33.66)
Interest rates – decrease by 25 basis points*	41.34	33.66	41.34	33.66

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

Note: 49.11 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

There is no financial asset 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.

Note : 50 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 which are not attributable or allocable to segments, have been disclosed as unallocable. As the operations of the Company are carried out within India, there are no geographical segments.

Retail Business comprises of Farmer Finance, Two Wheeler Finance, Rural Business Finance ,Consumer Finance, Home Loan, Loan against Property and SME Finance.

Wholesale Business comprises of Infrastructure Finance and Real Estate Finance.

Defocused Business comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, Supply Chain Finance, SME term loans and other discontinued products.

The Company has changed its composition of reportable segments to Retail Finance and Wholesale finance from Rural Finance, Housing Finance and Infrastructure Finance effective from April 1, 2022. Consequently, the company has restated the corresponding items of segment information for previous year to make them comparable with those of current year.

₹ in crore

Sr.No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Gross segment revenue from operations		
a	Retail Business	8,683.12	6,764.79
b	Wholesale Business	3,262.17	4,078.79
c	Defocused Business	124.06	214.00
d	Others	0.00	0.00
	Total	**12,069.34**	**11,057.58**
	Segment Result (Profit/(loss) before tax)		
a	Retail Business	1,860.43	991.91
b	Wholesale Business	391.14	402.50
c	Defocused Business	(237.74)	(302.54)
d	Others	0.00	0.00
	Profit before tax	**2,013.83**	**1,091.87**
	Exceptional items	(2,450.17)	-
	Segment result after exceptional items	**(436.34)**	**1,091.87**

₹ in crore

Sr.No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Segment assets		
a	Retail Business	72,007.26	47,511.61
b	Wholesale Business	23,355.78	44,242.09
c	Defocused Business	1,984.01	2,436.75
d	Others	0.00	0.00
	Sub-total	**97,347.05**	**94,190.45**
e	Unallocated[1]	2,327.38	1,981.38
	Total segment assets	**99,674.43**	**96,171.83**
	Segment liabilities		
a	Retail Business	60,292.03	40,113.33
b	Wholesale Business	19,554.60	37,354.57
c	Defocused Business	1,661.18	2,057.15
d	Others	0.00	0.00
	Sub-total	**81,507.81**	**79,525.05**
e	Unallocated[2]	151.85	155.55
	Total segment liabilities	**81,659.66**	**79,680.60**

1 Unallocated represents advance/tax deducted (net) and deferred tax asset (net).

2 Unallocated represents tax liabilities.

3 There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Company's total revenue in the Current year and Previous year.

Note : 51 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ in crore

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
	Statement of Profit and Loss:		
(a)	**Profit and Loss section:**		
	(i) Current tax :		
	Current tax expense for the year	474.19	118.35
		474.19	**118.35**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(405.50)	165.54
	Effect on deferred tax balances due to the change in income tax rate	-	-
		(405.50)	**165.54**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**68.69**	**283.89**
(b)	**Other Comprehensive Income (OCI) Section:**		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	(0.35)	0.50
		(0.35)	**0.50**
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Deferred tax expense/(income):		
	On gains and loss on hedging instruments in a cash flow hedge	21.60	13.22
		21.60	**13.22**
	Income tax expenses reported in the other comprehensive income [i+ii]	**21.25**	**13.72**
(c)	**Other directly reported in balance sheet through reserve:**		
	Current tax (assets)/liabilities		
	- Merger related expenses	(3.89)	(3.89)
	Deferred tax (assets)/liabilities		
	- Merger related expenses	3.89	3.89
	Income tax expense reported directly in balance sheet	**-**	**-**

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ in crore

Sr. No.	Particulars		F.Y. 2022-23	F.Y. 2021-22
(a)	Profit/(loss) before tax		(436.35)	1,091.87
(b)	Corporate tax rate as per Income tax Act, 1961		25.168%	25.168%
(c)	Tax on accounting profit	**(c)=(a)*(b)**	(109.82)	274.80
(d)	(i) Tax on Income exempt from tax :			
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961		-	(4.93)
	(B) Deduction u/s 80JJA of the Income Tax Act, 1961		(5.51)	(8.26)
	(ii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		3.91	1.38
	(B) Provision for dimunition of investments		180.11	(96.86)
	(iii) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised		-	117.76
	Total effect of tax adjustments [(i) to (iii)]		**178.51**	**9.09**
(e)	**Tax expense**	**(e)=(c)+(d)**	**68.69**	**283.89**
(f)	**Effective tax rate**	**(f)=(e)/(a)**	(15.74) %	26.00%
(g)	**Tax expense recognised during the year**		**68.69**	**283.89**
(h)	**Effective tax rate**	**(h)=(g)/(a)**	(15.74) %	26.00%

(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, 2023		As at March 31, 2022	
	₹ 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 losses)*	-	-	467.89	AY 2030-31
Total	**-**	**-**	**467.89**	

*Carry forward of unused tax losses and its set off/utilisation of such losses is subject to provisions of the Income Tax Act, 1961 (Refer note 55).

(c) (ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Towards provision for diminution in value of investments	1,090.40	374.77
	Total	**1,090.40**	**374.77**

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2021	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, 2022
Deferred tax liabilities:					
- Interest income recognised on Stage 3 Loans	43.76	(21.65)	-	-	22.11
- Unamortised borrowing cost	2.35	(1.29)	-	-	1.06
- Deduction under Secion 36(1)(viia)	27.72	(27.72)	-	-	-
Net deferred tax liabilities	**73.83**	**(50.66)**	**-**	**-**	**23.17**
Deferred tax (assets):					
- Provision on loan assets based on expected credit loss and fair value impact	(1,358.98)	284.84	-	-	(1,074.14)
- Provision on trade receivables	(2.36)	1.60	-	-	(0.76)
- Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(5.54)	1.88	-	-	(3.66)
- Fair value of investments	(123.36)	(62.91)	-	-	(186.27)
- Defined benefit obligation (Gratuity and Leave encashment)	(7.13)	(0.11)	0.50	-	(6.74)
- Amortisation of expenditure incurred for amalgamation	(14.22)	(2.98)	-	3.89	(13.31)
- Fair valuation of derivative financial instrument	(34.22)	-	13.22	-	(21.00)
- Impact on account of Ind AS 116 – Leases	(1.11)	(2.65)	-	-	(3.76)
- Liability for expenses	(24.36)	(6.07)	-	-	(30.43)
- Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(86.91)	2.61	-	-	(84.30)
Net Deferred tax (assets)	**(1,658.19)**	**216.20**	**13.72**	**3.89**	**(1,424.37)**
Net deferred tax liability/(assets)	**(1,584.36)**	**165.54**	**13.72**	**3.89**	**(1,401.20)**

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2022	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, 2023
Deferred tax liabilities:					
- Interest income recognised on Stage 3 Loans	22.11	(22.11)	-	-	-
- Unamortised borrowing cost	1.06	(1.06)	-	-	-
- Deduction under Secion 36(1)(viia)	-	24.69	-	-	24.69
Net deferred tax liabilities	**23.17**	**1.52**	**-**	**-**	**24.69**
Deferred tax (assets):					
- Provision on loan assets based on expected credit loss and fair value impact	(1,074.14)	(305.02)	-	-	(1,379.16)
- Provision on trade receivables	(0.76)	(1.24)	-	-	(2.00)
- Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(3.66)	3.66	-	-	-
- Fair value of investments	(186.27)	(94.91)	-	-	(281.18)
- Defined benefit obligation (Gratuity and Leave encashment)	(6.74)	(0.46)	(0.35)	-	(7.55)
- Amortisation of expenditure incurred for amalgamation	(13.31)	0.55	-	3.89	(8.87)
- Fair valuation of derivative financial instrument	(21.00)	-	21.60	-	0.60
- Impact on account of Ind AS 116 – Leases	(3.76)	(0.54)	-	-	(4.30)
- Liability for expenses	(30.43)	(17.28)	-	-	(47.71)
- Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(84.30)	8.22	-	-	(76.08)
Net Deferred tax (assets)	**(1,424.37)**	**(407.02)**	**21.25**	**3.89**	**(1,806.25)**
Net deferred tax liability/(assets)	**(1,401.20)**	**(405.50)**	**21.25**	**3.89**	**(1,781.56)**

Note: 52 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 circular no. RBI/DNBR/2016-17/45 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.

52.1 Capital :

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	CRAR (%)	21.34%	20.77%
ii)	CRAR - Tier I Capital (%)	18.88%	17.86%
iii)	CRAR - Tier II Capital (%)	2.46%	2.91%
iv)	Amount of subordinated debt raised as Tier-II capital* (Repaid during the year ₹ 475 crore, previous year NIL)	2,393.68	2,893.20
v)	Amount raised by issue of Perpetual Debt Instruments (Raised during the year ₹ Nil, previous year ₹ Nil)	404.80	404.39
vi)	Percentage of the amount of Perpetual Debt Instruments of the amount of its Tier I Capital	2.55%	2.73%

* Discounted value of ₹ 1,015.99 crore (Previous year ₹ 1,412.72 crore) considered for Tier II capital against the book value of ₹ 2,393.68 crore (Previous year ₹ 2,893.20 crore).

52.2 Investments :

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(1)	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	14,319.60	9,311.02
	(b) Outside India	-	-
	(ii) Provisions for Depreciation*		
	(a) In India	7.07	7.07
	(b) Outside India		-
	(iii) Net Value of Investments		
	(a) In India	14,312.53	9,303.95
	(b) Outside India		-
(2)	**Movement of provisions held towards depreciation on investments***		
	(i) Opening balance	7.07	401.85
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	(394.78)
	(iv) Closing balance	7.07	7.07

*Provision for depreciation on Investments includes provision towards impairment of financial instruments.

52.3 Derivatives :

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

₹ in crore

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	The notional principal of swap agreements	1,364.55	3,014.34
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	173.68	204.04
(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	173.68	204.04

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in exchanged traded Interest Rate Derivative during the financial year ended March 31, 2023 (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 in foreign currency. The same has been hedged as required by RBI.

Quantitative Disclosures for Financial Year 2022-23

₹ in crore

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	864.55	800.00
(ii)	Market to Market position	172.39	2.06
	(a) Asset (+)	172.39	2.06
	(b) Liability (-)	-	-
(iii)	Credit exposure	-	-
(iv)	Unhedged exposure	-	-

Quantitative Disclosures for Financial Year 2021-22

₹ in crore

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	3,014.34	Nil
(ii)	Market to Market position	204.04	-
	(a) Asset (+)	287.46	-
	(b) Liability (-)	(83.42)	-
(iii)	Credit exposure	-	-
(iv)	Unhedged exposure	-	-

52.4 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

Sr. No.	Particulars	No. / Amount As at March 31, 2023	No. / Amount As at March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator 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	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	-	-

₹ in crore

Sr. No.	Particulars	No. / Amount As at March 31, 2023	No. / Amount As at March 31, 2022
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/top up loan given on same underlying asset	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

II) Details of securitisation transactions undertaken by applicable NBFCs

There are no securitisation transactions during the year (previous year : NIL), hence relevant disclosure is not applicable.

III) Details of Assignment transactions undertaken by applicable NBFCs

There are no assignment transactions during the year (previous year : NIL), hence relevant disclosure is not applicable.

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

V) Disclosure of financials assets sold to securitisation company pursuant to RBI circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/ 21.04.048/2021-22 dated September 24, 2021:

a) Asset sold to ARCs:

₹ in crore

Sr. No.	Particulars	F.Y. 2022-23 NPA	F.Y. 2022-23 SMA	F.Y. 2021-22 NPA	F.Y. 2021-22 SMA
1	No. of accounts sold	40	26	534	29
2	Aggregate principal outstanding of loans transferred (₹ in crores)	2,197.41	1,040.38	3,031.77	156.88
3	Weighted average residual tenor of the loans transferred (months)	2.82	2.33	47.23	84.21
4	Net book value of loans transferred (at the time of transfer) (₹ in crores)	2,232.06	948.23	1,555.90	172.23
5	Aggregate consideration (₹ in crores)	1,906.20	787.50	1,574.52	171.48
6	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crores)	-	-	-	-
7	Provision reversed to the profit and loss account (₹ in crores)	212.26	165.14	2,180.06	8.63

b) Details of loans not in default transferred during the year to other than ARCs *:

₹ in crore

Sr No	Particulars	2022-23	2021-22
1	Count of loans assigned	55	NIL
2	Amount of loan account assigned (₹ in crore) #	9,591.62	-
3	Weighted average maturity (years) (from the date of transfer)	8.78	-
4	Weighted average holding period (years)	1.81	-
5	Retention of beneficial economic interest	NIL	NIL
6	Coverage of tangible security	Greater than 1x	NIL
7	Rating wise distribution of rated loans	Category AAA to D	NIL

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

*There are no instances of transfer of loans where the entity has agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty.

c) Details of loans not in default acquired during the year:

₹ in crore

Sr No	Particulars	2022-23	2021-22
1	Count of loans assigned	2	NIL
2	Amount of loan account acquired (₹ in crore)*	397.32	-
3	Weighted average maturity (years) (from the date of transfer)	8.00	-
4	Weighted average holding period (years)	Not Applicable	-
5	Retention of beneficial economic interest	Not Applicable	NIL
6	Coverage of tangible security	Greater than 1x	NIL
7	Rating wise distribution of rated loans	Category AA to BB+	NIL

* Excludes PTCs acquired and classified as loans and advances

d) The company has not acquired any stressed assets during the year (previous year NIL).

e) Security Receipts (SRs) rating for the transactions during the year:

Particulars	2022-23		2021-22	
	Rating Agency	Rating	Rating Agency	Rating
Phoenix Trust-FY22-7	CRISIL	RR2	NA	NA
ARCIL-CPS-I-Trust	India Rating and Research	RR2	Brickworks ratings	BWRR2-(100%)
ACRE 109 TRUST	India Rating and Research	RR2	Brickworks ratings	RR1-(100%-150%)
Phoenix Trust-FY22-16	India Rating and Research	RR2	NA	NA

Particulars	2022-23		2021-22	
	Rating Agency	Rating	Rating Agency	Rating
Arcil-AST- IX Trust	India Rating and Research	RR2	Brickworks ratings	BWRR1 (100%)
ARCIL-CPS-I-Trust	India Rating and Research	RR2	Brickworks ratings	BWRR2 (100%)
ARCIL-AST-065-I-Trust	NA	NA	Brickworks ratings	BWRR2 (0%)
CFMARC Trust 67	Infomerics Valuation And Rating	RR1	Infomerics Valuation And Rating	IVR RR1 (100-150%)
CFMARC Trust 73	Infomerics Valuation And Rating	RR1	Infomerics Valuation And Rating	IVR RR1 (100-150%)
CFMARC Trust 74	Infomerics Valuation And Rating	RR1	Infomerics Valuation And Rating	IVR RR1 (100-150%)
CFMARC Trust 76	Infomerics Valuation And Rating	RR1	Infomerics Valuation And Rating	IVR RR1 (100-150%)
PEGASUS GROUP THIRTY EIGHT TRUST 1	ICRA	RR2	ICRA	RR2-(100%)
Phoenix Trust-FY23-7	India Rating and Research	RR2	NA	NA
CFM ARC Trust-104#	NA	NA	NA	NA
CFM ARC Trust-103#	NA	NA	NA	NA
ARCIL-CPS-65-I-Trust#	NA	NA	NA	NA
ARCIL-CPS-III TRUST#	NA	NA	NA	NA

The ratings of ARC trusts will be available subsequently as ratings of these trusts is a half yearly assessment process.

These transactions were done during the financial year 2022-23.

52.5 Exposures

(I) Exposure to Real Estate Sector: Refer note 53.

(II) Exposure to Capital Market: Refer note 53.

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

(IV) Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI.

The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI based on the tier I capital as on March 31, 2023.

(V) Unsecured Advances (net off provision):

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans	19,626.77	12,875.85
Debentures	-	-
Personal Loans	5,255.90	2,256.95
Total	**24,882.67**	**15,132.80**

Note : There are no advances outstanding as on March 31, 2023 against which intangible securities has been taken as collateral. (Previous year : Nil)

52.6 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

Particulars	F.Y. 2022-2023				F.Y. 2021-2022			
	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 (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(iii) Long term Bank facilities	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(iv) Subordinate Debts	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(v) Perpetual Debt	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Stable)	Not Rated	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Stable)	Not Rated
(vi) Non-Convertible Debentures(Public Issue)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)
(vii) Principal Protected Market-Linked Debenture	Not Rated	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)	IND PP-MLD AAA /(Stable)	Not Rated	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)	IND PP-MLD AAA emr/ (Stable)

(V) Postponements of revenue recognition: Current year: NIL (Previous year: NIL)

52.7 Provisions and Contingencies :

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

₹ in crore

Particulars	F.Y. 2022-2023	F.Y. 2021-2022*
Provision for depreciation on investments	-	(394.77)
Provision towards NPA	827.96	(2,386.13)
Provision made towards Income tax	68.69	283.89
Other Provision and Contingencies (with details)**	1,862.93	3,836.45
Provision for Standard Assets	(780.82)	906.25

* Provision on loan assets and Provision for depreciation on Investments is considered as allowance for impairment loss on financial instruments.

** Includes loans written off/foreclosure during the year and provision on trade receivables

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

52.8 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Total Advances to twenty largest borrowers	10,399.07	17,583.66
Percentage of advances to twenty largest borrowers to total advances of the Company	13.60%	21.50%

(II) Concentration of Exposures

₹ in crore

Particulars	As at March 31, 2023*	As at March 31, 2022*
Total Exposure to twenty largest borrowers / customers#	10,833.24	17,816.50
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	13.98%	21.78%

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

* Exclude Security Receipts.

(III) Concentration of NPA

₹ in crore

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top four NPA accounts	1,160.57	1,076.43

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

(IV) Sector-wise NPAs

₹ in crore

Particulars		Percentage to Total Advances in that Sector	
		As at March 31, 2023	As at March 31, 2022
1	Agriculture & allied activities	7.20%	3.85%
2	MSME	0.23%	0.00%
3	Corporate borrowers	11.27%	5.10%
4	Services	0.00%	0.00%
5	Unsecured personal loans	3.34%	1.46%
6	Auto loans	5.06%	4.82%
7	Other personal loans	3.51%	3.74%

52.9 Movement of NPAs

₹ in crore

	Particulars	F.Y. 2022-2023	F.Y. 2021-2022
(i)	Net NPAs to Net Advances (%)	2.42%	2.10%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	3,542.59	5,365.65
	(b) Additions during the year	3,412.11	4,121.13
	(c) Reductions during the year	2,473.83	5,944.19
	(d) Closing balance	4,480.87	3,542.59
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,677.72	1,545.05
	(b) Additions during the year	858.13	1,809.75
	(c) Reductions during the year	752.48	1,677.08
	(d) Closing balance	1,783.37	1,677.72
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,864.87	3,820.60
	(b) Provisions made during the year	2,553.98	2,311.38
	(c) Write-off / write-back of excess provisions	1,721.35	4,267.11
	(d) Closing balance	2,697.50	1,864.87

Note: Above numbers are based on quarterly movement.

52.10 Disclosure of customer complaints

	Particulars	F.Y. 2022-2023	F.Y. 2021-2022*
(i)	No. of complaints pending at the beginning of the year	233	40
(ii)	No. of complaints received during the year	22,971	10,807
(iii)	No. of complaints redressed during the year	21,493	10,602
(iv)	No. of complaints pending at the end of the year	1,711	233

*Previous year numbers have been restated due to re-categorisation of complaints.

52.11 Resolution of stressed assets

During the year ended March 31, 2023, the Company has not implemented resolution plan under the prudential framework for stressed assets issued by RBI vide circular no RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019.

52.12 Disclosure on Resolution Framework – 1.0: 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 ("Resolution Framework – 1.0"):

Format B: ₹ in crore

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year** (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (C)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year** (E)
Personal Loans	914.56	89.10	-	75.36	802.71
Corporate persons*/**	313.21	-	21.98	198.76	101.17
Of which, MSMEs	-	-	-	-	
Others	-	-	-	-	
Total	**1,227.77**	**89.10**	**21.98**	**274.12**	**903.88**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** includes additional disbursement post implementation and interest accrued.

52.13 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

₹ in crore

March 31, 2023	1-7 Days	8-14 Days	15 days to 30/31 days (One 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
Assets:											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (gross)	1,516.61	468.25	340.29	2,324.16	2,792.46	7,204.61	14,081.34	23,530.19	7,479.58	15,335.28	**75,072.75**
Investments (net)	4,999.09	20.01	1,161.76	303.32	-	-	600.59	-	-	7,196.35	**14,281.13**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Liabilities:											
Borrowings*	837.50	286.16	1,689.93	3,659.98	4,737.14	4,438.39	11,385.27	42,137.02	5,884.54	4,046.00	**79,101.92**
Foreign Currency liabilities	-	-	-	-	-	-	-	864.55	-	-	**864.55**

* Including ECB 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 October 20, 2022 and relied upon by the auditors.

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

₹ in crore

March 31, 2022	1-7 Days	8-14 Days	15 days to 30/31 days (One 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
Assets:											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Advances (gross)	1,275.47	508.45	514.76	2,237.36	3,190.66	7,011.02	17,568.87	21,586.94	10,544.37	17,114.75	**81,552.64**
Investments (net)	-	665.94	1,296.87	-	-	-	906.09	-	-	6,408.64	**9,277.54**
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Liabilities:											
Borrowings*	544.99	1,447.07	459.00	1,907.19	2,395.93	6,210.39	14,250.74	38,836.15	6,108.42	4,784.43	**76,944.31**
Foreign Currency liabilities	-	-	-	-	1,037.70	686.33	425.76	864.55	-	-	**3,014.34**

* Including ECB 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.

Note : 52.14

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, 2023

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2023*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2023*	Net Carrying Amount as on March 31, 2023	Provisions required as per IRACP norms as on March 31, 2023	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2023
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	66,707.56	1,926.89	64,780.67	262.85	1,664.04
	Stage 2	5,253.81	856.28	4,397.53	372.83	483.46
Subtotal of Performing Assets		**71,961.37**	**2,783.17**	**69,178.20**	**635.68**	**2,147.50**
Non-Performing Assets (NPA)						
Substandard and Doubtful	Stage 1	84.40	1.24	83.16	9.84	-8.60
Substandard and Doubtful	Stage 2	564.54	42.34	522.20	55.79	-13.44
Substandard	Stage 3	1,707.52	1,266.01	440.51	160.40	1,105.61

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2023*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2023*	Net Carrying Amount as on March 31, 2023	Provisions required as per IRACP norms as on March 31, 2023	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2023
Doubtful - up to 1 year	Stage 3	2,031.24	1,298.12	733.11	484.00	814.13
1 to 3 years	Stage 3	85.57	81.58	3.99	27.87	53.70
More than 3 years	Stage 3	7.60	7.60	0.00	3.86	3.74
Subtotal of Non-Performing Assets		**4,480.87**	**2,696.90**	**1,783.97**	**741.76**	**1,955.14**
Loss	Stage 3	**-**	**-**	**-**	**-**	**-**
Subtotal		**76,442.24**	**5,480.07**	**70,962.17**	**1,377.44**	**4,102.64**
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	Stage 1	260.05	0.97	259.07	-	0.97
	Stage 2	-	-	-	-	-
	Stage 3	6.00	0.60	5.40	-	0.60
Subtotal		**266.05**	**1.57**	**264.47**	**-**	**1.57**
	Stage 1	67,052.00	1,929.10	65,122.90	272.69	1,656.41
Total	Stage 2	5,818.35	898.63	4,919.73	428.61	470.02
	Stage 3	3,837.93	2,653.91	1,184.01	676.13	1,977.78
	Total	**76,708.28**	**5,481.64**	**71,226.64**	**1,377.43**	**4,104.21**

* includes fair valuation impact on loans classified as Fair value through Profit & Loss (FVTPL).

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 ₹ 4,104.21 crore as compare to IRACP, hence appropriation to impairment reserve is not required.

Note : 52.14

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, 2022

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2022*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2022*	Net Carrying Amount as on March 31, 2022	Provisions required as per IRACP norms as on March 31, 2022	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2022
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	65,573.59	1,185.89	64,387.70	266.79	919.10
	Stage 2	12,682.61	1,217.58	11,465.03	867.45	350.14
Subtotal of Performing Assets		**78,256.20**	**2,403.47**	**75,852.73**	**1,134.24**	**1,269.24**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,154.18	1,526.36	1,627.82	293.02	1,233.34
Doubtful - up to 1 year	Stage 3	217.61	166.85	50.76	89.26	77.59
1 to 3 years	Stage 3	168.70	147.72	20.97	40.46	107.26
More than 3 years	Stage 3	2.09	2.09	-	1.40	0.68
Subtotal of Non-Performing Assets		**3,542.58**	**1,843.02**	**1,699.56**	**424.15**	**1,418.87**
Loss	Stage 3	-	-	-	-	-
Subtotal		**81,798.78**	**4,246.49**	**77,552.29**	**1,558.39**	**2,688.11**
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	Stage 1	473.17	1.38	471.79	-	1.38
	Stage 2	-	-	-	-	-
	Stage 3	56.00	21.84	34.16	-	21.84
Subtotal		**529.17**	**23.23**	**505.94**	**-**	**23.22**
Total	Stage 1	66,046.75	1,187.27	64,859.49	266.79	920.48
	Stage 2	12,682.61	1,217.58	11,465.03	867.45	350.14
	Stage 3	3,598.58	1,864.87	1,733.71	424.15	1,440.71
	Total	**82,327.95**	**4,269.72**	**78,058.23**	**1,558.38**	**2,711.33**

* includes fair valuation impact on loans classified as Fair value through Profit & Loss (FVTPL).

Note : 52.15

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, 2023		As at March 31, 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures :				
	- Secured	23,331.91	-	28,327.60	-
	- Unsecured	2,798.48	-	3,297.59	-
	(Other than falling within the meaning of Public Deposits)*				
(b)	Deferred Credits		-		
(c)	Term Loans	26,317.04	-	18,746.60	-
(d)	Inter-Corporate Loans and borrowings	2,357.71	-	1,037.59	-
(e)	Commercial Paper (Net off unexpired discounting charges)	7,426.45	-	6,338.01	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans	-	-	-	-
	i) Foreign Currency Loan	-	-	-	-
	ii) External commercial borrowings	1,802.52	-	4,121.00	-
	iii) Bank Overdraft, Cash credit & Working Capital Demand Loan	15,515.56	-	16,451.21	-
	iv) Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	499.47	-	-	-

* 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, 2023		As at March 31, 2022	
		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

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, 2023	Amount Outstanding As at March 31, 2022
(a) Secured (net of provision)	46,077.93	62,396.27
(b) Unsecured (net of provision)	24,882.67	15,132.79

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards Asset Finance Company (AFC) activities

₹ in crore

Particulars	Amount Outstanding As at March 31, 2023	Amount Outstanding As at March 31, 2022
(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, 2023	Amount Outstanding As at March 31, 2022
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	40.32	158.39
(b) Preference	-	-
(ii) Debentures and Bonds	560.29	729.31
(iii) Units of Mutual Funds	4,504.90	665.94
(iv) Government Securities	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	2,010.69	1,323.28
(v) Investment in Units/Pass Through Certificates	0.90	0.91

₹ in crore

Particulars	Amount Outstanding As at March 31, 2023	Amount Outstanding As at March 31, 2022
Long Term Investments		
1 Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	819.82	875.95
(b) Preference	-	-
(ii) Debentures and Bonds	105.83	413.46
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others :		
(a) Security receipts	6,131.04	4,886.23
(b) Investment in Units/Pass Through Certificates/ Venture Capital Fund	138.75	250.48

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, 2023		As at March 31, 2022	
	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	46,077.93	24,882.67	62,396.27	15,132.79
Total	**46,077.93**	**24,882.67**	**62,396.27**	**15,132.79**

** 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, 2023		As at March 31, 2022	
		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	762.05	762.05	702.64	702.64
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	13,557.55	13,550.48	8,608.38	8,601.31
	Total	**14,319.60**	**14,312.53**	**9,311.02**	**9,303.95**

** As per Indian Accounting Standard issued by MCA (Please see footnote 3)

8. Other Information

₹ in crore

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Gross Non-Performing Assets	4,480.87	3,542.59
	(a) Related parties	-	-
	(b) Other than related parties	4,480.87	3,542.59
(ii)	Net Non-Performing Assets	1,783.37	1,677.72
	(a) Related parties	-	-
	(b) Other than related parties	1,783.37	1,677.72
(iii)	Assets acquired in satisfaction of debt (Gross)	1,180.34	1,368.97

Footnotes:

1. As defined in point xxvii of paragraph 3 of Chapter -II of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

Note: 53 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 circular no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 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.

1) Exposure to real estate sector

₹ in crore

Category	As at March 31, 2023	As at March 31, 2022
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	13,259.17	10,757.47
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	6,630.73	12,087.03
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
i. Residential	4,399.29	3,720.81
ii. Commercial Real Estate	726.16	217.16
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	43.06	43.18
Total Exposure to Real Estate Sector	**25,058.41**	**26,825.65**

2) Exposure to capital Market

₹ in crore

Category	As at March 31, 2023	As at March 31, 2022
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	1,837.60	1,762.01
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-

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

₹ in crore

Category		As at March 31, 2023	As at March 31, 2022
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	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:		
	(i) Category I	251.89	256.34
	(ii) Category II	17.77	38.82
	(iii) Category III	-	-
(xi)	all exposures to Venture Capital Funds (both registered and unregistered)	3.21	3.18
(xii)	Others	0.90	0.91
Total exposure to capital market		**2,111.37**	**2,061.27**

3) Sectoral exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**12,869.89**	**926.98**	**7.20%**	**11,316.53**	**435.14**	**3.85%**
2. Industry						
i. Electricity Generation	7,352.74	-	0.00%	18,222.43	-	0.00%
ii. Roads	1,892.95	-	0.00%	5,653.05	336.82	1.30%
Others	971.55	118.51	1.16%	1,942.59	7.28	0.03%
Total-Industry (i+ii+others)	**10,217.24**	**118.51**	**1.16%**	**25,818.07**	**344.10**	**1.33%**
3. Services						
i. Commercial Real Estate	5,950.88	1,634.95	25.98%	11,382.15	1,527.50	13.42%
ii. Others	341.27	-	0.00%	-	-	0.00%
Total of Services (i+ii)	**6,292.15**	**1,634.95**	**25.98%**	**11,382.15**	**1,527.50**	**13.42%**
4. Personal Loans	**5,615.41**	**201.01**	**3.58%**	**2,301.46**	**33.56**	**1.46%**
5. Others						
i. Housing Loans	11,461.94	231.74	2.02%	8,784.93	192.76	2.19%
ii. Vehicle Loans	8,960.56	453.40	5.06%	7,461.83	359.34	4.82%
iii. Micro Finance Loans	1,966.12	2.17	0.11%	-	-	-
iv. Loans Against Property	2,762.59	154.88	5.61%	2,897.27	117.10	4.04%
v. Business Loans	538.00	2.27	0.42%	61.49	-	-
vi. Micro Loans	16,807.31	760.89	4.53%	13,276.41	589.10	4.44%
Total of Others (i+ii+iii+iv+v+vi)	**42,496.51**	**1,605.35**	**3.78%**	**32,481.94**	**1,258.30**	**3.87%**

4) Intra-group exposures

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

5) Unhedged foreign currency exposure

There is no Unhedged foreign currency exposure as at March 31, 2023. (Previous year NIL)

6. The following additional information is disclosed in the terms of Scale bases regulations issued by Reserve Bank of India vide circular no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 as amended (the "Scale Based Directions").

i) Related Party Transactions during the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel[1]		Relatives of Key Management Personnel		Others[2]		Total	
Items	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings														
1) Inter corporate deposits borrowed														
a) L&T Finance Holdings Limited	6,085.58	2,060.86	-	-	-	-	-	-	-	-	-	-	6,085.58	2,060.86
b) L&T Investment Management Limited	-	-	-	451.29	-	-	-	-	-	-	-	-	-	451.29
c) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	-	-	1,393.27	-	-	-	-	-	-	-	-	-	1,393.27	-
2) Inter corporate deposits repaid														
a) L&T Finance Holdings Limited	4,746.08	2,115.66	-	-	-	-	-	-	-	-	-	-	4,746.08	2,115.66
b) L&T Investment Management Limited	-	-	-	451.29	-	-	-	-	-	-	-	-	-	451.29
c) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	-	-	1,393.27	-	-	-	-	-	-	-	-	-	1,393.27	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances (Net asset transfer)	-	-												
a) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	-	-	4,661.72	-	-	-	-	-	-	-	-	-	4,661.72	-
Investments														
a) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	-	-	168.54	-	-	-	-	-	-	-	-	-	168.54	-
b) L&T Infra Investment Partners Fund	-	-	(4.31)	4.23	-	-	-	-	-	-	-	-	(4.31)	4.23

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel[1]		Relatives of Key Management Personnel		Others[2]		Total	
Items	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid														
a) L&T Finance Holdings Limited	141.04	47.67	-	-	-	-	-	-	-	-	-	-	141.04	47.67
b) L&T Investment Management Limited	-	-	-	-	-	-	-	-	-	-	-	12.53	-	12.53
c) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	-	-	16.16	-	-	-	-	-	-	-	-	-	16.16	-
Interest received	-	-		-	-	-	-	-	-	-	-	-	-	-
Equity Capital Infused (including share premium)														
a) L&T Finance Holdings Limited	1,980.00	-	-	-	-	-	-	-	-	-	-	-	1,980.00	-
Others	113.71	201.86	12.08	(2.91)	-	-	9.95	9.90	-	-	37.72	25.85	173.46	234.70

1. Includes transaction with directiors amounting to ₹ 4.93 Crore (previous year: ₹ 6.10 Crore). There is no transaction with relative of directiors during the current and previous year.
2. Transactions with Fellow Subsidiary Companies

ii) Related Party Balances - At the end of the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings														
a) L&T Finance Holdings Limited	2,357.71	1,037.59	-	-	-	-	-	-	-	-	-	-	2,357.71	1,037.59
b) Larsen & Toubro Limited	994.16	1,065.04	-	-	-	-	-	-	-	-	-	-	994.16	1,065.04
c) L&T Infra Credit Limited (Formerly L&T Infra Debt Fund Limited)	72.03	-	-	-	-	-	-	-	-	-	-	-	72.03	-
d) L&T Technology Services	25.10	-	-	-	-	-	-	-	-	-	-	-	25.10	-

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deposits	-	-	-	-	-	-	-	-	-	-	-	-		
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) L&T Infra Credit Limited (Erstwhile L&T Infra Debt Fund Limited)	-	-	646.80	478.26	-	-	-	-	-	-	-	-	646.80	478.26
b) L&T Infra Investment Partners Advisory Private Limited	-	-	5.00	5.00	-	-	-	-	-	-	-	-	5.00	5.00
c) L&T Infra Investment Partners Trustee Private Limited	-	-	0.10	0.10	-	-	-	-	-	-	-	-	0.10	0.10
d) L&T Infra Investments Partner Fund	-	-	110.15	219.28	-	-	-	-	-	-	-	-	110.15	219.28

iii) Maximum related party outstanding during the year

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Borrowings														
a) Larsen & Toubro Limited	1,025.38	1,025.38	-	-	-	-	-	-	-	-	-	-	1,025.38	1,025.38
b) LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)	-	-	-	-	-	-	-	-	-	-	144.60	-	144.60	-
c) L&T Technology Services	-	-	-	-	-	-	-	-	-		115.00		115.00	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-		
a) L&T Finance Holdings Limited	4,493.66	1,037.59	-	-	-	-	-	-	-	-	-	-	4,493.66	1,037.59
b) L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	735.27	-	-	-	-	-	-	-	-	-	-	-	735.27	-

(₹ in crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Items	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-		
Advances	-	-	-	-	-	-	-	-	-	-	-	-		
Investments	-	-	-	-	-	-	-	-	-	-	-	-		
a) L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	-	-	646.80	478.26	-	-	-	-	-	-	-	-	646.80	478.26
b) L&T Infra Investment Partners Advisory Private Limited	-	-	5.00	5.00	-	-	-	-	-	-	-	-	5.00	5.00
c) L&T Infra Investment Partners Trustee Private Limited	-	-	0.10	0.10	-	-	-	-	-	-	-	-	0.10	0.10
d) L&T Infra Investments Partner Fund	-	-	219.28	219.28	-	-	-	-	-	-	-	-	219.25	219.28

7. Disclosure of complaints

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

Sr. No		Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the NBFC from its customers			
1.		Number of complaints pending at beginning of the year	233	28
2.		Number of complaints received during the year	22,971	10,807
3.		Number of complaints disposed during the year	21,493	10,602
	3.1	Of which, number of complaints rejected by the NBFC	-	-
4.		Number of complaints pending at the end of the year	1,711	233
	Maintainable complaints received by the NBFC from Office of Ombudsman			
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	463	174
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	438	174
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	17	3
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

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

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

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

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
Payment & Refund	21	5,605	31%	202	79
Credit Report	67	3,706	95%	147	31
SMS/Calls Related	49	3,428	66%	391	68
Sourcing Related	18	2,934	161%	293	218
Collection related	31	1,184	51%	92	33
Others	47	6,114	845%	586	323
Total	**233**	**22,971**	**113%**	**1,711**	**752**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
As at March 31, 2022					
Payment & Refund	5	4282	NA	21	0
Credit Report	2	1901	NA	67	0
SMS/Calls Related	0	2071	NA	49	0
Sourcing Related	1	1122	NA	18	1
Collection related	4	784	NA	31	0
Others	16	647	NA	47	0
Total	**28**	**10,807**	**NA**	**233**	**1**

*Note : The complaints have been re-categorised during FY 21-22, hence FY 20-21 numbers are not comparable.

8. Corporate Governance

1) Breach of Covenant

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

2) **Divergence in Asset Classification and Provisioning***

a) the additional provisioning requirements assessed by RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for financial year 2022-23 : **Nil**

b) the additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs for financial year 2022-23 : **Nil**

Note : 54 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

(a) There is no proceeding initiated or pending against the company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(b) The company is not declared wilful defaulter by any bank or financial Institution or any other lenders.

(c) Being a systemically important non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

(d) There is no scheme of arrangements has been approved during the year by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013. (Refer note 55)

(e) There is no transaction that has not been recorded in the books of accounts and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company has obtained borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(h) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(i) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(j) There are no creation or satisfaction of charges as at March 31, 2023 pending with ROC beyond the statutory period.

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

Note : 55 The Board of Directors of the Company has, in its meeting dated January 13, 2023, approved the proposed amalgamation of the Company, L&T Infra Credit Limited and L&T Mutual Fund Trustee Limited with L&T Finance Holdings Limited, with appointed date of April 1, 2023, by way of merger by absorption pursuant to a scheme of arrangement under the provisions of Sections 230 – 232 read with Section 52 and other relevant provisions of the Companies Act, 2013 (including the rules thereunder), subject to, inter alia, the sanction of the National Company Law Tribunal ("NCLT") and other regulatory approvals, as may be required. The Reserve Bank of India, BSE Limited and National Stock Exchange of India limited have conveyed that they have no objection to the proposed amalgamation.

Note : 56 Previous year figures have been regrouped/reclassified whenever necessary, to make them comparable with the current year figures.

Note : 57 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, 2023.

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

Dinanath Dubhashi
Chairperson
DIN : 03545900

Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 28, 2023