

September 24, 2019

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051

**BSE Limited**  
Corporate Relations Department,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001

**Symbol: L&TFH**

**Security Code No.: 533519**

**Kind Attn: Head - Listing Department / Dept of Corporate Communications**

Dear Sir/ Madam,

**Sub: Issue of up to 150,00,000 Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of Rs. 100 face value at par and aggregating up to Rs. 150,00,00,000 on a private placement basis ("Issue")**

Pursuant to the requirements of provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and further to our letter dated September 24, 2019 sent earlier today, please find enclosed the information memorandum dated September 24, 2019, in connection with the Issue.

We request you to take the aforesaid on record.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**



**Apurva Rathod**  
Company Secretary and Compliance Officer

Encl: as above

## L&T FINANCE HOLDINGS LIMITED

CIN L67120MH2008PLC181833

A public limited company incorporated under the Companies Act, 1956 whose equity shares are listed on the BSE Limited and National Stock Exchange of India Limited and existing preference shares are listed on the BSE Limited.

**Registered Office:** Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East) Mumbai 98

**Tel:** (+91 22) 6212 5000 **Fax:** (+91 22) 6212 5553

**Company Secretary and Compliance Officer:** Ms. Apurva Rathod; **Tel:** (+91 22) 6212 5000;

**Fax:** (+91 22) 6212 5553; **Email:** [igrc@lfs.com](mailto:igrc@lfs.com); **Website:** [www.lfs.com](http://www.lfs.com)

### INFORMATION MEMORANDUM DATED SEPTEMBER 24, 2019

**LISTING BY L&T FINANCE HOLDINGS LIMITED (“ISSUER” OR “COMPANY”) OF LISTED CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES WITH A FACE VALUE OF INR 100 EACH (THE “NCRPS”), OF INR 50,00,00,000 (RUPEES FIFTY CRORES) AT PAR (“BASE ISSUE”), WITH AN OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION UP TO INR 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES), AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) ON A PRIVATE PLACEMENT BASIS (THE “ISSUE”). THIS ISSUE WILL BE UNDER THE ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF DEBT SECURITIES ON A PRIVATE PLACEMENT BASIS IN ACCORDANCE WITH SEBI CIRCULAR JANUARY 05, 2018 BEARING REFERENCE NUMBER SEBI/HO/DDHS/CIR/P/2018/05, AND SEBI CIRCULAR DATED AUGUST 16, 2018 BEARING REFERENCE NUMBER SEBI/HO/DDHS/CIR/P/2018/122, EACH AS AMENDED (“SEBI EBP CIRCULARS”), TOGETHER WITH THE UPDATED OPERATIONAL GUIDELINES “FOR ISSUANCE OF SECURITIES ON PRIVATE PLACEMENT BASIS THROUGH AN ELECTRONIC BOOK MECHANISM” ISSUED BY BSE BY THEIR NOTICE NUMBER 20180928-24 DATED 28 SEPTEMBER 2018 (“BSE EBP GUIDELINES”). THE COMPANY INTENDS TO USE THE BSE’S BID PLATFORM FOR THIS ISSUE (“BSE EBP PLATFORM”). THE NCRPS WILL BE LISTED ON BSE LIMITED. THIS DOCUMENT PROVIDES DISCLOSURES IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES) REGULATIONS, 2013, AS AMENDED (“SEBI NCRPS REGULATIONS”) AND PROVIDES CERTAIN ADDITIONAL DISCLOSURES.**

### GENERAL RISK

INVESTORS ARE ADVISED TO READ THE SECTION TITLED “*RISK FACTORS*” CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR THE PURPOSES OF TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND OF THE ISSUE INCLUDING, THE RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN LEGAL, REGULATORY, TAX, FINANCIAL AND/OR ACCOUNTING ADVISORS ABOUT RISKS ASSOCIATED WITH AN INVESTMENT IN SUCH NCRPS AND THE SUITABILITY OF INVESTING IN SUCH NCRPS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. INVESTMENT IN THESE NCRPS INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. IDENTIFIED INVESTORS ARE ADVISED TO READ THIS INFORMATION MEMORANDUM CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST USE THEIR OWN JUDGMENT AND RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE ISSUE INCLUDING THE RISKS INVOLVED.

**INSTRUMENTS OFFERED THROUGH THE OFFER DOCUMENT ARE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES AND NOT DEBENTURES/BONDS. THEY ARE RISKIER THAN DEBENTURES/BONDS AND MAY NOT CARRY ANY GUARANTEED COUPON AND CAN BE REDEEMED ONLY OUT OF THE DISTRIBUTABLE PROFITS OF THE COMPANY OR OUT OF THE PROCEEDS OF A FRESH ISSUE OF SHARES MADE, IF ANY, BY THE COMPANY, OR OTHERWISE AS PERMITTED UNDER APPLICABLE LAWS, FOR THE PURPOSE OF REDEMPTION.**

### LISTING

THE NCRPS ARE PROPOSED TO BE LISTED ON THE WHOLESALE DEBT MARKET SEGMENT OF BSE (“**STOCK EXCHANGE**”) AND BSE SHALL BE THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE. THE ISSUER SHALL COMPLY WITH THE REQUIREMENTS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED (THE “**SEBI LODR REGULATIONS**”) TO THE EXTENT APPLICABLE TO IT ON A CONTINUOUS BASIS.

### CREDIT RATINGS

The NCRPS have been rated “**CARE AAA (RPS) (“CARE TRIPLE A rating with stable outlook”)**” by CARE pursuant to the revalidation letter dated September 10, 2019. CARE’s ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

### REGISTRAR TO THE ISSUE

### ARRANGER



Link Intime India Pvt. Ltd.  
C 101, 247 Park  
L.B.S Marg, Vikhroli (West)  
Mumbai 400 083  
Tel: +91 22-4918 6000  
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Email: [ganesh.jadhav@linkintime.co.in](mailto:ganesh.jadhav@linkintime.co.in)



Trust Investment Advisors Private Limited  
109/110, Balarama  
Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
Tel: +91 22 4084 5000  
Fax: +91 22 4084 5066  
Email: [mbd.trust@trustgroup.in](mailto:mbd.trust@trustgroup.in)

### ISSUE PROGRAMME

| Issue Opening Date  | Issue Closing Date | Pay-In Date        | Date of Allotment  |
|---|--------------------|--------------------|--------------------|
| September 26, 2019  | September 26, 2019 | September 27, 2019 | September 27, 2019 |
| The Issue shall be subject to the provisions of the Companies Act (as defined below), the rules notified thereunder, the SEBI NCRPS Regulations, the Memorandum and Articles of Association of the Issuer, the terms and conditions of the Information Memorandum filed with the Stock Exchange and other documents in relation to the Issue. |                    |                    |                    |

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## **DISCLAIMERS**

THIS INFORMATION MEMORANDUM (“**IM**” or “**INFORMATION MEMORANDUM**”) IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS IM DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE NCRPS TO THE PUBLIC IN GENERAL. APART FROM THIS IM, NO OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE COMPANY NOR IS THIS IM REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS IM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED. **MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE NCRPS TO THE PUBLIC IN GENERAL.**

THIS IM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE COMPANY AND TERMS AND CONDITIONS, INCLUDING THE NATURE OF THE NCRPS, TO IDENTIFIED INVESTORS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE NCRPS. THIS IM HAS BEEN PREPARED IN ACCORDANCE WITH THE PROVISIONS OF THE SEBI NCRPS REGULATIONS AND APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES THEREUNDER. THIS IM DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY IDENTIFIED INVESTOR MAY REQUIRE. NEITHER THIS IM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NCRPS IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR SHOULD ANY RECIPIENT OF THIS IM CONSIDER SUCH RECEIPT A RECOMMENDATION TO SUBSCRIBE TO ANY NCRPS. EACH INVESTOR CONTEMPLATING THE SUBSCRIPTION OF ANY NCRPS SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE COMPANY, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE COMPANY. IDENTIFIED INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE NCRPS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES. IT IS THE RESPONSIBILITY OF THE INVESTORS TO ALSO ENSURE THAT THEY WILL SELL THESE NCRPS IN STRICT ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS IM AND APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER FOR SALE TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT. NONE OF THE INTERMEDIARIES OR THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE COMPANY OR THE FACTORS AFFECTING THE NCRPS OR HAVE ANY RESPONSIBILITY TO ADVISE ANY PROSPECTIVE INVESTOR OR IDENTIFIED INVESTOR IN THE NCRPS OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES OR THEIR RESPECTIVE AGENTS OR ADVISORS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS IM OR IN ANY MATERIAL MADE AVAILABLE BY THE COMPANY TO ANY IDENTIFIED INVESTOR PURSUANT HERETO AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE INTERMEDIARIES AND THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH

THIS IM HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN. ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY IS ACCEPTED BY ANY SUCH INTERMEDIARY, AGENT OR ADVISOR AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS IM OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY. ACCORDINGLY, ALL SUCH INTERMEDIARIES AND THEIR RESPECTIVE AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE SHALL HAVE NO LIABILITY IN RELATION TO THE INFORMATION CONTAINED IN THIS IM OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY IN CONNECTION WITH THIS ISSUE.

THIS INFORMATION MEMORANDUM AND THE CONTENTS HEREOF ARE RESTRICTED FOR PROVIDING INFORMATION UNDER SEBI NCRPS REGULATIONS. AN OFFER OF PRIVATE PLACEMENT SHALL BE MADE BY THE ISSUER BY WAY OF ISSUE OF THE PPOAL (DEFINED BELOW) TO THE SUCCESSFUL BIDDERS WHO HAVE BEEN ADDRESSED THROUGH A COMMUNICATION BY THE ISSUER, AND ONLY SUCH RECIPIENTS ARE ELIGIBLE TO APPLY TO THE NCRPS. ALL ELIGIBLE PARTICIPANTS ARE REQUIRED TO COMPLY WITH THE RELEVANT REGULATIONS/ GUIDELINES APPLICABLE TO THEM FOR INVESTING IN THIS ISSUE. THE CONTENTS OF THIS INFORMATION MEMORANDUM AND ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS INFORMATION MEMORANDUM OR THE NCRPS ARE INTENDED TO BE USED ONLY BY THOSE ELIGIBLE PARTICIPANTS TO WHOM IT IS DISTRIBUTED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED OR DISSEMINATED BY THE RECIPIENT.

THE CONTENTS OF THIS IM ARE INTENDED TO BE USED ONLY BY THOSE INVESTORS TO WHOM IT IS SPECIFICALLY BEEN ADDRESSED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT.

THE PERSON TO WHOM A COPY OF THIS IM IS SENT IS ALONE ENTITLED TO APPLY FOR THE NCRPS. NO INVITATION IS BEING MADE TO ANY PERSONS OTHER THAN THOSE TO WHOM APPLICATION FORMS ALONG WITH THIS IM HAVE BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE IM AND/OR THE APPLICATION FORM HAS NOT BEEN SENT BY THE COMPANY SHALL BE REJECTED.

THE PERSON WHO IS IN RECEIPT OF THIS IM SHALL NOT REPRODUCE OR DISTRIBUTE IN WHOLE OR PART OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO A THIRD PARTY REGARDING ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

EACH PERSON RECEIVING THIS IM ACKNOWLEDGES THAT SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO:

- A. REQUEST AND TO REVIEW AND HAS RECEIVED ALL ADDITIONAL INFORMATION CONSIDERED BY AN INVESTOR TO BE NECESSARY; AND
- B. VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; AND

- C. UNDERSTAND THE NATURE OF THE NCRPS AND THE RISKS INVOLVED IN INVESTING IN THEM INCLUDING FOR ANY REASON HAVING TO SELL THEM OR BE MADE TO REDEEM THEM BEFORE THE REDEMPTION DATE

NO PROSPECTIVE INVESTOR HAS RELIED ON ANY INTERMEDIARY OR THEIR RESPECTIVE AGENTS OR ADVISORS THAT MAY BE ASSOCIATED WITH THE ISSUE IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF INFORMATION OR ITS INVESTMENT DECISION.

NO OFFER IS BEING MADE TO “PERSON RESIDENT OUTSIDE INDIA” AS SUCH TERM IS DEFINED IN FOREIGN EXCHANGE MANAGEMENT ACT, 1999.

THE IM IS MADE AVAILABLE TO INVESTORS ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL.

THE NCRPS HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. THIS IM HAS NOT BEEN SUBMITTED, CLEARED OR APPROVED BY SEBI.

**THE NCRPS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE SECURITIES ACT) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THE NCRPS WILL ONLY BE OFFERED AND SOLD TO PERSONS RESIDENT IN INDIA AND WILL NOT BE OFFERED OR SOLD TO INVESTORS IN ANY JURISDICTION OUTSIDE INDIA.**

#### **DISCLAIMER STATEMENT FROM THE COMPANY**

THE COMPANY ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE, OTHER THAN IN THIS IM AND ANY OTHER MATERIAL EXPRESSLY STATED TO BE ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF NCRPS, AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION, MATERIAL OR STATEMENT WOULD BE DOING SO AT THEIR/ITS OWN RISK.

#### **RBI DISCLAIMER**

1. (A) RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR DISCHARGE OF LIABILITY BY THE COMPANY  
  
(B) NEITHER IS THERE ANY PROVISION IN LAW TO KEEP, NOR DOES THE COMPANY KEEP ANY PART OF THE PUBLIC FUNDS WITH THE RESERVE BANK AND BY ISSUING THE CERTIFICATE OF REGISTRATION TO THE COMPANY, THE RESERVE BANK NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF THE PUBLIC FUNDS TO ANY PERSON/BODY CORPORATE
2. THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED SEPTEMBER 11, 2013 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934 REGISTERING THE COMPANY

AS A NON-BANKING FINANCIAL INSTITUTION - CORE INVESTMENT COMPANY. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OF REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS OR DISCHARGE OF LIABILITIES BY THE COMPANY.

#### **DISCLAIMER OF THE STOCK EXCHANGE**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE INFORMATION MEMORANDUM WITH THE STOCK EXCHANGE OR HOSTING THE SAME ON THE WEBSITE OF STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE INFORMATION MEMORANDUM HAS BEEN CLEARED OR APPROVED BY THE STOCK EXCHANGE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS INFORMATION MEMORANDUM; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR CONTINUE TO BE LISTED ON THE STOCK EXCHANGE; NOR DOES IT TAKE RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE STOCK EXCHANGE OR ANY AGENCY WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION OR ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

#### **DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

PURSUANT TO RULE 14 (3) OF THE COMPANIES (PROSPECTUS & ALLOTMENT OF SECURITIES) RULES, 2014, A COPY OF THIS INFORMATION MEMORANDUM SHALL BE FILED WITH THE REGISTRAR OF COMPANIES, MUMBAI ALONG WITH FEE AS PROVIDED IN THE COMPANIES (REGISTRATION OFFICES & FEES) RULES, 2014, WITHIN A PERIOD OF THIRTY DAYS OF CIRCULATION OF THIS INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM SHALL ALSO BE FILED WITH SEBI AS PER EXISTANT PROVISIONS. THE NCRPS HAVE NOT BEEN RECOMMENDED OR APPROVED BY SEBI NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS INFORMATION MEMORANDUM SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR VETTED BY SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM. HOWEVER SEBI RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE ISSUER, ANY IRREGULARITIES OR LAPSES IN THIS INFORMATION MEMORANDUM.

#### **CAUTIONARY NOTE**

WHEN INVESTING IN THE NCRPS, THE ELIGIBLE PARTICIPANTS ACKNOWLEDGE THAT THEY: (I) ARE KNOWLEDGEABLE AND EXPERIENCED IN FINANCIAL AND BUSINESS MATTERS, HAVE EXPERTISE IN ASSESSING CREDIT, MARKET AND ALL OTHER

RELEVANT RISK AND ARE CAPABLE OF EVALUATING, AND HAVE EVALUATED, INDEPENDENTLY THE MERITS, RISKS AND SUITABILITY OF PURCHASING THE NCRPS, (II) HAVE NOT REQUESTED THE ISSUER TO PROVIDE IT WITH ANY FURTHER MATERIAL OR OTHER INFORMATION, (III) HAVE NOT RELIED ON ANY INVESTIGATION THAT ANY PERSON ACTING ON THEIR BEHALF MAY HAVE CONDUCTED WITH RESPECT TO THE NCRPS, (IV) HAVE MADE THEIR OWN INVESTMENT DECISION REGARDING THE NCRPS BASED ON THEIR OWN KNOWLEDGE (AND INFORMATION THEY HAVE OR WHICH IS PUBLICLY AVAILABLE) WITH RESPECT TO THE NCRPS OR THE ISSUER, (V) HAVE HAD ACCESS TO SUCH INFORMATION AS DEEMED NECESSARY OR APPROPRIATE IN CONNECTION WITH PURCHASE OF THE NCRPS, (VI) ARE NOT RELYING UPON, AND HAVE NOT RELIED UPON, ANY STATEMENT, REPRESENTATION OR WARRANTY MADE BY ANY PERSON, INCLUDING, WITHOUT LIMITATION, THE ISSUER, AND (VII) UNDERSTAND THAT, BY PURCHASE OR HOLDING OF THE NCRPS, THEY ARE ASSUMING AND ARE CAPABLE OF BEARING THE RISK OF LOSS THAT MAY OCCUR WITH RESPECT TO THE NCRPS, INCLUDING THE POSSIBILITY THAT THEY MAY LOSE ALL OR A SUBSTANTIAL PORTION OF THEIR INVESTMENT IN THE NCRPS, AND THEY WILL NOT LOOK TO THE LEGAL ADVISOR TO THE ISSUE FOR ALL OR PART OF ANY SUCH LOSS OR LOSSES THAT THEY MAY SUFFER.



## DEFINITIONS/ ABBREVIATIONS/ TERMS USED

| <b>Term</b>                        | <b>Full Form / Meaning</b>   |
|------------------------------------|--|
| Applicable Law                     | Any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Information Memorandum or at any time thereafter in India |
| Arranger                           | A SEBI registered merchant banker, broker or a RBI registered primary dealer, who on behalf of the Eligible Investors bid on the BSE EBP Platform.   |
| Application Form                   | Application form forming part of the PPOAL to be issued by the Issuer  |
| Application Money                  | The money credited by an applicant to the Designated Bank Account of the Issuer for the purpose of subscription to the NCRPS   |
| Articles of Association / Articles | The Articles of Association of the Issuer  |
| Beneficial Owners                  | Those persons whose names appear on the beneficiary details provided by the Depositories (NSDL and/or CDSL) as on the Record Date  |
| Business Day                       | Means all days on which the money market is functioning in the city of Mumbai  |
| Business Day Convention            | Should any of the dates defined above or elsewhere in the Information Memorandum, excepting the Date of Allotment and the Redemption Date, fall on a Saturday, Sunday or a Public Holiday in Mumbai, the next business day shall be considered as the effective date. In case the Redemption Date falls on a Saturday, Sunday or a Public Holiday in Mumbai, the previous business day shall be considered as the Redemption Date and the Date of Allotment  |
| BSE                                | BSE Limited  |
| BSE EBP Platform                   | Electronic bidding platform of the BSE for issuance of eligible securities on private placement basis  |
| Board                              | The board of directors of the Issuer   |
| CARE                               | Credit Analysis & Research Limited   |
| CDSL                               | Central Depository Services (India) Limited  |
| CIN                                | Corporate Identification Number  |
| CIC                                | Core Investment Company  |
| Companies Act                      | The Companies Act, 2013, and the rules made thereunder, as applicable, as may be amended or modified or substituted from time to time  |
| Company / LTFHL / Issuer           | L&T Finance Holdings Limited   |
| CRAR                               | Capital to Risk Assets Ratio   |
| Date of Allotment                  | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |

| <b>Term</b>                                | <b>Full Form / Meaning</b>   |
|--|--|
| Depository Participant / DP                | A depository participant as defined under Depositories Act, 1996, as amended   |
| Designated Bank Account                    | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| Designated Stock Exchange                  | BSE Limited  |
| Director                                   | A Director on the Board of the Company   |
| Dividend Payment Date                      | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| EBP  | Electronic book platform   |
| ECS  | Electronic clearing system   |
| Eligible Participants / Eligible Investors | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| Face value                                 | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| FCNR                                       | Foreign currency non-resident  |
| FY/Financial Year                          | Means each financial year ending on 31 March in each year  |
| Governmental Authority                     | Any (a) government (central, state or otherwise) or sovereign state; (b) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof; and (c) international organisation, agency or authority, or including, without limitation, any stock exchange or any self-regulatory organization, established under any Applicable Law |
| GOI  | Government of India  |
| GST  | Goods and services tax   |
| HFC  | Housing Finance Company  |
| ICCL                                       | Indian Clearing Corporation Limited  |
| Identified Investors                       | Persons who are Eligible Participants and have been identified by the Issuer pursuant to a resolution of the Board/ resolution of a committee of the Board and to whom this Information Memorandum is specifically addressed   |
| India Ratings                              | India Ratings & Research Private Limited   |
| Ineligible Investor                        | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| Information Memorandum / IM                | This Information Memorandum dated September 24, 2019   |
| INR/Rupees                                 | The lawful currency of the Republic of India   |
| IPO  | Initial public offering  |
| IT   | Information technology   |
| Issue                                      | Private placement of NCRPS, being Rs. 50,00,00,000 (Rupee Fifty Crore) with option to retain oversubscription, up to a total Rs. 100,00,00,000 (Rupees One Hundred Crore) with an aggregate issue amount of Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crore) constitutes the “Issue”   |
| Issue Opening Date                         | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| Issue Closing Date                         | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”  |
| L&T  | Larsen & Toubro Limited  |
| L&T Financial Services Group               | Issuer and its direct and indirect Subsidiaries  |
| MCA  | Ministry of Corporate Affairs, Government of India   |
| Memorandum of Association                  | The Memorandum of Association of the Issuer  |

| <b>Term</b>               | <b>Full Form / Meaning</b>  |
|---------------------------|---|
| NBFC                      | Non-banking financial company   |
| NBFC-CIC-ND-SI            | Systemically important non deposit taking core investment company NBFC  |
| NEFT                      | National electronic funds transfer  |
| NHB                       | National Housing Board  |
| NHB Act                   | National Housing Bank Act, 1987, as amended   |
| NPA                       | Non-Performing Assets   |
| NSDL                      | National Securities Depository Limited  |
| Promoter                  | L&T   |
| Pay-In Date               | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”   |
| PAS Rules                 | Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time  |
| PPOAL                     | Private placement offer and allotment letter issued to successful Eligible Investors in accordance with this Information Memorandum |
| RBI                       | Reserve Bank of India   |
| RBI Act                   | Reserve Bank of India Act, 1934, as amended   |
| Record Date               | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”   |
| Redemption Amount         | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”   |
| Redemption Date           | Has the meaning set out in the section headed “ <i>Terms of the Issue</i> ”   |
| Register of NCRPS Holders | The register of members holding NCRPS maintained by the Company and/or the RTA  |
| RTA                       | Registrar and transfer agent  |
| RTGS                      | Real time gross settlement  |
| SEBI                      | Securities and Exchange Board of India  |
| SEBI EBP Circulars        | Has the meaning as set out in the cover page  |
| SEBI LODR Regulations     | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended               |
| SEBI NCRPS Regulations    | SEBI (Issue And Listing Of Non-Convertible Redeemable Preference Shares) Regulations, 2013, as amended                              |
| Stock Exchange            | BSE Limited   |
| Subsidiary                | Has the meaning set out in the section headed “ <i>Information About the Company</i> ”  |
| TDS                       | Tax deducted at source  |
| UTR                       | Unique transaction reference  |

## **RISK FACTORS**

*An investment in NCRPS involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Information Memorandum, before making an investment in NCRPS. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our NCRPS could decline and you may lose all or part of your investment.*

*In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. Unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements as of and for the Financial Years ended March 31, 2019, 2018 and 2017. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” or “Our Group” refers to our Company together with our Subsidiaries, on a consolidated basis.*

### **INTERNAL RISK FACTORS**

1. *Restrictions on payment of dividend and redemption*

In accordance with the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of distributable profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the distributable profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. Redemption of the NCRPS can only be made out of the distributable profits of the Company or fresh issue of shares. In case the Company does not have adequate distributable profits, the Company will not be able to pay the dividends on the NCRPS. Further, in case the Company does not have adequate distributable profits or the Company is unable to raise money by fresh issue of shares, the Company may be unable to redeem the NCRPS.

2. *The Company's primary source of revenue is the dividend declared by each of its Subsidiaries*

The Company is the holding company for the L&T Financial Services Group and has only limited operations. As a result, the revenues of the Company are derived mainly from the dividends that the Subsidiaries companies declare from time to time. Consequently, in the event that if one or more of the Subsidiaries companies are unable to or do not declare dividends for whatsoever reasons including but not limited to any

macroeconomic situation or other factors generally affecting the industry in which such Subsidiaries operate, the Company may have lesser, significantly lower or no revenues. In such a situation, the profits of the Company may be affected which would affect the Company's ability to declare and pay dividend on the NCRPS.

3. *Company and its Subsidiaries have undertaken covenants which may affect the Company's ability to pay dividend*

The Company and its Subsidiaries are party to certain financing documents under which the Company or its Subsidiaries are restricted from declaring a dividend if in relation to the Company or such Subsidiary an event of default has occurred including defaults on payments and breach of financial covenants and is continuing. While, the Company is not a party to the financing arrangements entered into by its Subsidiaries, any continuing breach of financial covenants by the Company itself for its Subsidiaries could impact the Company's ability to declare dividends on the NCRPS or the profits of the Company may be affected on account of the inability of the Subsidiaries /s to pay dividend which would in turn affect the Company's ability to declare and pay dividend on the NCRPS. Further, the Company has independently entered into financing arrangements and this risk factor shall be applicable on the occurrence of any events of default under such financing arrangements. As of the date of the Information Memorandum, there is no event of default subsisting in the Company or its Subsidiaries.

4. *Downgrading of rating*

In case the Company is unable to pay the dividend in accordance with the terms of the NCRPS for any reason whatsoever, including for reasons of inadequate profit, the rating for the NCRPS as well as other rated instruments of the Company may be downgraded which may adversely impact the business, profitability and financing abilities of the Company.

5. *Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.*

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including bank loans and working capital facilities, non-convertible debentures, perpetual debts, FCNR, commercial paper, equity and preference shares and subordinated debt. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, our brand equity,

the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income and market share may be adversely affected.

Certain regulatory developments have affected NBFCs access to select funding sources, and have affected their costs of borrowings including through funding from banks and securitization and assignment transactions. For example, pursuant to the RBI circular dated May 3, 2011, loans extended by commercial banks to NBFCs after April 1, 2011, are not considered priority sector loans. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates to do so as these loans no longer count towards their priority sector lending requirements. However, pursuant to the RBI circular on “Priority sector lending – lending by banks to NBFCs for on lending” dated August 13, 2019, bank credit extended to registered NBFC’s (other than Micro Finance Institutions) for on-lending to the categories of agriculture and micro and small enterprises will now be classified as priority sector lending; further, this circular has also increased the existing limits for on-lending by HFCs from Rs. 10 lakh per borrower to Rs. 20 lakh per borrower in housing category.

Further, the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015, as amended (“**Master Circular**”) may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills; current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies; lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market; unsecured loans; inter-corporate deposits provided by NBFCs; and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs.

Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

6. *We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.*

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in infrastructure, retail and corporate finance. Many of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, among other things, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In relation to the asset management, wealth management, advisory and syndication services we offer, we also face competition from banks, asset management companies and consulting organizations. Currently we are in the process of selling our stake in the wealth management business in India to IIFL Wealth Finance Limited. The transaction is subject to regulatory approvals and the conditions specified in the share purchase agreement. However, we continue to provide wealth management services through our wholly owned subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited). For further information, please refer to the section on “material developments” on page 68 of this Information Memorandum.

Potentially, other banks and NBFCs could compete with us for business as well as procurement of funds at competitive rates. Further, in relation to our farm equipment and two wheeler finance businesses, we rely on tie-ups with equipment manufacturers and are a preferred financier to them and their dealers. We rely on these relationships to procure customers and effectively sell our services. In the event such equipment manufacturers set up their own in-house financiers or expand their in-house financing capabilities, they may terminate or reduce the extent of their relationship with us, and such in-house financiers may compete with us in providing loans under these businesses. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

7. *We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads between the interest rates at which we borrow and lend.*

Our business strategy involves a high level of ongoing interaction with our customers. We believe that this involvement is an important part of developing our relationship with

our customers, identifying new cross-selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of operating costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

8. *We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability.*

A significant component of our revenue is the interest on term loans and other financing activity (net of reversal) we receive from the loans we disburse, which comprised ₹ 3,058.32 crore or 90.38 % of our total income of ₹ 3,383.92 crore for the quarter ended March 31, 2019 and ₹ 11,637.90 crore or 87.49 % of our total income of ₹ 13,301.52 crore for the Financial Year 2019.

Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI.

Fluctuations in interest rates may also adversely affect our treasury operations. In a rising interest rate environment, particularly if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. There can be no assurance that we will continue to enter into such interest rate hedging instruments or that we will be able to enter into the correct amount of such instruments to adequately hedge against interest rate volatility in the future. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest



rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

9. *The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.*

As of March 31, 2019, our total loans outstanding were ₹ 99,121 crore. The table below sets out a breakdown of our total loans and NPAs by business segments:

|                                   | Adjusted Total<br>Loans and<br>Advances | Gross<br>NPAs |                   |
|-----------------------------------|---|---------------|-------------------|
|                                   |   | ₹ crore       | % of total loans* |
| Wholesale finance                 | 47,178                                  | 4,161         | 9.68%             |
| Housing finance                   | 25,519                                  | 208           | 0.83%             |
| Rural finance                     | 25,577                                  | 864           | 3.46%             |
| Defocused business                | 848                                     | 316           | 37.46%            |
| Adjusted Total Loans and advances | 99,121                                  | 5,549         | 5.90%             |

*%age is derived based on principal outstanding*

Our wholesale finance business primarily provides debt, equity or hybrid financing, and financial advisory and syndication services related to infrastructure projects in India. Infrastructure projects are characterized by project - specific risks as well as general risks. These risks are generally beyond our control, and include:

- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- changes in government and regulatory policies;
- time and cost overruns in the construction and operation of infrastructure projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- the unwillingness of consumers to pay for infrastructure services;
- the inability of consumers to pay for infrastructure services;
- the inability of infrastructure developers to pass on additional costs to government infrastructure utilities under contractual arrangements with them;
- shortages of, or adverse price developments in respect of raw materials and key project inputs such as oil and natural gas;
- potential defaults under financing arrangements with lenders and investors;
- failure of third parties to perform on their contractual obligations;
- adverse developments in the overall economic environment in India;
- interest rate or currency exchange rate fluctuations or changes in tax regulations;
- and

- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

Further, we provide construction finance loans through our housing finance segment and construction finance loans may be exposed to risks related to time and cost overruns and related increases. Factors such as third party performance risks, delays in obtaining the requisite approvals, environmental risks, changes in market conditions, changes in government or regulatory policies, permits, licenses or certifications from the relevant authorities as well as shortages of, or material increases in prices of, construction materials, equipment, technical skills and labor, or other unforeseeable problems and circumstances may lead to delays in, or prevent the completion of, real estate development projects and result in costs substantially exceeding those originally budgeted, which may affect real estate developers' ability to repay their loans.

In addition, real estate developers may be impacted by the passing of the Real Estate (Regulation and Development) Act, 2016, as amended ("**Real Estate Act**"). The Real Estate Act sets forth a reporting, compliance regime governing real estate projects, including mandating developers to disclose details of registered projects including with respect to the land status, approvals and other such details, and requiring developers to pay interest in case of delays in project completion. Further, the Real Estate Act also makes it mandatory for real estate developers to put 70.00% of the amount collected from buyers for a real estate project into a separate bank account, which amount may only be used for land costs and costs for construction of such real estate projects and sets forth a separate resolution mechanism for real estate disputes.

For our rural finance business, our NPAs are impacted by the difficulty to carry out precise credit risk analysis on borrowers as they typically do not have formal credit histories supported by tax returns and other documents that would enable us to assess their creditworthiness. In addition, we may not receive updated information regarding any change in the financial condition of these borrowers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by these borrowers or our employees. Borrowers in our rural finance segment are also typically less sophisticated and may be particularly susceptible to adverse economic conditions, adverse environmental factors such as weak monsoons or flooding and other natural calamities.

Our borrowers may also default on their obligations to us as a result of their bankruptcy, competition within their respective sectors, lack of liquidity, time and cost overrun,

operational failure, breach of contract, government or other regulatory intervention and other reasons such as their inability to adapt to changes in the macro business environment. As of March 31, 2019, our total loans outstanding were ₹ 91,324.63 crore and we expect that the size of our loan assets will grow as a result of our expansion strategy in existing as well as new products, which may expose us to an increase in NPAs and an increased risk of defaults. Non-payment or default by borrowers in the future may adversely affect our financial condition and results of operations.

10. *Any adverse developments in the industries in which we operate, may adversely affect our business and results of operations.*

We operate under five principal business segments: rural finance, housing finance and wholesale finance under our lending business, and investment management and wealth management under our non-lending business. Pursuant to a share purchase agreement dated August 28, 2019, our Company has agreed to sell its entire shareholding (including shares held by our nominee directors) in its wholly owned subsidiary (L&T Capital Markets Limited (“**LTCM**”)) in the wealth management business in India to IIFL Wealth Finance Limited (“**IWFL**”) or its affiliates. The transaction is subject to regulatory approvals and the conditions specified in the share purchase agreement. However, we continue to provide wealth management services through our wholly owned subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited). Any adverse developments in the industries we operate in, may adversely affect our business and results of operations. Our asset portfolios include, and will likely continue to include, a high concentration of the foregoing business lines and the success of our lending business is thus dependent on, amongst others:

- the demand for two-wheelers, farm equipment and micro loans in India, including the factors affecting such demand (e.g. changes in Indian regulations and policies affecting utility vehicles, tractors and commercial vehicles, demand for transportation services in India, fuel price and consumer access to financing in the rural market);
- the demand for housing in India and developments in the real estate sector in India, including movement in real estate prices and changes in the legal and regulatory framework governing real estate transactions;
- the demand for infrastructure projects in India;
- any adverse developments in the microfinance industry, such as the microfinance crisis of 2010 in India and the impact of currency demonetization in 2016 on micro-loans generally;
- monsoons, failed rains, droughts, natural disasters and calamities;
- political events such as loan waivers, subsidies and other schemes announced by central and state governments; and
- other macroeconomic conditions in India and globally.

11. *We have significant exposure to certain sectors. Any negative trends in these sectors may affect the ability of our borrowers to perform their obligations under their existing financing agreements with us and increase the level of non-performing assets in our portfolio, adversely affecting our business, financial performance and results of operations.*

As at March 31, 2019, with 19.68%, 15.16%, 9.83%, 7.43%, 5.79% and 1.49% of our total adjusted loans and advances comprising loans towards renewable energy projects, construction finance, transportation projects, farm equipment, two-wheelers and power transmission projects, respectively, we have significant exposure in renewable energy, roads, transportation projects, power transmission, housing, construction and rural sectors in India and may continue to have significant concentration of loans in these sectors. Any significant negative trends in these sectors may affect the business of our borrowers, which in turn may affect their ability to perform their obligations under their existing financing agreements with us. Consequently, this may increase the level of non-performing assets in our portfolio and may adversely affect our business, financial performance and results of operations.

12. *We have significant exposure to certain borrowers. Any negative developments impacting the ability of such borrowers to perform their obligations under their existing financing agreements with us and increase in the level of non-performing assets in our portfolio, may adversely affect our business, financial performance and results of operations.*

Our top 20 borrowers in terms of adjusted loans and advances represented 26.91%, 15.99%, and 9.82% of our total adjusted loans and advances as of March 31, 2019, 2018 and 2017, respectively. We may continue to have significant concentration of loans to such borrowers or other large corporate groups in India. Any negative developments impacting the ability of such borrowers to perform their obligations under their financing agreements with us, including any defaults on their obligations as a result of their bankruptcy, competition within their respective sectors, lack of liquidity, operational failure, government or other regulatory intervention, among others, may increase the level of non-performing assets in our portfolio and may adversely affect our business, financial performance and results of operations.

13. *Our Company is a holding company and all our company's business operations are conducted through our Subsidiaries and the performance of our Subsidiaries may adversely affect our results of operations.*

We are a holding company and all our business operations are conducted through our Subsidiaries, primarily L&T Infrastructure Finance Company Limited, L&T Finance Limited, L&T Housing Finance Limited, L&T Infra Debt Fund Limited, L&T Capital Markets Limited and L&T Investment Management Limited. The financial condition and results of operations of our Company are thus dependent upon the performance of

our Subsidiaries and the dividends our Company receives from them. Our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event they cease to be our subsidiaries. The ability of our Subsidiaries to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Subsidiaries may contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration or payment of dividends by these Subsidiaries. Further, in the event of a bankruptcy, liquidation or re-organisation of a Subsidiary, our Company's claim in the assets of such Subsidiary as a shareholder remains subordinated to the claims of lenders and other creditors of such Subsidiary.

14. *We are subject to laws and regulations governing the banking and financial services industry in India as well as those for companies having listed securities in India. Changes in laws and regulations governing us could adversely affect our business, results of operations and prospects.*

As an NBFC, we are subject to regulation by Government authorities, including the RBI and SEBI. For example, we are subject to the RBI's guidelines on regulation of NBFCs, including capital adequacy, exposure and other master directions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. As we have equity, debt and other securities listed on Indian stock exchange, we are also required to comply with the regulations of SEBI from time to time. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and legal proceedings.

Certain of our Subsidiaries are similarly subject to regulation by Government authorities. For example, our Subsidiary, L&T Housing Finance Limited, is registered as a housing finance company ("**HFC**") with the NHB under the National Housing Bank Act, 1987 ("**NHB Act**"). Pursuant to the NHB Act and various regulations, circulars and guidelines issued by the NHB, HFCs are currently required to comply with, among others, limits on borrowings, investments, interest rates and tenure on deposits, prudential norms for income recognition, asset classification and provisioning for standard and non-standard assets, norms for creation of special reserves and provision for demand and time liabilities as well as minimum capital adequacy and liquidity requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. NHB regulations also require HFCs to maintain a minimum capital adequacy ratio, consisting of tier I capital and tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Further the total tier II capital at any point

of time shall not exceed 100% of the tier I capital. At a minimum, tier I capital shall not be less than 6% of risk weighted assets. Pursuant to Finance Act (No. 2) Act, 2019, Government of India has transferred the regulation of HFC's from NHB to Reserve Bank of India ("**RBI**"). Subsequently RBI, through a press release dated August 13, 2019, has informed that till the revised framework is issued, HFCs shall comply with the directions and instructions issued by NHB.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Further, the legal, regulatory and policy environment in which we operate is evolving and subject to change. The laws, regulations and policies applicable to us may be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. Such changes may also adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law, regulations and policies.

15. *We are subject to supervision by regulatory authorities and non-compliance with observations made by regulatory authorities during their periodic inspections could expose us to penalties and restrictions.*

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 ("**RBI Act**"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Certain of our Subsidiaries are similarly subject to periodic inspection by the relevant Government authorities governing them. For example, our Subsidiary, L&T Housing Finance Limited, is registered as an HFC with the NHB and is subject to periodic inspections by the NHB with respect to the controls, laws and regulations applicable to it as an HFC. Any irregularities found during such investigations by such regulatory authorities could similarly, expose us to warnings, penalties and restrictions.

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise, or, the authorities will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. While we

seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

16. *We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers.*

As at March 31, 2019, a large percentage of our total loan portfolio (excluding inter-corporate deposits), is secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the transaction. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic). For example, in relation to our wholesale finance business, our collateral is typically the assets and cash-flows from infrastructure projects such as renewable energy generation projects, power distribution projects and operational road projects. Any decrease in the value of such projects, including due to deterioration in the quality of such projects, inadequate development or maintenance or as a result of decreased demand, may result in diminishing the value of our collaterals. In the event of default by our customers, we cannot assure you that we will be able to sell our collateral including machinery, stock, two-wheelers or agricultural equipment or properties provided as security, due to among other things, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, stock market downturns, fraudulent transfers by our customers, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets.

In addition, as the underlying security on our housing loans is primarily mortgages or other form of security over the other real property of the borrower, a substantial portion of our loan portfolio is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the pedigree of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

Similarly, for the asset-backed loans of our rural finance segment, the equipment and vehicles purchased by our customers are hypothecated in our favor as security for the loans provided by us. The value of the equipment or vehicles, however, is subject to depreciation, deterioration, or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims or if a specialized regulatory agency gains jurisdiction over any of our borrowers, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations. As a result, if our customers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral, thereby adversely affecting our business, future financial performance and results of operations.

17. *Micro loans poses unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of non-performing loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.*

Our micro loans customers typically belong to economically weaker segments of society in India, who have limited sources of income, savings and credit records, and who typically cannot provide us with any collateral or security for their borrowings. As a result, our micro loans customers present a higher credit risk of default than the customers of the other segments of our business (who have greater financial resources and more established credit histories) and other borrowers living in urban areas with better access to education, employment opportunities, and social services. In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by informal individual and joint liability group guarantees, rather than tangible assets. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in



the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own customized due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, repayment of micro loans is susceptible to various political and social risks, including any adverse publicity relating to the micro loans sector, public criticism of the micro loans sector, the introduction of a stringent regulatory regime, or religious beliefs relating to loans and interest payments. As a result, our micro loans pose a higher degree of risk than loans secured with physical collateral.

As at March 31, 2019, adjusted loans and advances for our micro loans segment were ₹ 12,476 crore, which accounted for 12.59 % of our total adjusted loans and advances. As at March 31, 2019, the Gross NPAs for our micro loans segment was ₹ 357 crore. The gross NPAs as a percentage of the gross loans and advances for our micro loans segment were 2.91%, 4.68%, and 4.06% as at March 31, 2019, 2018 and 2017, respectively, while the net NPAs as a percentage of net loans and advances were 0.24%, 0.58%, and 0.00% as at March 31, 2019, 2018 and 2017, respectively. Due to the underlying financial and social circumstances of our micro loans customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.

18. *We may be unable to sell or reduce the size of loans under our other financing businesses which may adversely affect our business and results of operations.*

Commencing on April 1, 2016, we have streamlined and reorganized our financing businesses and employees under three primary financing business segments, i.e., rural finance, housing finance and wholesale finance. Correspondingly, we have divested certain part of, and are in the process of running-down, non-core business assets. These businesses include commercial vehicle financing, construction equipment financing, receivable discounting, small and medium enterprise term loans, car financing, loyalty and personal loans, debt capital markets among others. Additionally, we are in the process of running-down our structured finance business. Our other financing businesses comprised 0.86%, 1.84%, and 4.01%, of our total adjusted loans and advances as of March 31, 2019, 2018 and 2017, respectively. We may also consider divesting certain of our existing investments. In the event we are unable to further reduce the amount of loans outstanding under our other financing businesses or sell these loans to third parties at acceptable rates, or at all, or if we have to write-off these loans or classify them as NPAs, our business, asset quality and results of operations may be adversely affected.

19. *If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.*

We adhere to provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations, as are relevant to us and our various Subsidiaries. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

20. *Part of our collections from customers is in cash, exposing us to certain operational risks.*

Part of our collections, specifically collections in our rural finance business segments, is in cash. Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. Certain of our customers are from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. While we obtain insurance for our cash in transit and safes for storage of cash, we cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all.

While we have implemented technology that tracks our cash collections, taken insurance policies, including coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to criminal proceedings and civil litigation related to our cash collections.

Our business is also susceptible to fraud by dealers, distributors and other agents through the forgery of documents, multiple financing of the same vehicle and unauthorized collection of instalments on behalf of us. Given the high volume of transactions involving cash processed by us in our rural finance business, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. Our dependence upon automated systems to record and

process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

21. *We depend on the accuracy and completeness of information about borrowers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.*

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of borrowers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from borrowers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus such as TransUnion CIBIL Limited and Equifax, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation on the part of our customers or employees. In addition, customers may misrepresent information in the loan application forms including in relation to the intended end use of the loans and may apply the loans disbursed for end uses different from those mentioned in the loan application form. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, and conduct site-visits (wherever relevant) and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. There may be relatively less financial and credit information available on retail and rural individual borrowers, micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present. Difficulties in assessing credit risks associated with our day- to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could adversely affect our business prospects, financial condition and results of operations.

22. *We are in the process of upgrading our information technology systems and any failure to achieve intended results from such upgrades may adversely affect our operations and reputation.*

Our business is dependent upon increasingly complex and interdependent information technology systems and as part of our emphasis on data analytics and increasing use of electronic processes in our businesses, we are in the process of upgrading such systems. We have commenced utilizing the loan management system capabilities of a reputed third party and have migrated our data from our previous loan management systems. We have also entered into agreements with third parties such as IT companies to upgrade our IT infrastructure and are in the process of establishing new technology enabled centralized processing units. If our IT vendors are unable to fulfill their contractual obligations or if we encounter any failure in the timely implementation, performance or integration of such systems, we may not be able to recover the expenses we incurred, experience interruptions in our operations, loss of customers, damaged reputation and weakening of our competitive position.

Further, our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis, including adopting and implementing new technologies before our competitors. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Any failure to effectively maintain or improve or upgrade our technology systems in a timely manner could adversely affect our competitiveness, financial position and results of operations.

23. *Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.*

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of rating agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of our Promoter and its majority shareholding in our Company. ICRA had rated our Company's non-convertible debentures ("NCDs") at ICRA AAA/Stable in August 2018. In August 2019, while the ratings have been reaffirmed by ICRA, the outlook on the long-term rating has been revised from Stable to Negative because of the increased systemic risks in the wholesale sector.

CARE has rated our Company's NCDs at 'CARE AAA/Stable' and non-convertible cumulative preference shares at 'CARE AAA(RPS)/Stable' and India Ratings has rated our NCDs at 'IND AAA/ Stable'. The rating on our Company's short-term debt by ICRA, CARE and India Ratings are at ICRA A1+, CARE A1+, IND A1+, respectively.

Credit ratings across the industries we operate may also depend on the underlying circumstances and economic environment around such industries. For instance, during the Financial Year 2010, credit ratings were downgraded for micro-finance institutions with substantial lending exposure to a particular state, as a result of a crisis in the microfinance industry, there was an impact on fundraising activities and the business and financial performance of companies with large exposure to micro-finance sector. Further, in 2016, as a result of a number of factors, such as the Government of India's demonetization measures, the credit ratings of a number of microfinance companies were downgraded. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

24. *We may require additional financing for our business operations, including for our Subsidiaries, and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.*

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

25. *We may experience difficulties in expanding our business into new regions and markets in and outside India.*

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new markets in and outside India. For our rural finance business we intend to expand our branch network services in the rural and semi-urban markets of India, as well as additional districts in the states in which we are present. Further, we seek to expand our business to locations outside of India in addition to our subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited) with respect to our wealth management business. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. For instance, a number of states in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether or not NBFCs are required to comply with the provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. If it is judicially determined or clarified in law that such statutes apply to NBFCs, our expansion in such states could be hindered.

In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with target customers.

As we plan to expand our geographic footprint, our business may also be exposed to additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no existing relationship; successfully marketing our products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local and/or foreign taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in and outside of India, in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations may adversely affect our business, financial conditions, and results of operations.

26. *We undertake certain business operations outside of India and it is possible that we find it difficult to maintain our operations in such jurisdictions.*

We currently provide wealth management services to clients outside of India, through our wholly owned subsidiary in Dubai, UAE. Operating in such jurisdictions presents additional difficulties including:

- lack of equivalent experience in operating in these jurisdictions as compared to our experience in operating in India;
- operations in such jurisdictions are subject to different competitive environments and regulatory regimes in respect of which we have less knowledge and expertise; and
- the client base in such jurisdictions that may be interested in our wealth management services is more limited than in India.

Therefore, we may not be able to grow our business outside of India at the same rate as we grow our domestic business, or at all, and it is possible that we find it difficult to maintain our operations in such jurisdictions.

27. *We may make acquisitions of, or investments in, complementary businesses or products, or seek to engage in strategic transactions which may be on terms that may not be commercially advantageous, may require additional debt or equity financing, and may not yield intended results.*

We periodically review potential acquisition of products, product rights and complementary businesses and intend to continue to evaluate, potential product or business acquisitions including to expand our geographic presence and product portfolio. Further, we may seek to engage in strategic transactions with third parties, such as tie-ups, joint ventures, restructuring, business combinations, among others. We cannot assure you that we will be able to identify suitable acquisition, strategic transactions or investment opportunities. To the extent that we do identify opportunities that we believe to be suitable, we cannot assure you that we will be able to reach an agreement, that the terms we may agree to will be commercially advantageous to us, or that we will be able to successfully consummate such investments, acquisitions or transactions even after definitive documents have been signed.

If we require financing in order to fund such transaction, we cannot assure you that we will be able to obtain required financing when needed on commercially acceptable terms, or at all. Further, any such transactions may require us to incur non-recurring and other charges, increase our near and long-term expenditures, pose significant integration challenges, require additional expertise, result in dilution of our existing shareholders and disrupt our management and business, which may adversely affect our business, financial position and results of operations. We also may face significant competition in seeking appropriate investments or acquisitions. We cannot assure you that, following the consummation of such investments or acquisitions, these transactions will yield intended results.

28. *We depend on the services of our management team and employees and our inability to recruit and retain them may adversely affect our business.*

Our future success depends substantially on the continued service and performance of members of our management team, and in particular, our Managing Director & Chief Executive Officer and key managerial personnel and also upon our ability to manage

key issues relating to human resource such as selecting and retaining key employees, developing managerial experience, addressing emerging challenges and ensuring a high standard of client service. There is intense competition for experienced senior management and other qualified personnel, particularly office managers, field executives and employees with local knowledge in client procurement, loan disbursement and instalment collections. If we cannot hire additional or retain existing management personnel and employees, our ability to expand our business will be impacted and our revenue could be adversely affected. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, divert management resources, adversely affect our origination and collection rates, increase our exposure to high-risk credit and impose significant costs on us. While we have an incentive-based remuneration structure, employee stock option schemes and training and development programs designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of senior personnel, may have an adverse impact on our business, future financial performance.

As of March 31, 2019, we employed 21,042 permanent employees. Though we believe that we maintain good relationship with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

29. *Our business is heavily dependent on our operations in certain regions in India, and any adverse changes in the conditions affecting these regions can adversely impact our business, financial condition and results of operations.*

Our housing finance business has the highest contribution from the Mumbai Metropolitan Region and the National Capital Region with 66%, 74%, and 59% of our outstanding housing finance loans as of March 31, 2019, 2018 and 2017, respectively, arising from these regions. Further, our farm equipment finance business is dependent on the state of Madhya Pradesh, with 14.39%, 17.81%, and 23.79% of our outstanding farm equipment finance loans as of March 31, 2019, 2018 and 2017, respectively, arising from these regions. In the event of a regional slowdown in the economic activity in these regions or factors such as a slowdown in sectors such as real estate or agriculture in these states, we may experience more pronounced effects on our financial condition and results of operations. Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the economy in these regions. Therefore, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies in these regions may affect our business operations, require us to incur additional expenditure and change our business strategies.

30. *We have presented in this Information Memorandum certain financial measures and other selected statistical information relating to our financial condition and operations which is not prepared under or required by Ind AS or erstwhile Indian GAAP. These*



*financial measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.*

We compute and disclose such non-GAAP financial information relating to our financial condition and operations as we consider such information to be useful measures of our business and financial performance. Such non-GAAP financial information is based on management accounts and internal financial information systems of our Company and is prepared by adjusting, based on management estimates, the financial measures in the audited or reviewed consolidated financial statements of our Company. Non-GAAP information should not be considered in isolation from, or as a substitute for, financial information presented in the audited or reviewed consolidated financial statements of our Company.

Further, the non-GAAP financial information may be different from financial measures and statistical information disclosed or followed by other NBFCs and HFCs. The non-GAAP financial information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, HFCs or other financial services companies. Accordingly, investors should not place undue reliance on the non-GAAP financial information included in this Information Memorandum.

All the financial numbers and ratios provided in the Information Memorandum pertaining to March 2019 are in accordance with applicable IndAS and previous financial numbers are stated in erstwhile IGAAP.

31. *We enter into assignment transactions to transfer certain receivables from our outstanding loan portfolio. If such assignment of receivables is held to be unenforceable under applicable law, our business, financial condition and results of operations could be adversely affected.*

From time to time we novate or assign receivables from our outstanding loan portfolio to other NBFCs and banks for a consideration to, among other reasons, improve our liquidity and financial ratios. As of March 31, 2019, our portfolio of assigned outstanding loans was ₹ 9.81 crore. In January 2009, the High Court of Gujarat held that the provisions of the Banking Regulation Act, 1949 do not permit banks to assign debt due to them, including the assignment of debt between two banks. However, on appeal, the Supreme Court of India reversed the decision of the High Court of Gujarat and held that assignment of debts by the banks inter-se is not barred by law. If in the future, one or more of the assignment transactions entered into by us is held to be unenforceable by a court of law, we may be required to terminate such assignment transactions. Such events may adversely affect our business, financial condition and results of operations.

32. *We face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.*

Certain of our customers are from the rural and semi-urban markets, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. There can be no assurance that such costs will not increase in the future as we expand our network in rural and semi urban markets, which could adversely affect our profitability.

33. *A decline in our Company's capital ratio or capital adequacy requirement could restrict our future business growth.*

As a NBFC-CIC-ND-SI, our Company is required to maintain a capital ratio requirement of at least 30% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis. In addition, our Subsidiaries, being financial institutions regulated by the RBI and/or NHB, are subject to certain capital adequacy ratios. The minimum capital requirement or capital adequacy ratios required to be maintained by us and our Subsidiaries, as well as the respective capital adequacy ratios of us and our Subsidiaries as at March 31, 2019 are as follows:

| Name of Company                        | Category       | Minimum capital requirement/ adequacy ratio | Capital Adequacy Ratio |               |               |
|--|----------------|---|------------------------|---------------|---------------|
|  |                |   | 31 March 2019          | 31 March 2018 | 31 March 2017 |
| L&T Finance Holdings Ltd               | NBFC-CIC-ND-SI | 30%   | 77.88%                 | 95.08%        | 82.17%        |
| L&T Infrastructure Finance Company Ltd | NBFC-ND-SI     | 15%   | 21.19%                 | 20.67%        | 19.69%        |
| L&T Finance Ltd                        | NBFC-ND-SI     | 15%   | 15.77%                 | 17.92%        | 16.42%        |
| L&T Infra Debt Fund Ltd                | NBFC-IDF       | 15%   | 24.13%                 | 28.39%        | 39.32%        |
| L&T Housing Finance Ltd                | HFC            | 12%   | 17.92%                 | 17.74%        | 15.39%        |

If we continue to grow our loan assets and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us.

34. *Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.*

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated such as the risk of employee or human error. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Some of our borrowers may not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures, or other related documents, have limited formal education, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out credit risk analysis on our borrowers. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFCs, standards and practices in the sectors we cater to, on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

35. *Any failure, inadequacy and security breach in our information technology systems may adversely affect our business.*

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our business is particularly susceptible to such disruptions because of our reliance on technology systems and processes, our mobility solutions and the higher cost of installation and implementation of technology in the rural and semi-urban markets for our rural finance business. For example, our two-wheeler finance business is conducted entirely through our mobile based technology relying on electronic customer checks, electronic data capture, online income assessment and automated processes. Any failure in these systems may adversely affect our business.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, know your customer documents (including identity proofs, income and tax statements and bank account details), employee data and propriety business data, trade secrets or other intellectual property, for which we could potentially be liable. In addition, our systems are potentially vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive data to unauthorized persons. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties. Moreover, if there are other shortcomings or failures in our technology systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

36. *We utilize the services of certain third parties for our operations. Any deficiency or interruption in their services could adversely affect our business and reputation.*

We engage third party service providers from time to time for services including the valuation of assets and legal services, direct selling agents and as collection agents. Such third parties are typically proprietorships or professionals. Our agreements with them typically do not provide for any exclusivity, and accordingly, they can work with other lenders, including our competitors. There can be no assurance that our direct selling agents will continue to provide a significant number of leads for loans to us in comparison with our competitors, or at all. Some third-party vendors may also be small companies which are likely to experience financial or operational difficulties than larger, well established companies due to limited financial and other resources. This may result in a delay of services or products delivered to us and we may be unable to find alternative vendors.

In addition, we utilize third party vendors for our information technology systems and rely on such vendors for adequate and timely delivery of services, providing support and troubleshooting advice and maintaining adequate resources and bandwidth for the smooth running of our operations. Our ability to control the manner in which services are provided by third party service providers is limited and we may be held liable on account of any deficiency of services on the part of such service providers. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party service providers. Any disruption or inefficiency in the services provided by our third-party service providers could affect our business and reputation.

37. *We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.*

We may face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks. The majority of our loan assets, however, mature over the medium term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability.

38. *There are outstanding litigation pending against us, which, if determined adversely, could affect our business, results of operations and financial condition.*

Our Company, Promoter, our Directors and Subsidiaries are party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

39. *We benefit from our relationship with our Promoter. Our Promoter will continue to retain majority shareholding in us after the Issue, which will allow it to exercise significant influence over us.*

Our Promoter shall continue to exercise significant influence over our business policies and affairs and all matters requiring ordinary shareholder approval. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter.

In addition, we operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. We leverage on the goodwill of the L&T group. We believe that this goodwill ensures a steady inflow of business. In the event L&T significantly dilutes its shareholding in our Company, withdraws the use of its trademark and logo for our operations, is unable to maintain the quality of its services or brand name or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. L&T has also provided corporate guarantees in relation to certain borrowings availed of by us. In the event that any of these

guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

In addition, in the event of any change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by our Promoter, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments, our ability to leverage the “Larsen & Toubro” brand may be adversely affected and the benefits of being a Larsen & Toubro group company, which includes access to capital and human resources, various operational synergies and our ability to leverage business from other Larsen & Toubro group companies, may no longer be possible and as a result of which, could adversely affect our business, future financial performance and results of operations.

40. *We have entered into, and may continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favorable terms had such transactions not been entered into with related parties.*

We have entered into transactions with several related parties, including our Promoter and companies in the L&T Group. We can give no assurance that we could not have achieved more favorable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

41. *Fluctuations in the market values of our investments and other asset portfolio could adversely affect our result of operations and financial condition.*

We maintain a portfolio of investments, which includes government securities, certificates of deposits and various mutual fund units. Any financial turmoil in the financial markets has the ability to adversely impact the economic activity in India and globally. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could adversely affect our reported income and financial condition.

42. *Any failure or significant weakness of our internal controls system could cause operational errors or incidents of fraud, which would materially and adversely affect our profitability and reputation.*

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our internal risk policies, compliance requirements and internal circular guidelines. While we

periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified.

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our various businesses and there may be losses due to failures or inadequacies of our internal controls systems. Failures in our internal controls systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Failures or material weaknesses in internal controls may also lead to incidents of fraud. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

43. *We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.*

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators in connection with other fee-based products to our customers. For example, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. We are also required to comply with the prescribed requirements including exposure limits, classification of gross stage 3s, know your customer requirements and other internal control mechanisms. We also require licenses and approvals to operate our various lines of business under our Subsidiaries. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We may not be able to obtain such approvals in a timely manner or at all.

In addition, our various offices, meeting centres and customer care centres are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in municipal limits of certain states which are subject to periodic renewals, which we may not be able to obtain in a timely manner. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by

customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected.

If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

44. *Our insurance coverage may not adequately protect us against losses.*

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.

45. *We do not own the "L&T" trademark and logo. In the event that we are unable to use the "L&T" trademark and logo or if there are any unauthorized usage which may result in the dilution of the trademarks recognized with our Company and loss of reputation, our business and results of operations may be adversely affected.*

The "L&T" trademark is registered in favour of our Promoter. Pursuant to a trademark license agreement dated December 1, 2010, as amended from time to time (the "Trademark License Agreement"), with our Promoter, our Company and our Subsidiaries have been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 1.5% of the profit after tax for the first year, 3.0% of the PAT for the second year or 5.0% of profit after tax for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. The payment of such consideration is made on an annual basis, unless otherwise agreed amongst the parties. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the



licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo.

Further, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favorable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Our inability to use these trademarks and any unauthorized usage could result in the dilution of the trademarks recognized with our Company and loss of reputation, which may result in adverse effects to our business and results of operations.

46. *Our home loans business is subject to certain tax and fiscal benefits which may be discontinued in the future by the GoI or state governments relating to financing of purchase or construction of property.*

The rapid growth in the housing finance industry in India in recent periods has in part been due to tax and related fiscal benefits extended to homeowners by the Government of India or state governments. Interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. We cannot assure you that the Government of India will continue to offer such tax benefits to borrowers at the current levels or at all, which may adversely affect the demand for housing and consequently housing finance. The Government of India has also provided incentives to the housing finance industry by extending priority sector status to certain housing loans and making funds available to housing finance companies at lower rates. In addition, our Subsidiary, L&T Housing Finance Limited, being a housing finance company, is entitled for other tax benefits under the Income Tax Act which result in a reduction of our annual income tax rate. We cannot assure you that the Government of India will continue to make such tax or fiscal benefits available to housing finance companies such as us or that it will continue to offer us low cost funding on the same terms or at all. If such low cost funding is not made available to us, there may be an adverse effect on our cost of funds and consequently our operating margins and net interest margin.

47. *Most of our offices and branches are located on leased premises and non-renewal of lease agreements or their renewal on terms unfavorable to us could adversely affect our operations.*

As of March 31, 2019 all the 322 branches of our subsidiaries are housed on leased premises. Lease agreements entered into in relation to such premises have provisions which allow us to renew the agreement on mutually agreed terms and contain provisions for issuance of notices subject to a notice period in case of termination or non-renewal. In the event, any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

48. *Our Company has incurred significant indebtedness and may incur additional debt. The conditions and restrictions imposed by our financing agreements could adversely impede our flexibility in conducting our business.*

As of March 31, 2019, our Company, at a consolidated level, had total borrowings of ₹ 91,506.98 crore. Most of our financing arrangements are secured by charge on receivables from our outstanding loans and other business operations. Certain of our financing agreements also include certain conditions and covenants requiring us to maintain stipulated financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. For instance, certain entities forming part of our Group are required to obtain prior written consents from their respective lenders for, among others, the following matters:

- to declare or pay dividend to any of their shareholders whether equity or preference, during any Financial Year unless they have paid to the lender the dues payable by them in that year;
- to change their capital structure;
- to undertake or permit any merger, amalgamation or compromise with their shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to amend their MOA and AOA or alter their constitution;
- to undertake substantial change in general nature of business;
- to change their ownership or control; and
- to make any major investments by way of deposits, loans or share capital in any manner.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested, received or will receive all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with certain terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain consent or perform any condition or covenant could impede our flexibility in

conducting our business, which may have an adverse effect on our business and results of operations.

49. *Certain loans and debt raised by us entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.*

There are certain loans and debt, including NCDs raised by us, aggregating to ₹ 30,363.70 crores as of March 31, 2019, interest rates for which are either fully floating or partially floating in nature, expressed as a base rate and interest spread, which is variable. Further, financing agreements in relation to such debt include provisions providing for interest rates to be periodically reset or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks for such debt. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

50. *We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.*

We had a cash outflow from operating activities for Financial Years 2019, 2018, and 2017. No assurance can be made that this will not continue in the future.

51. *We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.*

As of March 31, 2019, we had certain contingent liabilities not provided for, amounting to ₹ 3,220.50 crores determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our audited financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

52. *Some of our Subsidiaries have incurred losses in the past.*

Certain of our Subsidiaries have incurred losses in the last three Financial Years as indicated in the table below:

| Particulars                               | in ₹ crores         |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | Financial Year 2019 | Financial Year 2018 | Financial Year 2017 |
|   | IndAS               | IGAAP               | IGAAP               |
| L&T Investment Management Limited         | -                   | -                   | 25.81               |
| L&T Capital Markets (Middle East) Limited | 1.56                | -                   | -                   |
| Mudit Cement Private Limited              | 6.88                | 5.68                | 5.49                |

|  |      |      |      |
|--|------|------|------|
| L&T Access Distribution Services Limited<br>(amalgamated with L&T Capital Markets Limited, appointed date being April 1, 2017) | -    | -    | 0.94 |
| L&T Mutual Fund Trustee Limited  | 0.10 | 0.06 | -    |
| L&T Infra Investment Partners Trustee Private Limited  | -    | 0.01 | -    |
| L&T Infra Investment Partners Advisory Private Limited   | 4.26 | -    | -    |

We cannot assure you that our Subsidiaries will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not adversely affect our business, future financial performance and results of operations.

53. *We are required to prepare our financial statements with effect from April 1, 2018 under the Ind AS. As Ind AS differs in various respects from Indian GAAP, our financial statements for the Financial Year 2019 may not be comparable to our historical financial statements.*

The Companies (Indian Accounting Standards) Rules, 2015 (“**IAS Rules**”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP with IFRS. The IAS Rules provide that financial statements of companies to which such rules apply shall be prepared and audited in accordance with Ind AS. Ind AS differs in various respects from Indian GAAP. We are required to prepare our financial statements in accordance with Ind AS with effect from April 1, 2018 with comparatives for prior periods. While we have not determined with any degree of certainty the impact that the adoption of Ind AS will have on our financial statements, we are aware that Ind AS will impact certain items in our financial statements such as income from loan and advances, finance cost, provision on non-performing assets and deferred tax. However, this summary may not contain all significant differences between Indian GAAP and Ind AS applicable to our Company and reliance by prospective investors on this summary should be limited. Accordingly, our financial statements for the period commencing from April 1, 2018 will not be comparable to our historical financial statements. Further, our financial statements for the Financial Year 2018 prepared under Ind AS will not be comparable to our financial statements prepared for such period under Indian GAAP.

In addition, our Promoter, L&T, currently prepares its consolidated annual and quarterly financial statements in Ind AS. As a result, and solely for the purposes of consolidation, our Company has been preparing and providing its financial information under Ind AS to L&T for periods prior to April 1, 2018. These results are used by L&T to prepare its consolidated results and are also disclosed by L&T as a part of its financial services segment. Our financial results under Ind AS will vary from the results currently published by L&T as part of its financial services segment since the date of transition to Ind AS shall be different under both the scenarios.

54. *The introduction of GST effective July 1, 2017 has resulted in an increase in our tax expenses and future increases in our tax expenses may result in additional cost which may adversely affect our business, financial condition and results of operations.*

The introduction of the GST effective July 1, 2017 has resulted in an increase in the cost of tax compliance as a result of the change to state-level tax compliance from centralized tax compliance pre-GST. The rate of GST on financial services, excluding interest revenue, is 18% compared to the 15% service tax rate that was payable before the implementation of GST. While certain companies are allowed 100% of the input tax credit, NBFCs, such as our Company, and banks are required to reverse 50% of the input tax credit under GST, which was also the rule under the service tax regime. However, due to the increase in the tax rate, our input tax credit reversal has increased from 7.75% under service tax to 9.0% under GST for most of the services that we avail resulting in additional cost. Although this impact is partially offset due to the fact that we are entitled to avail input tax credit on the goods and services we purchase, the implementation of GST has resulted in an overall increase in our tax expenses. Also, as under GST, more than one adjudicating authority will be involved, each authority may hold a different opinion on the same underlying issue which will prolong the adjudication process and may lead to increase in pending litigations.

#### **RISK RELATING TO THE INSTRUMENT**

55. *In case the Company does not have adequate profits, the Company will not be able to pay dividends on the NCRPS.*

As per the provisions of the Companies Act, the dividends payable on the NCRPS can only be out of profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. Further, it is clarified that the dividend on NCRPS is required to be paid out of respective current year's profit only. In case the Company does not have adequate profits, the Company will not be able to pay the dividends on the NCRPS.

56. *There could be adverse changes in the future to the credit rating assigned to the NCRPS, which will adversely affect the holders of the NCRPS.*

The current issue has been rated 'CARE AAA (RPS)'.

In the event of deterioration in the financial health of the Company, there is possibility that the rating agency may downgrade the ratings of the NCRPS. In such a case, a potential investor may incur losses on revaluation of the investments or may have to make provisions towards sub-standard / non-performing investment as per their standard norms. The rating is not a recommendation to purchase, hold or sell the NCRPS in as much as

the ratings do not comment on the market price of the NCRPS or its suitability to a particular investor. There is no assurance either that the rating will remain at the same level any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

57. *There may not be an active secondary market for the NCRPS which will affect the tradability of NCRPS in the market.*

While the NCRPS are being issued on a private placement basis, investors are requested to note that there may not be an active secondary market for NCRPS. There is no assurance that a trading market for the NCRPS will exist and no assurance as to the liquidity of any trading market. Further, the liquidity and market prices of NCRPS can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of such instruments.

58. *Failure to receive listing approval for issuance of NCRPS will affect the holders of NCRPS.*

An issuer desirous of making an offer of NCRPS on a private placement basis shall make an application for listing to the Stock Exchanges. The Issuer is required to comply with conditions of listing of such NCRPS as specified in the listing agreement with the Stock Exchange where the NCRPS are sought to be listed. Failure to receive listing approval will adversely affect the holders of NCRPS.

## **EXTERNAL RISKS**

### **Risks Relating to India**

59. *Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.*

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

60. *Any adverse change in India's credit rating by an international rating agency could adversely affect our Company's business and profitability.*

In May 2013, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy Government borrowing as the most significant constraints on its ratings and recommended the implementation of reforms and containment of deficits. In June 2013, Fitch, another international rating agency, returned India's sovereign outlook to "stable" from "negative" a year after its initial downgrade of the outlook, stating that the authorities had been successful in containing the upward pressure on the central Government budget deficit in the face of a weaker-than-expected economy and that the authorities had also begun to address structural factors that have weakened the investment climate and growth prospects. Similarly, Standard & Poor's upgraded its outlook on India's sovereign debt rating to "stable" in September 2014 and retained such rating in October 2015, while reaffirming the "BBB" long-term rating on bonds. Standard & Poor's stated that the revision reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. Further, Moody's raised the rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive. Going forward, the sovereign ratings outlook will remain dependent on whether the Government is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact our Company's business and limit its access to capital markets.

61. *The instability of economic policies and the political situation in India could adversely affect the Indian financing industry.*

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic and international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued various economic liberalisation policies such as relaxing the restrictions in the private sector over the past few years.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. As a result, our Company's business may be affected by changes in the interest rates, government policy and taxation. Furthermore, our Company's business may be adversely affected by social and civil unrest or other negative political, economic or other developments in or affecting India.

62. *Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact our Company.*

Capital inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. While the current account deficit ("CAD") remained a main area of concern over fiscal year 2012 and fiscal year 2013, it has shrunk sharply in fiscal year 2015 and fiscal year 2016. A substantial decline in the imports bill, mainly on account of lower crude oil prices led to a significant narrowing in the trade deficit that in turn reduced the size of the CAD. However, the primary challenge for the Indian Rupee was the volatile swings in capital flows. In fiscal year 2018, the Indian Rupee recorded a high of INR 74.72 and has been volatile in the past few months. Although the Indian Rupee is less vulnerable given the improvements in the CAD and visible moderation in inflation rates, there remains a possibility of needing to intervene in the foreign exchange market to control volatility of the exchange rate. The need to intervene at that point in time may result in a decline in India's foreign exchange reserves and subsequently reduce the amount of liquidity in the domestic financial system. This in turn could impact domestic interest rates.

63. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may result in a loss of business confidence and as a result, these events may negatively affect our Company's business and the global financial markets. In addition, any deterioration in relations between India and its neighbouring countries might result in concerns by investors in relation to the stability in the Indian region, which may adversely affect our Company's business.



India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on our Company. Such incidents may also result in general perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our Company's business.

64. *Natural calamities could have a negative impact on the Indian economy and could adversely affect our Company's business.*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our Company's business.

## **GENERAL INFORMATION**

### **DETAILS OF THE COMPANY**

**Name of the Company: L&T FINANCE HOLDINGS LIMITED**

Date of Incorporation: May 1, 2008

A public limited company incorporated under the Companies Act, 1956, having its equity shares listed on the BSE Limited and National Stock Exchange of India Limited and existing preference shares listed on BSE Limited.

**Registered Office:**

Brindavan, Plot No. 177, C. S. T. Road, Kalina, Santacruz (East) Mumbai 98

**Registration:**

Certification of incorporation dated May 1, 2008 issued by the Registrar of Companies, Maharashtra, Mumbai

CIN: L67120MH2008PLC181833

Certificate of Registration as a core investment company under Section 45 IA of the Reserve Bank of India Act, 1934 issued by the Department of Non-banking Supervision (Mumbai RO), Reserve Bank of India on September 11, 2013

Registration No: N-13.02052

**Income-Tax Registration:**

PAN : AABCL5046R

**Compliance Officer:**

Name : Ms. Apurva Rathod  
Designation : Company Secretary  
Address : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East) Mumbai 98  
Telephone : +91 22 6212 5000  
Fax : +91 22 6212 5553  
E-Mail : igrc@ltfs.com

Investors can contact the Registrar & Share Transfer Agents (RTA) in case of any pre-issue or post-issue related problems such as non-receipt of demat credit, refund orders or interest on Application Money.

**Registrar & Share Transfer Agents (RTA):**

**Link Intime India Pvt. Ltd.**

C 101, 247 Park,  
L.B.S Marg, Vikhroli (West),  
Mumbai 400 083.  
Tel: 022-49186000

Fax: 022-49186060  
Email: ganesh.jadhav@linkintime.co.in

The investors can contact the RTA in case of any pre-issue/post-issue related problems such as non-receipt of demat credit, refund orders or interest on Application Money.

**Arranger to the Issue:**

**Trust Investment Advisors Private Limited**

109/110, Balarama  
Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
Tel: +91 22 4084 5000  
Fax: (+91 22) 4084 5066  
Email: mbd.trust@trustgroup.in

**Legal Advisor to Issue:**

**ZBA**

412, Raheja Chambers  
213 Nariman Point  
Mumbai 400 021  
Tel: +91 22 6743 5013

**Joint Statutory Auditors:**

**M/s. B. K. Khare & Co.**

706/708, Sharda Chambers  
New Marine Lines  
Mumbai – 400020  
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**Chief Financial Officer of the Issuer:**

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**Credit Rating Agency:**

**Credit Analysis & Research Limited**

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**Credit Ratings**

**CARE**

By its letter dated September 10, 2019 CARE has reaffirmed a rating of ‘CARE AAA (RPS) (Triple A Outlook Stable) (Redeemable Preference Shares)) to this issue of NCRPS by the Issuer to the extent of INR 2,271 crores (including NCRPS aggregating to INR 1,059.10 crores already issued by the Company as on August 31, 2019). Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Set out as Annexure A is the rating letter and the rating rationale.

Kindly note that the above ratings are not a recommendation to buy, sell or hold the NCRPS and subscribers should take their own independent decisions. The ratings may be subject to revision or withdrawal at any time by the rating agency and the rating agency has a right to suspend or withdraw the rating(s) at any time on the basis of new information, etc.

**Issue Programme**

|                           |                           |
|---------------------------|---------------------------|
| <b>ISSUE OPENING DATE</b> | <b>SEPTEMBER 26, 2019</b> |
| <b>ISSUE CLOSING DATE</b> | <b>SEPTEMBER 26, 2019</b> |
| <b>PAY IN DATE</b>        | <b>SEPTEMBER 27, 2019</b> |
| <b>DATE OF ALLOTMENT</b>  | <b>SEPTEMBER 27, 2019</b> |

## INFORMATION ABOUT THE COMPANY

(i) **BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE COMPANY AND ITS LINE OF BUSINESS.**

(a) *Overview and Corporate Structure*

We are one of the leading private non-banking financial services companies in India in terms of total loans outstanding, with ₹ 99,121 crore of total loans outstanding as of March 31, 2019. We had ₹ 70,944 crore of average assets under management in our investment management (mutual funds) business as of March 31, 2019 averaged over three months and ₹ 28,164 crore of assets under service in our wealth management business, as of March 31, 2019. Our primary businesses are wholesale finance, housing finance, rural finance, investment management and wealth management.

Our Company is registered with the RBI as a NBFC-CIC-ND-SI and has received a certificate of registration as a core investment company dated September 11, 2013 under Section 45-IA of the Reserve Bank of India Act, 1934, registering the Company as a non-deposit taking, non-banking financial institution, core investment company. The equity shares of our Company are listed on the BSE Limited and National Stock Exchange of India Limited. In April 2016, we streamlined and reorganized our financing businesses under three primary business segments, i.e., wholesale finance, housing finance and rural finance, and re-allocated capital towards these business segments, with return on equity as an important performance metric. Post this reorganization, we have divested or are in the process of running-down certain non-core business assets, i.e. our defocused businesses

Our Promoter, L&T is one of the leading business conglomerates in India, with presence across infrastructure, power, heavy engineering, electrical and automation, hydrocarbons, IT and technology services, financial services, project development, metallurgical and material handling, realty, shipbuilding, construction equipment, machinery and industrial products sectors. L&T entered into the financial services business in 1994. In 2008, our Company was incorporated as a holding company for L&T's financial services businesses and in 2011, our Company became a publicly listed company.

Our network of offices has been established to cater to the business needs of our diverse customer base, which includes individual retail customers as well as large companies, banks, multinational companies and small and medium-enterprises, and to provide them with satisfactory customer service according to their varying requirements.

Our wholesale business initially comprised of infrastructure finance, supply chain finance and structured corporate finance. Earlier in Financial Year 2018-19, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services Ltd ("**Centrum**") by way of a business transfer agreement dated September 4, 2018. The supply chain financing business was effectively transferred to Centrum through a deed of assignment dated December 31, 2018. However, to support the transfer of a large portfolio, our Company in terms of a transition services agreement ("**Transition Services Agreement**") had agreed to provide certain transition support services to Centrum till March 31, 2019, where our Company would assist them with certain portfolio maintenance activities regarding the supply chain financing business transferred to Centrum. This Transition Services Agreement was

effective from December 31, 2018. Additionally, we are in the process of running-down our structured finance and the debt capital market business.

As of March 31, 2019, our total adjusted loans and advances under our wholesale finance business were ₹47,178 crore; with ₹41,017 crore, ₹6,161 crore of adjusted loans and advances under our infrastructure finance, structured corporate finance respectively.

Our housing finance business comprises home loans and loans against property, and real estate finance. As of March 31, 2019, our adjusted total loans and advances under our housing finance business were ₹25,519 crore; with ₹10,492 crore and ₹15,027 crore of adjusted loans and advances under our home loans and loans against property and real estate finance businesses, respectively.

Our rural finance business comprises farm equipment finance, two-wheeler finance and micro loans. As of March 31, 2019, our adjusted total loans and advances under our rural finance business were ₹25,577 crore, with ₹7,362 crore, ₹5,739 crore and ₹12,476 crore of adjusted loans and advances under our farm equipment finance, two-wheeler finance and micro loans businesses, respectively.

Our investment management business had average assets under management of ₹70,944 crore as of March 31, 2019 averaged over three months and our wealth management business had assets under service of ₹28,164 crore as of March 31, 2019.

We have a professional and experienced management team, led by our Managing Director and CEO, which is supported by a capable and motivated pool of employees. Each of our businesses are led by senior executives who are, generally, also responsible for certain organizational functions for our Issuer. Together, they have demonstrated an ability to manage and grow our operations. Our senior managers have diverse experience in various financial services businesses across functions related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately lead and provide guidance to our employees. Our Board, including the independent directors, also has extensive experience in the financial services and banking industries in India. Further, we have instituted several training and mentorship programs for our junior and mid-management employees. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing.

### **Customer Base of Primary Businesses**

*The table below illustrates our key customers for our primary businesses:*

| <b>Business</b>              | <b>Key Customers</b>   |
|------------------------------|--|
| <b>Rural finance</b>         |  |
| Farm equipment finance       | Farmers  |
| Two-wheeler finance          | Salaried and self-employed individuals across all age groups |
| Micro loans                  | Women micro entrepreneurs (through a joint liability group)  |
| <b>Housing finance</b>       |  |
| Home loans and loans against | Self-employed non-professionals and salaried professionals,  |
| Real estate finance          | Real estate developers                                       |

|  |   |
|--|---|
| <b>Infrastructure Finance business</b> |   |
| Infrastructure finance                 | Infrastructure project developers       |
| Structured corporate finance*          | Corporate clients                       |
| <b>Investment management</b>           | Retail and corporate investors          |
| <b>Wealth management**</b>             | High net worth individuals and families |

\* We are in the process of running-down our structured finance business.

\*\* We are in the process of selling our stake in the wealth management business in India to IWFL. For further details, please see the section on “material developments” at page 68 of this Information Memorandum.

### Branches or Units of the Issuer and its Subsidiaries

| Sr. No. | Name of the Entity                                     | Number of Branches |
|---------|--|--------------------|
| 1.      | L&T Finance Holdings Limited                           | 1                  |
| 2.      | L&T Infrastructure Finance Company Limited             | 5                  |
| 3.      | L&T Finance Limited                                    | 220                |
| 4.      | L&T Investment Management Limited                      | 52                 |
| 5.      | L&T Mutual Fund Trustee Limited                        | -                  |
| 6.      | L&T Infra Investment Partners Advisory Private Limited | -                  |
| 7.      | L&T Infra Investment Partners Trustee Private Limited  | -                  |
| 8.      | L&T Infra Debt Fund Limited                            | -                  |
| 9.      | L&T Financial Consultants Limited                      | 2                  |
| 10.     | L&T Housing Finance Limited                            | 31                 |
| 11.     | L&T Capital Markets Limited*                           | 12**               |
| 12.     | Mudit Cement Private Limited                           | -                  |
| 13.     | L&T Capital Markets (Middle East) Limited              | -                  |

\* Our Company has agreed to sell its stake in the wealth management business in India to IWFL. We have executed a share purchase agreement with IWFL on August 28, 2019 for acquisition of 100% shareholding (including shares held by our nominee directors) in our Company’s wholly owned subsidiary, LTCM, which provides wealth management services. IWFL may acquire LTCM solely or jointly with an affiliate company. The transaction is subject to regulatory approvals and the conditions specified in the share purchase agreement. However, we continue to provide wealth management services through our wholly owned subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited).

\*\* One branch of L&T Capital Markets Limited is located at the Dubai International Finance Centre. However, the same is not in operation and is in the process of deregistration.

Our Company is registered with the RBI as a NBFC-CIC-ND-SI conducting business through our wholly-owned Subsidiaries, as detailed below:

|           |   |
|-----------|---|
| <b>I</b>  | <b>Holding Company</b>                                  |
|           | Larsen and Toubro Limited                               |
| <b>II</b> | <b>Subsidiary Companies (“Subsidiaries”)</b>            |
| 1.        | L&T Infrastructure Finance Company Limited              |
| 2.        | L&T Investment Management Limited                       |
| 3.        | L&T Mutual Fund Trustee Limited                         |
| 4.        | L&T Financial Consultants Limited                       |
| 5.        | L&T Housing Finance Limited                             |
| 6.        | L&T Finance Limited                                     |
| 7.        | L&T Capital Markets Limited                             |
| 8.        | L&T Infra Investment Partners Advisory Private Limited* |
| 9.        | L&T Infra Investment Partners Trustee Private Limited*  |
| 10.       | L&T Infra Debt Fund Limited**                           |
| 11.       | Mudit Cement Private Limited                            |
| 12.       | L&T Capital Markets (Middle East) Limited               |
| 13.       | L&T Infra Investment Partners***                        |

- \* indirectly wholly-owned Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 100% of outstanding share capital.
- \*\* indirectly wholly-owned Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 48.36%, L&T Finance Limited holding 28.28% and our Company holding 23.36%, of its outstanding share capital.
- \*\*\* indirect Subsidiary of our Company, with L&T Infrastructure Finance Company Limited holding 54.93% of outstanding share capital.

**(b) Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis**  
**(INR In Crore)**

| Parameters   | March<br>FY19 |
|--|---------------|
|  | IndAS         |
| Networth   | 13,448.60     |
| Non-controlling interest   | 222.26        |
| Total debt   | 91,506.98     |
| Other financial liabilities  | 705.39        |
| Other non-financial liabilities  | 171.87        |
| Net fixed assets   | 527.04        |
| Cash and bank balance  | 1,874.15      |
| Investments  | 8,640.81      |
| Loans  | 91,324.63     |
| Other financial assets   | 250.49        |
| Other non-financial assets   | 3437.98       |
| Interest income  | 11,637.90     |
| Interest expense   | 6,860.03      |
| Impairment on financial instruments  | 700.88        |
| Net loss on fair value changes   | 383.16        |
| Net loss on derecognition of financial instruments under amortised cost category | 384.01        |
| Profit after tax   | 2,226.30      |
| Gross NPA (%) (Consolidated)*  | 6.53          |
| Net NPA (%) (Consolidated)*  | 2.58          |
| Tier I Capital Adequacy Ratio (%)# (Standalone)                                  | 77.88         |
| Tier II Capital Adequacy Ratio (%)# (Standalone)                                 | -             |

\* Stage 3 EAD is considered as NPA.

# Preference share capital is not considered as a part of Tier-II capital as the same is part of borrowings under Ind AS



(INR in crore)

| Parameters   | March FY18 | March FY17 |
|--|------------|------------|
|  | IGAAP      | IGAAP      |
| <b>For Financial Entities</b>                            |            |            |
| Networth   | 12,549.88  | 7,893.94   |
| Preference Share Capital                                 | 1,034.40   | 1,213.40   |
| Total Debt   | 71,577.05  | 59,811.05  |
| Of which – Non Current Maturities of Long Term Borrowing | 51,043.24  | 43,230.35  |
| - Short Term Borrowing                                   | 10,802.96  | 11,764.10  |
| - Current Maturities of Long Term Borrowing              | 9,730.85   | 4,816.61   |
| Net Fixed Assets   | 531.14     | 618.85     |
| Non Current Assets                                       | 65,441.11  | 51,670.35  |
| Non Current Investments                                  | 2,562.81   | 2,176.02   |
| Non Current Liabilities                                  | 706.96     | 998.27     |
| Cash and cash equivalents                                | 1,063.31   | 594.38     |
| Current Investments                                      | 2,280.52   | 3,835.51   |
| Current Assets   | 17,351.68  | 13,618.48  |
| Current Liabilities                                      | 3,239.13   | 2,478.36   |
| Assets under Management                                  | 61,603.00  | 40,775.50  |
| Off Book Assets  | -          | -          |
| Interest Income including other income                   | 10,499.94  | 8,572.31   |
| Interest Expense   | 5,326.11   | 4,627.03   |
| Provisioning & write – offs                              | 1,896.75   | 1,589.90   |
| Profit after tax   | 1,459.49   | 1,042.19   |
| Gross NPA (%)  | 4.80%      | 4.94%      |
| Net NPA (%)  | 2.34%      | 2.89%      |
| Tier I Capital Adequacy Ratio (%)* (Standalone)          | 83.65%     | 62.94%     |
| Tier II Capital Adequacy Ratio (%)* (Standalone)         | 11.42%     | 19.23%     |

\* Preference shares issued by the Company have been calculated as part of the borrowing base.

**(c) Gross Debt: Equity Ratio of the Company on a consolidated basis**

|  |         |
|--|---------|
| Before the issue of non-convertible redeemable preference shares | 6.66% * |
| After the issue of non-convertible redeemable preference shares  | 6.67% * |

\* Preference shares issued by the Company have been calculated as part of the borrowing base.

**(d) Interest coverage ratio for last three years**

(INR in crore)

|               | FY 19     | FY 18    | FY 17    |
|---------------|-----------|----------|----------|
|               | IndAS     | IGAAP    | IGAAP    |
| Cash profit   | 3,749.70* | 3,698.87 | 2,736.82 |
| Interest cost | 6,860.03  | 5,326.10 | 4,627.03 |

|   |          |          |          |
|---|----------|----------|----------|
| Tax expense   | 819.95   | 274.83   | 36.44    |
| Cash profit after tax plus interest paid  | 9,789.78 | 8,750.14 | 7,327.42 |
| <b>Interest Coverage Ratio (Cash profit after tax plus interest paid / Interest paid)</b> | 1.43     | 1.64     | 1.58     |

*\*Cash profit: Profit after Tax+Net loss on fair value changes+Net loss on derecognition of financial instruments under amortised cost category+Impairment on financial instruments*

**(i) BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION**

**(a) Details of the share capital as on 30 June 2019**

*(in INR)*

|   |                 |
|---|-----------------|
| <b>SHARE CAPITAL</b>                                      |                 |
| <b>Authorized Share Capital</b>                           |                 |
| 5,00,00,00,000 equity shares of face value of ₹ 10/- each | 50,00,00,00,000 |
| <b>Issued, Subscribed and Paid-up Share Capital</b>       |                 |
| 1,99,95,34,860 equity shares of face value of ₹10/- each  | 19,99,53,48,600 |
| <b>Size of the Offer</b>                                  | 150,00,00,000*  |
| <b>Paid up Capital of the Issuer after the Issue</b>      |                 |
| 1,99,95,34,860 equity shares of face value of ₹10/- each  | 19,99,53,48,600 |
| <b>SHARE PREMIUM ACCOUNT</b>                              |                 |
| <b>Before the Issue (In Crore)</b>                        | 5,069.68        |
| <b>After the Issue (In Crore)</b>                         | 5,069.68        |

*\*Preference share will be part of liability instead of share capital in accordance with IndAS.*

**(b) Changes in its (authorized) Capital Structure in the last five years upto June 30, 2019**

| <b>Date of Change (AGM/EGM)</b> | <b>Authorised Capital (INR)</b>  | <b>Reason for Change</b>   |
|---------------------------------|--|--|
| March 12, 2013 (Postal Ballot)  | 60,00,00,00,000<br><br>50,00,00,00,000 consisting of 5,00,00,00,000 Equity Shares of face value of ₹ 10 each<br><br>10,00,00,00,000 consisting of 10,00,00,000 Preference Shares of face value of ₹ 100 each | Increase in Authorised Share Capital from ₹ 50,00,00,00,000 to ₹ 60,00,00,00,000 |
| April 4, 2014 (Postal Ballot)   | 80,00,00,00,000<br><br>50,00,00,00,000 consisting of 5,00,00,00,000 Equity Shares of face value of ₹10 each<br><br>30,00,00,00,000 consisting of 30,00,00,000 Preference Shares of face value of ₹ 100 each  | Increase in Authorised Share Capital from ₹ 60,00,00,00,000 to ₹ 80,00,00,00,000 |

| Date of Change (AGM/EGM)                   | Authorised Capital (INR)   | Reason for Change   |
|--|--|---|
| September 8, 2015 (Annual General Meeting) | 1,00,00,00,00,000<br><br>50,00,00,00,000 consisting of 5,00,00,00,00,000 Equity Shares of face value of ₹10 each<br><br>50,00,00,00,000 consisting of 50,00,00,00,000 Preference Shares of face value of ₹100 each | Increase in Authorised Share Capital from ₹80,00,00,00,000 to ₹ 1,00,00,00,00,000 |

**(c) Share Capital History of the Company for the last five years**

**(i) Equity Share Capital History of the Company as on June 30, 2019**

| Date of allotment  | No. of Equity Shares | Face value (INR) | Issue price (INR) | Nature of Allotment                       | Cumulative No. of Equity Shares | Cumulative paid-up share capital (INR) | Cumulative share premium | Consideration | Remarks |
|--------------------|----------------------|------------------|-------------------|---|---------------------------------|--|--------------------------|---------------|---------|
| May 1, 2008        | 50,000               | 10               | 10                | Subscription to Memorandum of Association | 50,000                          | 5,00,000                               | 0                        | Cash          | N/A     |
| January 13, 2009   | 20,00,000            | 10               | 10                | Preferential allotment to L&T             | 20,50,000                       | 2,05,00,000                            | 0                        | Cash          | N/A     |
| April 25, 2009     | 1,07,65,41,591       | 10               | 10                | Preferential allotment to L&T             | 1,07,85,91,591                  | 10,78,59,15,910                        | 0                        | Cash          | N/A     |
| November 18, 2009  | 27,50,00,000         | 10               | 10                | Preferential allotment to L&T             | 1,35,35,91,591                  | 13,53,59,15,910                        | 0                        | Cash          | N/A     |
| September 20, 2010 | 6,34,32,835          | 10               | 67                | Preferential allotment to L&T             | 1,41,70,24,426                  | 14,17,02,44,260                        | 3,61,56,71,595           | Cash          | N/A     |
| July 7, 2011       | 5,77,68,000          | 10               | 55                | Pre-IPO Placement                         | 1,47,47,92,426                  | 14,74,79,24,260                        | 6,21,52,31,595           | Cash          | N/A     |
| July 7, 2011       | 22,32,000            | 10               | 55                | Pre-IPO Placement                         | 1,47,70,24,426                  | 14,77,02,44,260                        | 6,31,56,71,595           | Cash          | N/A     |
| August 6, 2011     | 2,73,30,300          | 10               | 56                | IPO Allotment (Anchor)                    | 1,50,43,54,726                  | 15,04,35,47,260                        | 7,57,28,65,395           | Cash          | N/A     |
| August 6, 2011     | 1,00,00,000          | 10               | 50                | IPO Allotment (Employees)                 | 1,51,43,54,726                  | 15,14,35,47,260                        | 7,97,28,65,395           | Cash          | N/A     |
| August 6, 2011     | 20,03,75,061         | 10               | 52                | IPO Allotment (Public)                    | 1,71,47,29,787                  | 17,14,72,97,870                        | 16,38,86,17,957          | Cash          | N/A     |
| January 25, 2012   | 31,825               | 10               | 44.2              | ESOP                                      | 1,71,47,61,612                  | 17,14,76,16,120                        | 16,38,97,06,372          | Cash          | N/A     |
| October 19, 2012   | 51,913               | 10               | 44.2              | ESOP                                      | 1,71,48,13,525                  | 17,14,81,35,250                        | 16,39,14,81,797          | Cash          | N/A     |
| December 14, 2012  | 13,74,665            | 10               | 44.2              | ESOP                                      | 1,71,61,88,190                  | 17,16,18,81,900                        | 16,43,84,95,340          | Cash          | N/A     |
| January 28, 2013   | 3,65,929             | 10               | 44.2              | ESOP                                      | 1,71,65,54,119                  | 17,16,55,41,190                        | 16,45,10,10,111          | Cash          | N/A     |

| Date of allotment | No. of Equity Shares | Face value (INR) | Issue price (INR) | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative paid-up share capital (INR) | Cumulative share premium | Consideration | Remarks |
|-------------------|----------------------|------------------|-------------------|---------------------|---------------------------------|--|--------------------------|---------------|---------|
| March 21, 2013    | 2,06,413             | 10               | 44.2              | ESOP                | 1,71,67,60,532                  | 17,16,76,05,320                        | 16,45,80,69,436          | Cash          | N/A     |
| April 25, 2013    | 81,831               | 10               | 44.2              | ESOP                | 1,71,68,42,363                  | 17,16,84,23,630                        | 16,46,08,68,056          | Cash          | N/A     |
| July 23, 2013     | 90,699               | 10               | 44.2              | ESOP                | 1,71,69,33,062                  | 17,16,93,30,620                        | 16,46,39,69,962          | Cash          | N/A     |
| October 21, 2013  | 6,64,799             | 10               | 44.2              | ESOP                | 1,71,75,97,861                  | 17,17,59,78,610                        | 16,48,67,06,088          | Cash          | N/A     |
| January 23, 2014  | 8,51,114             | 10               | 44.2              | ESOP                | 1,71,84,48,975                  | 17,18,44,89,750                        | 16,51,58,14,187          | Cash          | N/A     |
| April 23, 2014    | 2,22,845             | 10               | 44.2              | ESOP                | 1,71,86,71,820                  | 17,18,67,18,200                        | 16,52,34,35,486          | Cash          | N/A     |
| July 16, 2014     | 4,49,704             | 10               | 44.2              | ESOP                | 1,71,91,21,524                  | 17,19,12,15,240                        | 16,53,88,15,362          | Cash          | N/A     |
| October 22, 2014  | 3,35,537             | 10               | 44.2              | ESOP                | 1,71,94,57,061                  | 17,19,45,70,610                        | 16,55,02,90,728          | Cash          | N/A     |
| January 21, 2015  | 8,28,839             | 10               | 44.2              | ESOP                | 1,72,02,85,900                  | 17,20,28,59,000                        | 16,57,86,37,022          | Cash          | N/A     |
| April 23, 2015    | 4,13,411             | 10               | 44.2              | ESOP                | 1,72,06,99,311                  | 17,20,69,93,110                        | 16,59,27,75,678          | Cash          | N/A     |
| July 23, 2015     | 365,283              | 10               | 44.2              | ESOP                | 1,721,064,594                   | 17,210,645,940                         | 16,60,52,68,356          | Cash          | N/A     |
| October 21, 2013  | 296,499              | 10               | 44.2              | ESOP                | 1,721,361,093                   | 17,213,610,930                         | 16,61,54,08,622          | Cash          | N/A     |
| January 23, 2014  | 31,836,971           | 10               | 74                | Preferential Issue  | 1,753,198,064                   | 17,531,980,640                         | 18,65,29,74,766          | Cash          | N/A     |
| April 23, 2014    | 200,487              | 10               | 44.2              | ESOP                | 1,753,398,551                   | 17,533,985,510                         | 18,65,98,31,422          | Cash          | N/A     |
| July 16, 2014     | 391,450              | 10               | 44.2              | ESOP                | 1,753,790,001                   | 17,537,900,010                         | 18,67,32,19,012          | Cash          | N/A     |
| October 22, 2014  | 331,524              | 10               | 44.2              | ESOP                | 1,754,121,525                   | 17,541,215,250                         | 18,68,45,57,132          | Cash          | N/A     |
| January 21, 2015  | 825,074              | 10               | 44.20             | ESOP                | 1,754,946,599                   | 17,549,465,990                         | 18,71,27,74,663          | Cash          | N/A     |
| January 24, 2017  | 255,762              | 10               | 44.20             | ESOP – 2010         | 1,755,202,361                   | 17,552,023,610                         | 18,72,15,21,724          | Cash          | N/A     |
|                   | 519,500              | 10               | 67.85             | ESOP – 2013         | 1,755,721,861                   | 17,557,218,610                         | 18,75,15,74,799          | Cash          | N/A     |
| May 4, 2017       | 575,146              | 10               | 44.20             | ESOP – 2010         | 1,756,297,007                   | 17,562,970,070                         | 18,77,12,44,792          | Cash          | N/A     |
|                   | 1,097,000            | 10               | 67.85             | ESOP – 2013         | 1,757,394,007                   | 17,573,940,070                         | 18,83,47,06,242          | Cash          | N/A     |
| May 17, 2017      | 63,820,990           | 10               | 74                | Preferential Issue  | 1,821,214,997                   | 18,212,149,970                         | 22,91,92,49,602          | Cash          | N/A     |
| July 26, 2017     | 198,125              | 10               | 44.20             | ESOP – 2010         | 1,821,413,122                   | 18,214,131,220                         | 22,92,60,25,477          | Cash          | N/A     |

| Date of allotment | No. of Equity Shares | Face value (INR) | Issue price (INR) | Nature of Allotment              | Cumulative No. of Equity Shares | Cumulative paid-up share capital (INR) | Cumulative share premium | Consideration | Remarks |
|-------------------|----------------------|------------------|-------------------|----------------------------------|---------------------------------|--|--------------------------|---------------|---------|
|                   | 299,000              | 10               | 67.85             | ESOP – 2013                      | 1,821,712,122                   | 18,217,121,220                         | 22,94,33,22,627          | Cash          | N/A     |
| October 26, 2017  | 784,462              | 10               | 44.20             | ESOP – 2010                      | 1,822,496,584                   | 18,224,965,840                         | 22,97,01,51,227          | Cash          | N/A     |
|                   | 1,114,500            | 10               | 67.85             | ESOP – 2013                      | 1,823,611,084                   | 18,236,110,840                         | 23,03,46,25,052          | Cash          | N/A     |
| January 25, 2018  | 133,275              | 10               | 44.20             | ESOP – 2010                      | 1,823,744,359                   | 18,237,443,590                         | 23,03,91,83,057          | Cash          | N/A     |
|                   | 1,070,000            | 10               | 67.85             | ESOP – 2013                      | 1,824,814,359                   | 18,248,143,590                         | 23,10,10,82,557          | Cash          | N/A     |
| March 8, 2018     | 107,810,899          | 10               | 185.51            | Preferential allotment to L&T    | 1,932,625,258                   | 19,326,252,580                         | 42,02,29,73,441          | Cash          | N/A     |
| March 15, 2018    | 63,051,702           | 10               | 158.60            | Qualified Institutions Placement | 1,995,676,960                   | 19,956,769,600                         | 51,39,24,56,358          | Cash          | N/A     |
| May 3, 2018       | 27,750               | 10               | 44.20             | ESOP – 2010                      | 1,995,704,710                   | 19,957,047,100                         | 51,39,34,05,408          | Cash          | N/A     |
|                   | 50,000               | 10               | 67.85             | ESOP – 2013                      | 1,995,754,710                   | 19,957,547,100                         | 51,39,62,97,908          | Cash          | N/A     |
| July 19, 2018     | 20,975               | 10               | 44.20             | ESOP – 2010                      | 1,995,775,685                   | 19,957,756,850                         | 51,39,70,15,253          | Cash          | N/A     |
|                   | 60,000               | 10               | 67.85             | ESOP – 2013                      | 1,995,835,685                   | 19,958,356,850                         | 51,40,04,86,253          | Cash          | N/A     |
|                   | 1,214,100            | 10               | 75.35             | ESOP – 2013                      | 1,997,049,785                   | 19,970,497,850                         | 51,47,98,27,688          | Cash          | N/A     |
| October 23, 2018  | 1,39,075             | 10               | 44.20             | ESOP – 2010                      | 1,997,188,860                   | 19,971,888,600                         | 51,48,45,84,053          | Cash          | N/A     |
|                   | 15,000               | 10               | 67.85             | ESOP – 2013                      | 1,997,203,860                   | 19,972,038,600                         | 51,48,54,51,803          | Cash          | N/A     |
|                   | 1,28,000             | 10               | 75.35             | ESOP – 2013                      | 1,997,331,860                   | 19,973,318,600                         | 51,49,38,16,603          | Cash          | N/A     |
| January 21, 2019  | 1,98,000             | 10               | 44.20             | ESOP – 2010                      | 1,997,529,860                   | 19,975,298,600                         | 51,50,05,88,203          | Cash          | N/A     |
|                   | 11,06,000            | 10               | 67.85             | ESOP – 2013                      | 1,998,635,860                   | 19,986,358,600                         | 51,56,45,70,303          | Cash          | N/A     |
|                   | 1,76,500             | 10               | 75.35             | ESOP – 2013                      | 1,998,812,360                   | 19,988,123,600                         | 51,57,61,04,578          | Cash          | N/A     |
| April 26, 2019    | 3,34,500             | 10               | 44.20             | ESOP – 2010                      | 1,999,146,860                   | 19,991,468,600                         | 51,58,75,44,478          | Cash          | N/A     |
|                   | 2,84,000             | 10               | 67.85             | ESOP – 2013                      | 1,999,430,860                   | 19,994,308,600                         | 51,60,39,73,878          | Cash          | N/A     |
|                   | 1,04,000             | 10               | 75.35             | ESOP – 2013                      | 1,999,534,860                   | 19,995,348,600                         | 51,61,07,70,278          | Cash          | N/A     |

**(ii) Preference Share Capital History of the Company as on June 30, 2019**

| Date of allotment | No. of Preference Shares | Face value (INR) | Issue price (INR) | Nature of Allotment | Cumulative No. of Preference Shares | Cumulative paid-up share capital (INR) | Cumulative share premium | Consideration | Remarks |
|-------------------|--------------------------|------------------|-------------------|---------------------|-------------------------------------|--|--------------------------|---------------|---------|
| June 30, 2014     | 2,63,40,000              | 100              | 100               | Private Placement   | 12,63,40,000                        | 12,63,40,00,000                        | NIL                      | Cash          | N/A     |

| Date of allotment | No. of Preference Shares | Face value (INR) | Issue price (INR) | Nature of Allotment | Cumulative No. of Preference Shares | Cumulative paid-up share capital (INR) | Cumulative share premium | Consideration | Remarks |
|-------------------|--------------------------|------------------|-------------------|---------------------|-------------------------------------|--|--------------------------|---------------|---------|
| August 13, 2014   | 1,00,00,000              | 100              | 100               | Private Placement   | 13,63,40,000                        | 13,63,40,00,000                        | NIL                      | Cash          | N/A     |
| May 6, 2015       | 60,00,000                | 100              | 100               | Private Placement   | 196,340,000                         | 19,634,000,000                         | NIL                      | Cash          | N/A     |
| October 12, 2018  | 2,50,00,000              | 100              | 100               | Private Placement   | 221,340,000                         | 22,134,000,000                         | NIL                      | Cash          | N/A     |
| May 17, 2019      | 1,45,40,000              | 100              | 100               | Private Placement   | 235,880,000                         | 23,588,000,000                         | NIL                      | Cash          | N/A     |
| June 03, 2019     | 63,70,000                | 100              | 100               | Private Placement   | 242,250,000                         | 24,225,000,000                         | NIL                      | Cash          | N/A     |

**(d) Details of allotments made by the Company in the last one year**

**(i) Details of allotment of Equity Shares**

| Date of allotment | No. of Equity Shares | Face value (INR) | Issue price (INR) | Reasons for allotment            | Details of Consideration |
|-------------------|----------------------|------------------|-------------------|----------------------------------|--------------------------|
| May 4, 2017       | 575,146              | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 1,097,000            | 10               | 67.85             | ESOP – 2013                      | Cash                     |
| May 17, 2017      | 63,820,990           | 10               | 74.00             | Preferential Issue               | Cash                     |
| July 26, 2017     | 198,125              | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 299,000              | 10               | 67.85             | ESOP – 2013                      | Cash                     |
| October 26, 2017  | 784,462              | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 1,114,500            | 10               | 67.85             | ESOP – 2013                      | Cash                     |
| January 25, 2018  | 133,275              | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 1,070,000            | 10               | 67.85             | ESOP – 2013                      | Cash                     |
| March 8, 2018     | 107,810,899          | 10               | 185.51            | Preferential allotment to L&T    | Cash                     |
| March 15, 2018    | 63,051,702           | 10               | 158.60            | Qualified Institutions Placement | Cash                     |
| May 3, 2018       | 27,750               | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 50,000               | 10               | 67.85             | ESOP – 2013                      | Cash                     |
| July 19, 2018     | 20,975               | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 60,000               | 10               | 67.85             | ESOP – 2013                      | Cash                     |
|                   | 1,214,100            | 10               | 75.35             | ESOP – 2013                      | Cash                     |
| October 23, 2018  | 1,39,075             | 10               | 44.20             | ESOP – 2010                      | Cash                     |
|                   | 15,000               | 10               | 67.85             | ESOP – 2013                      | Cash                     |
|                   | 1,28,000             | 10               | 75.35             | ESOP – 2013                      | Cash                     |

|                  |           |    |       |             |      |
|------------------|-----------|----|-------|-------------|------|
| January 21, 2019 | 1,98,000  | 10 | 44.20 | ESOP – 2010 | Cash |
|                  | 11,06,000 | 10 | 67.85 | ESOP – 2013 | Cash |
|                  | 1,76,500  | 10 | 75.35 | ESOP – 2013 | Cash |
| April 26, 2019   | 3,34,500  | 10 | 44.20 | ESOP – 2010 | Cash |
|                  | 2,84,000  | 10 | 67.85 | ESOP – 2013 | Cash |
|                  | 1,04,000  | 10 | 75.35 | ESOP – 2013 | Cash |
| July 19, 2019    | 14,500    | 10 | 44.20 | ESOP – 2010 | Cash |
|                  | 9,31,100  | 10 | 75.35 | ESOP – 2013 | Cash |

(ii) *Details of allotment of Preference Shares*

| Date of allotment  | No. of Preference Shares | Face value (INR) | Issue price (INR) | Reasons for allotment | Details of Consideration |
|--------------------|--------------------------|------------------|-------------------|-----------------------|--------------------------|
| October 12, 2018   | 2,50,00,000              | 100              | 250,00,00,000     | Private Placement     | Cash                     |
| May 17, 2019       | 14,54,00,000             | 100              | 145,40,00,000     | Private Placement     | Cash                     |
| June 03, 2019      | 63,70,000                | 100              | 63,70,00,000      | Private Placement     | Cash                     |
| September 16, 2019 | 1,00,00,000              | 100              | 100,00,00,000     | Private Placement     | Cash                     |
| September 20, 2019 | 1,50,00,000              | 100              | 150,00,00,000     | Private Placement     | Cash                     |

(e) *Details of any Acquisition or Amalgamation in the last one year*

During the last one year, the Company has not undertaken any acquisition or amalgamation.

(f) *Details of any Reorganization or Reconstruction, in the last one year*

The Company has not undertaken any reorganization or reconstruction in the last one year.

**(ii) DETAILS OF SHAREHOLDING OF THE COMPANY AS ON JUNE 30, 2019**

*(a) Shareholding Pattern of the Company as on June 30, 2019:*

Please refer to **Annexure I**.

*(b) Top Ten Equity Shareholders of the Company as on June 30, 2019:*

| Sr. No. | Name of Shareholders  | Total Number of Equity Shares | % to Equity Capital Shareholding as % of Total No. of Equity Shares |
|---------|---|-------------------------------|---|
| 1.      | Larsen And Toubro Limited   | 1,27,75,20,203                | 63.8909   |
| 2.      | BC Asia Growth Investments  | 6,38,20,990                   | 3.1918  |
| 3.      | Citigroup Global Markets Mauritius Private Limited  | 5,78,69,992                   | 2.8942  |
| 4.      | ICICI Prudential Life Insurance Company Limited   | 5,72,27,275                   | 2.862   |
| 5.      | Smallcap World Fund, Inc  | 3,61,76,853                   | 1.8093  |
| 6.      | Bc Investments Vi Limited   | 3,18,36,971                   | 1.5922  |
| 7.      | East Bridge Capital Master Fund I Ltd   | 1,16,56,026                   | 0.5829  |
| 8.      | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity Fund | 92,96,332                     | 0.4649  |
| 9.      | Vanguard Total International Stock Index Fund   | 79,29,765                     | 0.3966  |
| 10.     | Matthews Emerging Asia Fund   | 75,26,004                     | 0.3764  |
|         | <b>TOTAL</b>  | <b>1,56,08,60,411</b>         | <b>78.0612</b>  |

**(iii) DETAILS REGARDING MANAGEMENT OF THE COMPANY**

**(a) Details of the current Directors of the Company**

| Name & DIN                       | Designation and Occupation                       | Age | Address  | Date of Appointment | Other Directorships   |
|----------------------------------|--|-----|--|---------------------|---|
| Mr. S. V. Haribhakti<br>00007347 | Independent Director<br><br>Chartered Accountant | 63  | 10 &11, Sahil Apartments, 14 Altamount Road, Aairavat Co-operative Housing Society Ltd, Cumbala Hill Mumbai - 400026 | September 25, 2010  | <ul style="list-style-type: none"> <li>• Torrent Pharmaceuticals Ltd</li> <li>• ACC Limited</li> <li>• Ambuja Cements Limited</li> <li>• Blue Star Limited</li> <li>• Bajaj Electricals Limited</li> <li>• Future Lifestyle Fashions Limited</li> <li>• Bennett Coleman and Company Limited</li> <li>• Gaja Trustee Company Private Limited</li> <li>• L&amp;T Mutual Fund Trustee Limited</li> <li>• Mentorcap Management Private Limited</li> <li>• NSDL E-Governance Infrastructure Limited</li> <li>• Intuit Consulting Private Limited</li> <li>• Planet People and Profit Consulting Private Limited</li> <li>• Cloud Infosolutions Private Limited</li> <li>• Epigeneres Biotech Private Limited</li> <li>• Bluevine Technologies Private Limited</li> </ul> |
| Mr. Dinanath Dubhashi            | Managing Director & Chief                        | 53  | 9, Prabhat, PM Road, Vile Parle  | April 14, 2016      | <ul style="list-style-type: none"> <li>• L&amp;T Infra Debt Fund Limited</li> <li>• L&amp;T Housing Finance Limited</li> </ul>  |



| Name & DIN                           | Designation and Occupation  | Age | Address  | Date of Appointment | Other Directorships  |
|--------------------------------------|---|-----|--|---------------------|--|
| 03545900                             | Executive Officer   |     | East, Mumbai 400057  |                     | <ul style="list-style-type: none"> <li>• L&amp;T Finance Limited</li> <li>• L&amp;T Investment Management Limited</li> <li>• L&amp;T Infrastructure Finance Company Limited</li> <li>• L&amp;T Infra Investment Partners Advisory Private Limited</li> <li>• L&amp;T Capital Markets Limited</li> </ul>  |
| Mr. R. Shankar Raman<br><br>00019798 | Non-Executive Director<br><br>Company Executive for Larsen & Toubro Limited and its group companies | 60  | Flat No 123, 12 <sup>th</sup> Floor, Kalpataru Royale, Plot No. 110, Road No. 29, Sion (E), Mumbai 400 022 | May 1, 2008         | <ul style="list-style-type: none"> <li>• Larsen &amp; Toubro Infotech Limited</li> <li>• Larsen and Toubro Limited</li> <li>• L&amp;T Hydrocarbon Engineering Limited</li> <li>• L&amp;T Seawoods Limited</li> <li>• L&amp;T Metro Rail (Hyderabad) Limited</li> <li>• L&amp;T Investment Management Limited</li> <li>• L&amp;T Infrastructure Development Projects Limited</li> <li>• L&amp;T Realty Limited</li> <li>• Mindtree Limited</li> </ul> |
| Mr. P. V. Bhide<br><br>03304262      | Independent Director<br><br>IAS (Retd.)   | 69  | H. No. D – 1/48, 1 <sup>st</sup> Floor, Vasant Vihar, Near D Block Market, Delhi – 110057                  | March 22, 2011      | <ul style="list-style-type: none"> <li>• Glaxosmithkline Pharmaceuticals Limited</li> <li>• Glaxosmithkline Consumer Health Care</li> <li>• Tube Investments of India Limited</li> <li>• NOCIL Limited</li> <li>• Gujarat Borosil Limited</li> <li>• L&amp;T Housing Finance Limited</li> <li>• L&amp;T Finance Limited</li> <li>• A.P.I.D.C. Venture Capital Private Limited</li> <li>• Shiksha Financial Services India Private Limited</li> </ul> |
| Mr. Thomas Mathew T.<br><br>00130282 | Independent Director<br><br>former Managing Director of Life Insurance Corporation of India         | 66  | 19A011, Kohinoor City, Phase-2, Kirol Road, Kurla West Mumbai 400070                                       | July 23, 2015       | <ul style="list-style-type: none"> <li>• L&amp;T Infra Debt Fund Limited</li> <li>• Larsen and Toubro Limited</li> <li>• Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited</li> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>   |
| Ms. Nishi Vasudeva<br><br>03016991   | Independent Director  | 63  | 21 A Land Breeze 52 Pali Hill, Bandra  | June 15, 2017       | <ul style="list-style-type: none"> <li>• L&amp;T Infra Debt Fund Limited</li> <li>• HCL Technologies Limited</li> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>  |

| Name & DIN                      | Designation and Occupation | Age | Address  | Date of Appointment | Other Directorships  |
|---------------------------------|----------------------------|-----|--|---------------------|--|
|                                 |                            |     | Mumbai 400050  |                     | <ul style="list-style-type: none"> <li>Atria Convergence Technologies Limited</li> </ul>   |
| Mr. Pavninder Singh<br>03048302 | Nominee Director           | 42  | 703, Taj Wellington Mews, 33 Nathalal Parekh Marg, Colaba, Mumbai 400001                     | June 15, 2017       | -  |
| Dr. Rajani Gupte<br>03172965    | Independent Director       | 63  | 10, Dream Residency, 128, Anand Park Near Hotel Seasons, Aundh Pune Maharashtra 411007 India | June 28, 2018       | <ul style="list-style-type: none"> <li>L&amp;T Housing Finance Limited</li> <li>L&amp;T Finance Limited</li> <li>National Securities Depository Limited</li> <li>Symbiosis Centre For Entrepreneurship and Innovation</li> </ul>                   |
| Mr. Prabhakar B<br>02101808     | Non-Executive Director     | 66  | 333/13, Halagevader ahalli BEML Layout, V-Stage, Raja Rajeshwari Nagar Bengaluru 560098      | June 28, 2018       | <ul style="list-style-type: none"> <li>The Karnataka Bank Limited</li> <li>Canara HSBC Oriental Bank of Commerce</li> <li>Life Insurance Company Limited</li> <li>ASREC (India) Limited</li> <li>National Securities Depository Limited</li> </ul> |

*None of the above directors appears in RBI defaulter list and/or ECGC defaulter list. For brief particulars of our management, please refer to Annexure E.*

**(b) Details of change in Directors since last three years**

| Name                           | Designation                                 | Date of Appointment | Date of Cessation | DIN      |
|--------------------------------|---|---------------------|-------------------|----------|
| Mr. Pavninder Singh            | Nominee Director                            | June 15, 2017       | -                 | 03048302 |
| Ms. Vaishali Kasture           | Independent Director                        | June 15, 2017       | May 29, 2018      | 01837395 |
| Ms. Nishi Vasudeva             | Independent Director                        | June 15, 2017       | -                 | 03016991 |
| Mr. B. V. Bhargava             | Independent Director                        | April 1, 2014       | August 31, 2017   | 00001823 |
| Mr. Amit Chandra               | Nominee Director                            | December 23, 2015   | June 15, 2017     | 00009797 |
| Mr. Y. M. Deosthalee           | Non-Executive Director and Chairperson      | -                   | May 31, 2017      | 00001698 |
| Ms. Kamakshi Rao               | Independent Director                        | April 1, 2014       | March 21, 2017    | 03631768 |
| Mr. Dinanath Mohandas Dubhashi | Managing Director & Chief Executive Officer | April 14, 2016      | -                 | 03545900 |

| Name                               | Designation              | Date of Appointment | Date of Cessation | DIN      |
|------------------------------------|--------------------------|---------------------|-------------------|----------|
| Mr. N. Sivaraman                   | Whole-time Director      | -                   | April 12, 2016    | 00001747 |
| Mr. Thomas Mathew T                | Independent Director     | July 23, 2015       | -                 | 00130282 |
| Mr. Shailesh Vishnubhai Haribhakti | Independent Director     | April 1, 2014       | -                 | 00007347 |
| Mr. P. V. Bhide                    | Independent Director     | April 1, 2014       | -                 | 03304262 |
| Mr. Harsh Charandas Mariwala       | Independent Director     | April 1, 2014       | April 1, 2019     | 00210342 |
| Mr. R. Shankar Raman               | Non - Executive Director | May 1, 2008         | -                 | 00019798 |
| Dr. Rajani R Gupte                 | Independent Director     | June 28, 2018       | -                 | 03172965 |
| Mr. Prabakar B.                    | Non - Executive Director | June 28, 2018       | -                 | 02101808 |

*(c) Details of change in auditor since the last three years*

| Name                         | Address  | Date of Appointment/ Resignation | Auditor of the Company since (in case of resignation) | Remarks |
|------------------------------|--|----------------------------------|---|---------|
| Deloitte Haskins & Sells LLP | Indiabulls Finance Centre Tower 3, 27 <sup>th</sup> - 32 <sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400013 | August 23, 2016                  | 2016  | -       |
| B. K. Khare & Co.            | 706/708, Sharda Chambers, New Marine Lines, Mumbai - 400 020   | August 23, 2016                  | 2016  | -       |

*(d) Remuneration of directors*

**(Rs. in lakhs)**

| Name of Director                   | FY 20 (details upto August 31, 2019) | FY 19   | FY 18   | FY 17   |
|------------------------------------|--------------------------------------|---------|---------|---------|
| Mr. Dinanath Dubhashi              | 148.79                               | 604.36* | 856.95* | 472.51* |
| Mr. Shailesh Vishnubhai Haribhakti | 3.40                                 | 57.00   | 56.87   | 23.10   |
| Mr. R. Shankar Raman               | -                                    | -       | -       | -       |
| Mr. Pradeep Vasudeo Bhide          | 2.90                                 | 15.75   | 24.60   | 20.35   |
| Mr. Thomas Mathew T.               | 3.10                                 | 19.67   | 25.60   | 15.60   |
| Ms. Nishi Vasudeva                 | 2.10                                 | 15.22   | 11.70   | -       |
| Mr. Pavinder Singh                 | 0.90                                 | 2.50    | 14.85   | -       |
| Dr. Rajani R. Gupte                | -                                    | 7.75    | -       | -       |
| Mr. Prabhakar B.                   | 1.00                                 | 8.00    | -       | -       |

\*includes variable pay paid in the next year

(e) ***Details of Key Managerial Personnel***

| <b>Name</b>           | <b>Designation</b>                          |
|-----------------------|---|
| Mr. Dinanath Dubhashi | Managing Director & Chief Executive Officer |
| Mr. Sachinn Joshi     | Chief Financial Officer                     |
| Ms. Apurva Rathod     | Company Secretary                           |

(f) ***Interest of Directors, Promoter and Key Managerial Personnel in the Issue***

The Promoter, Directors and the Key Managerial Personnel may be regarded as interested in the NCRPS, if any NCRPS, are subscribed by or allotted to them or their relatives or the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

(g) ***Contribution made by the Promoter or the Directors either as part of the Issue or separately in furtherance of the objects of the Issue***

The Promoter and the Directors may contribute to the Issue, to the extent of the NCRPS that are subscribed by or allotted to them.

(iv) **DETAILS OF BORROWINGS OF THE COMPANY, SEGREGATING THE RUPEE DENOMINATED BORROWINGS AND BORROWINGS MADE IN FOREIGN CURRENCY, AS ON JUNE 30, 2019**

1. ***Details of Secured Loan Facilities***

The Company does not have any secured loan facilities as on June 30, 2019.

2. ***Details of Unsecured Loan Facilities***

The Company does not have any unsecured loan facilities as on June 30, 2019 other than as set out in points 5 and 6 below.

3. ***Details of Non Convertible Debentures***

The Company has not issued any non convertible debentures as on June 30, 2019.

4. ***Corporate guarantee issued by the Company***

The Company has not issued any corporate guarantee as of June 30, 2019.

5. ***Details of Commercial Paper outstanding as on June 30, 2019***

| <b>Particulars</b> | <b>Lender Name</b>      | <b>Type of facility/ Instrument</b> | <b>Principal Amount outstanding (INR in Crores)</b> | <b>Repayment Date/ Schedule</b> | <b>Credit Rating</b> | <b>Secured/ Unsecured</b> | <b>Security</b> |
|--------------------|-------------------------|-------------------------------------|---|---------------------------------|----------------------|---------------------------|-----------------|
| Commercial Paper   | Aditya Birla Sunlife MF | Short Term Borrowing – CP           | 300.00  | 03-Aug-19                       | Care A1+<br>ICRA A1+ | Unsecured                 | N.A.            |
| Commercial Paper   | Franklin Templeton MF   | Short Term Borrowing – CP           | 400.00  | 21-Aug-19                       | Care A1+<br>ICRA A1+ | Unsecured                 | N.A.            |

|                  |        |                           |        |           |                      |           |      |
|------------------|--------|---------------------------|--------|-----------|----------------------|-----------|------|
| Commercial Paper | SBI MF | Short Term Borrowing – CP | 150.00 | 24-Jul-19 | Care A1+<br>ICRA A1+ | Unsecured | N.A. |
|------------------|--------|---------------------------|--------|-----------|----------------------|-----------|------|

**6. Details of Rest of the Borrowing as on June 30, 2019 (if any including hybrid debt like FCCB, Optionally Convertible Debentures)**

| Particulars | Lender Name     | Type of facility/ Instrument | Amount sanctioned (INR in Crores) | Lender Name     | Principal Amount outstanding (INR in Crores) | Repayment Date/ Schedule | Credit Rating | Secured/ Unsecured | Security |
|-------------|-----------------|------------------------------|-----------------------------------|-----------------|--|--------------------------|---------------|--------------------|----------|
| Cash Credit | City Union Bank | Cash Credit                  | 5                                 | City Union Bank | 4.99   | 01-Jul-19                | -             | Unsecured          | N.A.     |

**7. Details of default / Delays in payments of statutory dues, interest and principal of any kind of term loans, debt securities, debentures, deposits and other financial indebtedness in the past five years.**

The Company has never defaulted or delayed in payments of statutory dues, interest and principal of any kind of term loans, debt securities, deposits and other financial indebtedness in the last five years.

**8. Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

The Company until date has not issued any debt security for consideration other than cash either at premium or at discount.

**(v) Details of the Promoter of the Company**

**Details of the Promoter holding in the Company as on June 30, 2019**

| Name of the Shareholders | Details of Shares Held |             | Encumbered Shares     |             |
|--------------------------|------------------------|-------------|-----------------------|-------------|
|                          | Number of Shares Held* | % to Equity | Number of Shares Held | % to Equity |
| Larsen & Toubro limited  | 1,27,75,20,203         | 63.8909     | -                     | -           |
| <b>Total</b>             | 1,27,75,20,203         | 63.8909     | -                     | -           |

\*All Shares are held in demat form

**(vi) Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for the last the last three years and summary of auditor qualifications for the last three years, if any.**

The abridged audited consolidated and standalone financial information for last three years is annexed herewith as Annexure B. The auditors have not made any adverse remarks or qualifications on their reports on the financial statements of the Company for the last five years.

**(vii) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.**

The Group has adopted Indian Accounting Standards (“**Ind AS**”) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 from

April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Companies Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (“**RBI**”) and National Housing Bank (“**NHB**”). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

- (viii) Any material event/development or change having implications on the financials/credit quality at the time of Issue which may affect the Issue or the Investor’s decision to invest/continue to invest in the non-convertible redeemable preference shares.**

Except as provided below, to the best of our knowledge there is no material event/development or change at the time of issue or subsequent to the issue which may affect the Issue or the Investor’s decision to invest/continue to invest in the non-convertible redeemable preference shares.

Our Company has agreed to sell its stake in the wealth management business in India to IWFL. We have executed a share purchase agreement with IWFL on August 28, 2019 for acquisition of 100% shareholding (including shares held by our nominee directors) in our Company’s wholly owned subsidiary, LTCM, which provides wealth management services. IWFL may acquire LTCM solely or jointly with an affiliate company. The transaction is subject to regulatory approvals and the conditions specified in the share purchase agreement. However, we continue to provide wealth management services through our wholly owned subsidiary in Dubai, UAE, (L&T Capital Markets (Middle East) Limited).

- (ix) The credit rating letter issued by the rating agencies.**

The credit rating letter issued by CARE dated September 10, 2019 along with the rating rationale is annexed herewith as Annexure A.

- (x) Names of all the recognized stock exchange where the NCRPS are proposed to be listed clearly indicating the designated stock exchange.**

The NCRPS are proposed to be listed on BSE. BSE shall be the designated stock exchange.

- (xi) Details of any litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any Promoter of the Issuer during the last three years immediately preceding the year of the circulation of this Information Memorandum and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.**

Please refer to Annexure J.

- (xii) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of**

issue which may affect the issue or the investor's decision to invest / continue to invest in the non convertible redeemable preference shares.

Apart from the litigations disclosed in Annexure J, there are no material developments/ events that may impact the financials / credit quality of the non convertible redeemable preference shares.

**(xiii) Related party transactions entered during the last three Financial Years**

| Sr. No.  | Nature of Transactions                                 | 2019-18        | 2018-17        | 2017-16        |
|----------|--|----------------|----------------|----------------|
|          |  | (INR in Crore) | (INR in Crore) | (INR in Crore) |
| <b>1</b> | <b>Subscription to Equity shares of</b>                |                |                |                |
|          | L&T Capital Markets Limited                            | -              | -              | 2.00           |
|          | L&T Housing Finance Limited                            | -              | 600.00         | 75.00          |
|          | L&T Infra Debt Fund Limited                            | -              | 16.35          | -              |
|          | L&T Finance Limited                                    | -              | 1,400.00       | -              |
|          | L&T Infrastructure Finance Company Limited             | 1,300.39       | 450.00         | 220.00         |
|          | L&T Access Distribution Services Limited               | -              | -              | 15.35          |
|          | L&T Capital Markets (Middle East) Limited              | 5.41           | -              | -              |
| <b>2</b> | <b>Inter corporate deposits given</b>                  |                |                |                |
|          | L&T Finance Limited                                    | 8,036.51       | 7,421.03       | 7,656.06       |
|          | L&T Infrastructure Finance Company Limited             | 2,754.75       | 4,224.65       | 2,701.35       |
|          | L&T Capital Markets Limited                            | -              | 16.52          | -              |
|          | L&T Access Distribution Services Limited               | -              | -              | 5.81           |
|          | L&T Financial Consultants Limited                      | 371.29         | 392.68         | 381.80         |
|          | L&T Housing Finance Limited                            | 1,917.72       | 2,340.07       | 1,843.25       |
|          | L&T Investment Management Limited                      | 36.22          | -              | -              |
|          | L&T Infra Investment Partners Advisory Private Limited | 0.15           | -              | -              |
|          | L&T Capital Markets (Middle East) Limited              | 15.66          | -              | -              |
| <b>3</b> | <b>Professional fees expense</b>                       |                |                |                |
|          | Larsen & Toubro Limited                                | 0.04           | 0.04           | 0.04           |
| <b>4</b> | <b>Rent and maintenance expenditure</b>                |                |                |                |
|          | L&T Financial Consultants Limited                      | 1.42           | 1.37           | 0.75           |
|          | L&T Finance Limited                                    | -              | -              | 0.08           |
| <b>5</b> | <b>Reimbursement of Expense to</b>                     |                |                |                |
|          | Larsen & Toubro Limited                                | 0.11           | 0.08           | 0.16           |
|          | L&T Finance Limited                                    | -              | -              | 0.09           |
|          | L&T Financial Consultants Limited                      | 0.03           | -              | -              |

|           |   |        |        |        |
|-----------|---|--------|--------|--------|
| <b>6</b>  | <b>Interest income on NCD</b>                         |        |        |        |
|           | L&T Financial Consultants Limited                     | -      | -      | 50.86  |
| <b>7</b>  | <b>Reimbursement of expense from</b>                  |        |        |        |
|           | L&T Infrastructure Finance Company Limited            | -      | 0.08   | -      |
|           | L&T Investment Management Limited                     | -      | 0.08   | -      |
|           | L&T Housing Finance Limited                           | -      | 0.08   | -      |
|           | L&T Capital Markets Limited                           | -      | 0.08   | -      |
|           | L&T Finance Limited                                   | -      | 0.08   | -      |
| <b>8</b>  | <b>ESOP charges recovered</b>                         |        |        |        |
|           | L&T Finance Limited                                   | 25.91  | 15.39  | 0.08   |
|           | L&T Infrastructure Finance Company Limited            | 8.11   | 5.49   | -      |
|           | L&T Housing Finance Limited                           | 1.33   | 0.69   | -      |
|           | L&T Financial Consultants Limited                     | 0.37   | 0.13   | -      |
|           | L&T Infra Debt Fund                                   | 0.38   | 0.13   | -      |
|           | L&T Capital Market Limited                            | 3.51   | 2.35   | -      |
|           | L&T Investment Management Limited                     | 20.88  | 11.57  | -      |
| <b>10</b> | <b>Interest expense on inter corporate borrowings</b> |        |        |        |
|           | L&T Infrastructure Finance Company Limited            | 0.44   | -      | -      |
|           | Larsen & Toubro Limited                               | 17.95  | -      | -      |
|           |   |        |        |        |
| <b>11</b> | <b>Interest Income on Inter Corporate Deposit</b>     |        |        |        |
|           | L&T Finance Limited                                   | 95.08  | 31.29  | 21.49  |
|           | L&T Infrastructure Finance Company Limited            | 4.36   | 6.71   | 3.34   |
|           | L&T Investment Management Limited                     | 0.09   |        |        |
|           | L&T Capital Markets Limited                           | -      | 0.03   | -      |
|           | L&T Housing Finance Limited                           | 3.58   | 2.86   | 5.98   |
|           | L&T Financial Consultants Limited                     | 34.65  | 32.12  | 19.22  |
|           | L&T Infra Investment Partner Advisory Pvt Ltd.        | -      | -      | -      |
|           | L&T Capital Markets (Middle East) Limited             | 0.16   | -      | -      |
| <b>12</b> | <b>Interest Income on NCD</b>                         |        |        |        |
|           | L&T Financial Consultants Limited                     | -      | -      | 0.51   |
| <b>13</b> | <b>Management fees income</b>                         |        |        |        |
|           | L&T Finance Limited                                   | 1.31   | 2.62   | 4.97   |
|           | L&T Infra Debt Fund Limited                           | 0.82   | 0.33   | -      |
|           | L&T Infrastructure Finance Company Limited            | 4.09   | 1.96   | 4.34   |
|           | L&T Investment Management Limited                     | 0.82   | 0.65   | -      |
|           | L&T Capital Markets Limited                           | 0.82   | 0.33   | -      |
|           | L&T Housing Finance Limited                           | 2.45   | 0.65   | 1.27   |
|           | L&T General Insurance Company Limited                 | -      | -      | 1.02   |
| <b>14</b> | <b>Repayment of Security Deposit by</b>               |        |        |        |
|           | L&T Financial Consultants Limited                     | 0.06   | -      | -      |
| <b>15</b> | <b>Dividend income</b>                                |        |        |        |
|           | L&T Finance Limited                                   | 191.90 | -      | 140.33 |
|           | L&T Housing Finance Limited                           | 114.93 | 173.44 | -      |
|           | L&T Infrastructure Finance Company Limited            | -      | 151.54 | 86.00  |
|           | L&T Financial Consultants Limited                     | 6.75   | 52.03  | -      |
|           | L&T Investment Management Limited                     | 30.22  | -      | -      |



|           |  |      |          |      |
|-----------|--|------|----------|------|
| <b>16</b> | <b>Deputation cost recovered</b>                       |      |          |      |
|           | L&T General Insurance Company Limited                  | -    | -        | 1.65 |
| <b>17</b> | <b>Subscription to equity shares of the company by</b> |      |          |      |
|           | Larsen & Toubro Limited                                | -    | 2,000.00 | -    |
| <b>18</b> | <b>Managerial remuneration</b>                         |      |          |      |
|           | Mr. Dinanath Dubhashi                                  | 5.62 | 8.21     | 5.67 |
|           | Mr. Y.M. Deosthalee                                    | -    | -        | 1.58 |

**(xiv) Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company**

No act of material fraud has been committed against the Company in the last three years.

**(xv) List of Authorised Signatories**

Pursuant to the resolution passed by the committee of Directors of the Company at its meeting held on September 24, 2019, certain persons were severally authorized to issue the IM.

**(xvi) Documents Submitted to the Stock Exchange**

The Issuer shall submit the following documents to the Stock Exchange:

- i. Memorandum and Articles of Association and necessary resolution(s) for the allotment of NCRPS;
- ii. Copies of last three years audited annual reports;
- iii. Statement containing particulars of dates of, and parties to all material contracts and agreements;
- iv. Copy of the Board or committee of the Board resolution authorizing the borrowing and its list of authorised signatories.

**DISCLOSURES RELATING TO WILFUL DEFAULT**

| <b>Name of Bank declaring entity to be wilful defaulter</b> | <b>Year in which entity is declared as wilful defaulter</b> | <b>Outstanding amount at the time of declaration</b> | <b>Name of entity declared as wilful defaulter</b> | <b>Steps taken for removal from list of wilful defaulters</b> | <b>Other disclosures</b> | <b>Any other disclosures</b> |
|---|---|--|--|---|--------------------------|------------------------------|
| NIL   | NIL   | NIL  | NIL  | NIL   | NIL                      | NIL                          |

**OTHER DETAILS**

**Capital Redemption Reserve Creation – Relevant Regulations and Applicability**

Adequate capital redemption reserve will be created by the Company, in accordance with applicable statutory provisions.

### **Issue and Instrument Specific Regulations - Relevant Details (Companies Act, RBI guidelines etc.)**

The NCRPS offered are subject to provisions of the Companies Act, SEBI NCRPS Regulations, SEBI LODR Regulations, Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, and rules and regulations made under these enactments.

### **Future Borrowings**

The Company shall be entitled to borrow or raise loans or avail of financial assistance in whatever form as also issue NCRPS, debentures, notes or other securities in any manner with ranking pari passu or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to the NCRPS Holders in this connection.

### **Business Day Convention / Effect of Holidays**

If any of the Dividend Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Dividend Payment Date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the NCRPS. In other words, the subsequent Dividend Payment Date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

If the Redemption Date of the NCRPS falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day, which becomes the new redemption date, along with interest accrued on the NCRPS until but excluding the date of such payment.

### **ADDITIONAL DISCLOSURES**

|      | <b>Particulars</b>   | <b>Disclosures</b>  |
|------|--|---|
| A    | Details of Branches and Units  | Provided in the IM  |
| B    | Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of – |   |
| i)   | statutory dues;  | None  |
| ii)  | debentures and interest thereon;   | None  |
| iii) | deposits and interest thereon; and   | None  |
| iv)  | loan from any bank or financial institution and interest thereon.  | None  |
| C    | Details of default in annual filing of the Company, if any, under the Companies Act, 2013 and the rules made thereunder      | There are no defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder as on date. |
| D    | The change in control, if any, in the Company, that would occur consequent to the private placement                          | N.A.  |
| E    | The number of persons to   | NIL   |

|   |  |   |
|---|--|---|
|   | whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price   |   |
| F | Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects   | Not applicable  |
| G | The details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.   | There are no material orders passed by the regulators, courts and tribunals which impact the going concern status of the Company and its future operations.   |
| H | The pre-issue and post-issue shareholding pattern of the Company   | As provided in Annexure C   |
| I | Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/issue and the effect of such interest in so far as it is different from the interests of other persons.  | None of the directors, promoters or key managerial personnel has financial or material interests in the offer.  |
| J | Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Information Memorandum and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark. | Not applicable  |
| K | The proposed time within which the allotment shall be completed  | On the Date of Allotment  |
| L | Purposes and objects of the offer  | Subject to compliance with Applicable Laws and regulations, the Company intends to use the proceeds for redemption of preference shares, and funding the operations of the Company, including but not limited to, repayment of loans of the Company or to invest in its Subsidiaries in the form of Tier I and Tier II capital to enhance their capital adequacy. |

|   |                                 |  |
|---|---------------------------------|--|
| M | Interim utilisation of proceeds | Pending utilisation of the proceeds towards the objects of the Issue, in the interim, the Company intends to invest in its Subsidiaries in the form of inter-corporate deposits (“ICDs”) or in money market instruments, mutual funds, or deposits with banks/corporates or other securities. Such investments would be in accordance with the investment policies as approved by our Board from time to time and Applicable Laws. |
|---|---------------------------------|--|

## DIVIDEND POLICY

Our Company has adopted dividend distribution policy effective from October 25, 2016. The declaration and payment of dividends, if any, will be recommended by our Board and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The declaration of dividends will be dependent on a number of internal and external factors, including, but not limited to, cash flow required to meet contingencies, borrowings outstanding, present and future capital requirements of the business, funding of business acquisitions, regulatory environment, and past dividend trends. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

At the Eleventh Annual General Meeting of the Company held on July 29, 2019, the Company had declared final dividend of INR 1 per Equity Share of face value INR 10 each. The Company had, on March 26, 2019 also declared interim dividend at the rates mentioned below on Cumulative Compulsorily Redeemable Preference Share of face value INR 100 each:

| <b>Issuance</b> | <b>Rate of Dividend (% per annum)</b> |
|-----------------|---------------------------------------|
| CRPS FY15 A*    | 8.50%                                 |
| CRPS FY15 B**   | 8.35%                                 |
| CRPS FY16       | 8.15%                                 |
| CRPS FY 19 A    | 8.95%                                 |

\* Redeemed on June 28, 2019

\*\* Redeemed on August 13, 2019

The dividend declared by the Company in the last three Financial Years is provided below:

|                               | <b>(INR in crore)</b> |               |               |
|-------------------------------|-----------------------|---------------|---------------|
|                               | <b>FY19</b>           | <b>FY 18</b>  | <b>FY 17</b>  |
| Dividend on Equity Shares     | 200.05                | 199.70        | 145.74        |
| Dividend on Preference Shares | 88.62                 | 93.07         | 106.77        |
| <b>Total Dividend</b>         | <b>288.67</b>         | <b>292.77</b> | <b>252.51</b> |

The Issuer and its subsidiaries have not been prohibited or restricted in payment of dividends by virtue of any default of its contractual obligations or otherwise.

The Company shall pay dividends to the NCRPS Holders in accordance with the terms of this Issue and Applicable Law. In the event the dividend is not paid in a particular year, the same shall be accumulated and paid along with the dividend payout in the next year.

## STATEMENT OF TAX BENEFITS

September 23, 2019

The Board of Directors  
L&T Finance Holdings Limited  
Brindavan, 2nd Floor  
Plot No. 177, C.S.T Road  
Kalina, Santacruz (East)  
Mumbai 400 098

Dear Sirs,

**Sub: Statement of possible special tax benefits available to L&T Finance Holdings Limited and its shareholders in connection with the proposed private placement of listed Cumulative Non-Convertible Redeemable Preference Shares of face value Rs. 100 each (the “Securities”) of aggregate value up to INR 150 Crore, of L&T Finance Holdings Limited (the “Offering” or “Issue”)**

We refer to the proposed Offering by **L&T Finance Holdings Limited** (the “**Company**”) and enclose the Statement of possible special tax benefits available to the Company and its preference shareholders under the Income-tax Act, 1961 (the “**Statement**”) showing the current position of taxation applicable to the Company and its shareholders as per the provisions of the Income Tax Act, 1961 (the “**Act**”) for inclusion in the “Information Memorandum”. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in similar manner in future;
- the conditions prescribed for availing the benefits have been / would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the Statement in the Information Memorandum in connection with the Issue to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and the Registrar of Companies, and any other authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

## **Limitations**

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its reasonable interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This Statement is addressed to you solely for the use of the Company in relation to the Offering and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purpose.

**For**  
**B. K. KHARE & CO.**  
**Chartered Accountants**  
**(Firm's Registration No. 105102W)**

Padmini Khare Kaicker  
Partner  
(Membership No. 044784)

## **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS CUMULATIVE NON-CONVERTIBLE REDEEMABLE PREFERENCE SHAREHOLDERS**

### **UNDER THE INCOME TAX ACT 1961 (“THE ACT”)**

L&T Finance Holdings Limited (“the Company”) is an Indian Company, subject to tax in India. The Company is taxed on its profits and gains. Profits are computed after claiming all applicable exemptions and allowing deductions for all reasonable business expenditure, laid out wholly and exclusively for the purpose of the business, and allowances including depreciation.

The statement of Special Tax Benefits (captured below) is as per the Finance (No. 2) Act, 2019 relevant for the Financial Year 2019-20.

### **I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

Considering the activities and the business of the Company, there are no special benefits available to the Company under the provisions of the Act.

### **II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

There are no special benefits available to the Preference Shareholders under the provisions of the Act.

#### *Notes:*

- a. This statement is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- b. We have not commented on the taxation aspect under any law for the time being in force, as applicable of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.



## TERMS OF THE ISSUE

|   |  |
|---|--|
| Issuer/Company  | L&T Finance Holdings Limited   |
| Date of special resolution passed by the shareholders authorising the Issue | July 29, 2019 at their annual general meeting  |
| Instrument Name   | Rated, listed, cumulative compulsorily redeemable non-convertible preference shares of a face value of INR 100 each (“ <b>NCRPS</b> ”) being issued by the Issuer on a private placement basis   |
| Type of Instrument  | Rated, listed, cumulative, compulsorily redeemable, non-convertible preference shares (“ <b>NCRPS</b> ”)   |
| Nature of Instrument  | <ul style="list-style-type: none"> <li>a) The NCRPS shall not be convertible into equity shares;</li> <li>b) The NCRPS shall be redeemable at the end of the Tenor;</li> <li>c) Dividend on the NCRPS shall be payable on a cumulative basis;</li> <li>d) The NCRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.</li> </ul>         |
| Seniority   | Claims of the NCRPS Holder shall rank senior to claims by any holder of equity shares of the Company and shall rank <i>pari passu</i> with all other preference shares issued by the Company. Claims of the NCRPS Holder shall be subordinate to the both secured and unsecured creditors of the Company.  |
| Mode of Issue   | Private placement  |
| Rating of the instrument  | CARE AAA (RPS); Stable (Triple A (Redeemable Preference Shares); Outlook: Stable) by CARE Ratings Limited (“ <b>CARE</b> ”). Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.  |
| Issue Size  | Up to 50,00,000 NCRPS, aggregating up to INR 50,00,00,000  |
| Option to retain oversubscription   | Up to 100,00,000 NCRPS, aggregating up to INR 100,00,00,000  |
| Objects of the Issue  | Subject to compliance with Applicable Laws and regulations, the Company intends to use the proceeds for redemption of preference shares, repayment of loans of the Company or to invest in its Subsidiaries in the form of Tier I and Tier II capital to enhance their capital adequacy  |
| Interim utilisation of proceeds   | Pending utilisation of the proceeds towards the objects of the Issue, in the interim, the Company intends to invest in its Subsidiaries in the form of inter-corporate deposits (“ <b>ICDs</b> ”) or in money market instruments, mutual funds, or deposits with banks/ corporates or other securities. Such investments would be in accordance with the investment policies as approved by our Board from time to time and Applicable Laws. |

|  |   |   |                           |                        |             |                                |
|--|---|---|---------------------------|------------------------|-------------|--------------------------------|
| Details of Utilization of Proceeds   |   | The Company shall utilize the proceeds of the Issue solely for meeting the objects of the Issue as stated in the Information Memorandum |                           |                        |             |                                |
| Face Value   |   | INR 100 per NCRPS   |                           |                        |             |                                |
| Premium / Discount on Issue  |   | Nil   |                           |                        |             |                                |
| Issue Price  |   | INR 100 per NCRPS   |                           |                        |             |                                |
| Tenor  |   | 1232 days from the Date of Allotment  |                           |                        |             |                                |
| Redemption Date  |   | February 10, 2023   |                           |                        |             |                                |
| Dividend/Dividend Rate   |   | 7.95% per annum   |                           |                        |             |                                |
| Dividend Payment Frequency   |   | First Dividend on 26 <sup>th</sup> March 2020 and thereafter annually and on the maturity/ Redemption Date                              |                           |                        |             |                                |
| Redemption Premium/ Discount   |   | Nil   |                           |                        |             |                                |
| Redemption Price   |   | INR 100 per NCRPS   |                           |                        |             |                                |
| Redemption Amount  |   | INR 100 per NCRPS plus any Dividend accrued but not paid from any previous Dividend Payment Date  |                           |                        |             |                                |
| Put / Call Option  |   | None  |                           |                        |             |                                |
| Put Option Date  |   | Not applicable  |                           |                        |             |                                |
| Put Option Price   |   | Not applicable  |                           |                        |             |                                |
| Put Notification Time  |   | Not applicable  |                           |                        |             |                                |
| Call Option Date   |   | Not applicable  |                           |                        |             |                                |
| Call Option Price  |   | Not applicable  |                           |                        |             |                                |
| Call Notification Time   |   | Not applicable  |                           |                        |             |                                |
| Minimum Application and in multiples thereafter  |   | Rs. 1.00 crore (1,00,000 NCRPS) and in multiples of Rs. 10 lakh (10,000 NCRPS) thereafter   |                           |                        |             |                                |
| Dividend Payment Dates and Redemption Date   |   |   |                           |                        |             |                                |
| Scheduled Dividend Payment Date and Redemption Date  | Modified Dividend Payment Date and Redemption Date as per Business Day Convention | Dividend for the period   |                           | For the Financial Year | No. of Days | Amount payable per NCRPS (Rs.) |
|  |   | From and Including  | Up to and Including       |                        |             |                                |
| Friday, September 27, 2019   | Friday, September 27, 2019  | -   | -                         | -                      | -           | -100                           |
| Thursday, March 26, 2020   | Thursday, March 26, 2020  | Friday September 27, 2019   | Tuesday, March 31, 2020   | 2019-20                | 187         | 4.0619                         |
| Friday, March 26, 2021   | Friday, March 26, 2021  | Wednesday, April 01, 2020   | Wednesday, March 31, 2021 | 2020-21                | 365         | 7.9500                         |
| Saturday, March 26, 2022   | Monday, March 28, 2022  | Thursday, April 01, 2021  | Thursday, March 31, 2022  | 2021-22                | 365         | 7.9500                         |
| Friday, February 10, 2023  | Friday, February 10, 2023   | Friday, April 01, 2022  | Friday, February 10, 2023 | 2022-23                | 315         | 106.8610*                      |
| Notes and Assumptions:<br># The Redemption Date has not been included while calculating number of days in the period Friday, April 1, 2022 and to Friday, February 10, 2023. |   |   |                           |                        |             |                                |

|  |   |
|--|---|
| <p>* Inclusive of the Redemption Amount of Rs. 100 per NCRPS.</p> <p>a. The Dividend amount has been calculated at the rate of 7.95% per annum rounded off to four decimals per NCRPS.</p> <p>b. Pursuant to the “Business Day Convention”, all days (other than Saturdays and Sundays or a Public Holiday in Mumbai) on which the banks are open for business in Mumbai, shall be considered as “Business Days”.</p> <p>c. In accordance with Business Day Convention, (a) if any Dividend Payment Date falls on a day that is not a Business Day, payment shall be made on the immediately succeeding Business Day without any obligation for paying Dividend for the intervening period and (b) if the Redemption Date falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day.</p> <p>d. For the purpose of the above illustration, it has been assumed that only Saturdays and Sundays are non-Business Days. The notified/ gazette/ other bank holidays cannot be ascertained as at the date of this Information Memorandum and therefore their impact has not been captured in the above illustration.</p> |   |
| Change in Tax Laws   | No indemnity in case of change in any tax laws.   |
| Listing  | The NCRPS shall be listed on the BSE Limited. In case delay in listing of NCRPS beyond 20 days from the Deemed Date of Allotment, the Company shall pay an additional interest at the rate of 2.00% per annum over the Rate of Dividend on the Face Value of NCRPS for the defaulting period i.e., the period from expiry of 30 days from the Deemed Date of Allotment until the day prior to the actual listing of NCRPS on the BSE Limited.   |
| Rights of Instrument Holders   | <p>Pursuant to section 47(2) of the Companies Act, 2013, every member of a Company and holding any NCRPS shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to their NCRPS and, any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and their voting right on a poll shall be in proportion to their share in the paid-up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the holders of NCRPS shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the NCRPS.</p> <p>However, in case where the Dividend in respect of NCRPS has not been paid for a period of two years or more, such NCRPS Holders shall have a right to vote on all the resolutions placed before the Company.</p> |
| Mode of Redemption   | In accordance with Section 55 of the Companies Act, 2013  |

|   |   |
|---|---|
| Capital Redemption Reserve  | <p>Pursuant to Section 55 of the Companies Act, 2013, in the event that the Company decides to redeem the NCRPS otherwise than out of proceeds realized from issuance of fresh shares, i.e. out of profits of the Company which would otherwise be available for dividend, the Company shall, out of such profits, transfer a sum equal to the nominal amount of the NCRPS to be redeemed, to the capital redemption reserve account, and the provisions of the Companies Act, 2013, relating to reduction of share capital of the Company shall apply as if the capital redemption reserve account were paid-up share capital of the Company.</p> <p>The capital redemption reserve account may also be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.</p>   |
| Cumulative/ Non-Cumulative  | Cumulative  |
| Discount at which non-convertible redeemable preference share is issued and the effective yield as a result of such discount. | Not applicable  |
| Issuance Mode of the Instrument   | Demat only  |
| Trading Mode of the Instrument  | Demat only  |
| Mode of Payment   | NEFT / RTGS / any other electronic mode / any other permissible mode  |
| Mode of Repayment   | NEFT / RTGS / any other electronic mode / any other permissible mode  |
| Settlement Mode of the Instrument   | <p>a) Payment of Dividend</p> <p>Payment of Dividend on the NCRPS(s) shall be made to those NCRPS Holders whose name(s) appear in the Register of NCRPS Holder(s) (or to the first holder in case of joint holders) as on Record Date fixed by the Company for this purpose and/or as per the list provided by NSDL/ CDSL to the Company of the beneficiaries who hold NCRPS in demat form on such Record Date, and are eligible to receive Dividend.</p> <p>Payment will be made by the Company after verifying the bank details of the Investors by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available, the Company shall make payment of all such amounts by way of cheque(s)/ demand draft(s)/ dividend warrant(s), which will be dispatched to the NCRPS Holder(s) by registered post/ speed post/courier or hand delivery on or before the Dividend Payment Dates at the sole risk of the NCRPS Holders. For holders of NCRPS in demat format, payment of the Dividend shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft.</p> <p>b) Payment on Redemption</p> |

|  |  |
|--|--|
|  | <p>The NCRPS shall be redeemed by the Company, on the Redemption Date. The Company shall pay the principal amount of the NCRPS along with the accrued dividend on the Redemption Date.</p> <p>(a) In case of NCRPS held in physical form, the NCRPS certificate(s), duly discharged by the sole/all the joint holders (signed on the reverse of the NCRPS Certificate(s)) to be surrendered for redemption should be sent by the NCRPS Holder(s) by registered post with acknowledgement due or by hand delivery to the Company or RTA or to such persons at such addresses as may be notified by the Company from time to time at least 15 days prior to the Redemption Date.</p> <p>The Company may, at its discretion, redeem the NCRPS without the requirement of surrendering of the certificates by the NCRPS Holder(s). Redemption Amounts shall be paid to those NCRPS Holders whose names stand in the Register of NCRPS Holders maintained by the Company on the Record Date fixed for the purpose of redemption.</p> <p>Hence, the transferee(s), if any, should ensure deposit of the transfer documents with the Company or RTA before the Record Date. In case the transfer documents are not deposited before the Record Date and the Company dispatches the Redemption Amount to the transferor, claims in respect of the Redemption Amount should be settled amongst the parties inter se and no claim or action shall lie against the Company or the RTA.</p> <p>Further, the Company shall not be required to verify the bank account details of each NCRPS Holder and make payment of Redemption Amount by way of direct credit through ECS, RTGS or NEFT and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft(s) to the first/sole NCRPS Holder. Direct credit or dispatch of cheques/pay order etc., in respect of such payment will be made on the Redemption Date/ or within a period of 30 days from the date of receipt of the duly discharged NCRPS Certificate. The Company's liability to the NCRPS Holder(s) towards all rights including payment or otherwise shall stand extinguished on and from the due date of redemption in all events and on the Company dispatching the Redemption Amount to the NCRPS Holder(s).</p> <p>The Company will not be liable to pay any dividend, interest, income or compensation of any kind beyond the Redemption Date. In case of any delay in surrendering the NCRPS for redemption, the Company will not be liable to pay any dividend, interest, income or compensation of any kind for the late redemption due to such delay.</p> |
|--|--|

|                               |   |
|-------------------------------|---|
|                               | <p>(b) In case of NCRPS held in dematerialized form, no action is required on the part of the NCRPS Holder(s) at the time of redemption of the NCRPS. The Redemption Amount would be paid by cheque to those NCRPS Holder(s) whose name(s) appear on the list of Beneficial Owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of redemption.</p> <p>All such NCRPS will be simultaneously redeemed through appropriate debit corporate action. The Company shall compute the Redemption Amounts to be paid to each of the NCRPS Holders. The Redemption Amount shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft. The cheque/demand draft for the Redemption Amount, will be dispatched by courier or hand delivery or registered post at the address provided in the application or at the address as notified by the NCRPS Holder(s) or at the address with the Depositories' record at the sole risk of the NCRPS Holder. Once the Redemption Amount have been credited to the account of the NCRPS Holder(s) or the cheque/demand draft for the Redemption Amount is dispatched to the NCRPS Holder(s) at the addresses provided or available from the Depositories' record, the Company's liability to redeem the NCRPS on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCRPS(s).</p> |
| Depositories                  | National Securities Depository Limited "NSDL" Central Depository Services (India) Limited "CDSL"  |
| Transferability               | The NCRPS shall be freely transferrable in accordance with Applicable Laws  |
| Business Day Convention       | <ul style="list-style-type: none"> <li>- All days on which the banks are open for business in Mumbai other than a Saturday or a Sunday.</li> <li>- If any Dividend Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day without any obligation for paying interest or Dividend for the intervening period.</li> <li>- If the Redemption Date falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business Day.</li> <li>- In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</li> </ul>  |
| Record Date                   | 15 days prior to each Dividend Payment Date and the Redemption Dates  |
| Interest on Application Money | N.A.  |

|                       |   |
|-----------------------|---|
| Day Count Convention  | <p>“Actual/ Actual” basis</p> <p>All dividend, penal amounts, interest on Application Money, delay or default interest shall be computed on an “actual/actual basis” rounded off to the nearest Rupee. Where the period for which such amounts are to be calculated (start date to end date) includes February 29, dividend shall be computed on 366 days-a-year basis.</p>   |
| Default Interest Rate | <p>In case of default in payment of Dividend and/or principal redemption on the due dates, additional dividend of @ 2% per annum over the Dividend Rate will be payable by the Company for the defaulting period.</p>   |
| Who can apply         | <ul style="list-style-type: none"> <li>(a) Resident individuals</li> <li>(b) Hindu undivided family through its Karta</li> <li>(c) Partnership firms including limited liability partnership firms</li> <li>(d) Scheduled commercial banks</li> <li>(e) Non-banking financial companies</li> <li>(f) Co-operative banks</li> <li>(g) Regional rural banks</li> <li>(h) Mutual funds</li> <li>(i) Companies, bodies corporate, statutory corporations</li> <li>(j) Public financial institutions, as defined in section 2(72) of the Companies Act, 2013</li> <li>(k) Private trusts or public charitable trusts</li> <li>(l) Insurance companies</li> <li>(m) Societies registered under the Societies Registration Act, 1860</li> <li>(n) Provident fund, gratuity fund, superannuation fund and Pension fund</li> </ul> <p>The eligibility of the above classes of investors is subject to compliance with their respective investment norms, eligibility norms and applicable rules, regulations or guidelines laid down by Government of India, RBI or any other statutory body/regulator, from time to time.</p> |
| Who Cannot Apply      | <ul style="list-style-type: none"> <li>(a) Foreign nationals</li> <li>(b) Overseas corporate bodies (OCBs)</li> <li>(c) Any other person restricted by law to apply to an issue of NCRPS or any other instrument of like nature</li> <li>(d) Foreign institutional investors (FIIs)</li> <li>(e) Qualified foreign investors (QFIs)</li> <li>(f) Foreign portfolio investors (FPIs)</li> <li>(g) Long term investors registered with SEBI – sovereign wealth funds (SWFs)</li> <li>(h) Multilateral agencies</li> <li>(i) Non-resident Indians(NRIs)</li> <li>(j) Person resident outside India (as defined in the Foreign Exchange Management Act, 1999)</li> <li>(k) Alternate investment funds</li> <li>(l) Venture capital funds</li> <li>(m) Applicants who are minors unless applying through guardian or trustee</li> </ul> <p>Any application received from the above classes of investors shall be deemed an invalid application and rejected.</p>   |

|  |   |          |                    |
|--|---|----------|--------------------|
| Transaction Documents                      | Private Placement Offer cum Application Letter, Credit Rating together with the rating rationale, Registrar agreement   |          |                    |
| Conditions Precedent to Disbursement       | <ol style="list-style-type: none"> <li>1. Rating letter from CARE not being more than one month old from the Issue Opening Date;</li> <li>2. All corporate and other approvals including but not limited to approvals from the Board or committee of Directors and shareholders of the Company;</li> <li>3. Evidence that the Transaction Documents are valid and subsisting;</li> <li>4. Each of the representations and warranties made by the Company being true and correct; and</li> <li>5. Compliance with all Companies Act, 2013 and rules framed thereunder for issuance of NCRPS.</li> </ol>                |          |                    |
| Conditions Subsequent to Disbursement      | <ol style="list-style-type: none"> <li>1. Credit of demat account(s) of the allottee(s) by number of NCRPS allotted within 2 (two) working days from the Date of Allotment;</li> <li>2. Make payment of the Dividend on the NCRPS on the Dividend Payment Date(s);</li> <li>3. Make payment of the Redemption Amount of the NCRPS on the Redemption Date; and</li> <li>4. Meet compliance with Companies Act, 2013 and rules framed thereunder for issuance of NCRPS.</li> </ol> <p>Besides, the Company shall perform all activities, whether mandatory or otherwise, as mentioned in the Transaction Documents.</p> |          |                    |
| Events of Default                          | Not applicable  |          |                    |
| Provisions related to Cross Default Clause | Not applicable  |          |                    |
| Governing Law and Jurisdiction             | Indian Law and Mumbai   |          |                    |
| Electronic Bidding Mechanism               | The Issue shall be made through EBP as specified by SEBI and the Stock Exchange and applicable for issuance of NCRPS on a private placement basis.  |          |                    |
| Target Issue Schedule                      | Issue Opening Date  | Thursday | September 26, 2019 |
|  | Issue Closing Date  | Thursday | September 26, 2019 |
|  | Pay-In Date   | Friday   | September 27, 2019 |
|  | Date of Allotment   | Friday   | September 27, 2019 |



## **INFORMATION RELATING TO TERMS OF OFFER**

The NCRPS are subject to the provisions of the Companies Act (to the extent in force on the date of this Information Memorandum), the SEBI NCRPS Regulations, the SEBI LODR Regulations, the Memorandum and Articles of Association of the Issuer and the terms of this Information Memorandum.

The Issuer or any of its promoters or directors is not a wilful defaulter as at the date of filing of this Information Memorandum and neither the Issuer or any of its promoters or its directors have been categorized as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

### **Issue Size**

Private placement by the Issuer of listed, cumulative, non-convertible, redeemable preference shares of face value of Rs. 100 each, for an amount of Rs. 50,00,00,000 (Rupees Fifty Crore) (“**Base Issue**”) with an option to retain oversubscription up to Rs. 100,00,00,000 (Rupees One Hundred Crore) (“**Green Shoe Amount**”), together with the “**Base Issue**” aggregating to Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores) shall hereinafter be referred to as the “**Issue**”, on the terms and conditions as set out hereunder.

### **THE NCRPS CAN ONLY BE APPLIED FOR IN DEMATERIALIZED FORMAT.**

### **Applications under Power of Attorney**

In case of an application made under a power of attorney or resolution or authority, a certified true copy thereof along with the memorandum of association and articles and/or bye-laws must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer at its registered office.

### **Who Cannot Apply**

Ineligible Investors are not permitted to apply under this Issue.

### **DISCLAIMER:**

PLEASE NOTE THAT ONLY THOSE IDENTIFIED INVESTORS TO WHOM THIS INFORMATION MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY IDENTIFIED INVESTOR FOR ANY ADDITIONAL DOCUMENTS OR INFORMATION. INVESTMENT BY IDENTIFIED INVESTORS FALLING IN THE CATEGORIES MENTIONED IN THIS INFORMATION MEMORANDUM ARE MERELY INDICATIVE AND THE COMPANY DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES OR REGULATIONS OR GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY IDENTIFIED INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME. NON RESIDENT INDIANS AND OVERSEAS CORPORATE BODIES CANNOT APPLY FOR OR HOLD THESE NCRPS.

### **Governing Law and Provisions**

The NCRPS are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Mumbai (Maharashtra) in India.

### **IMPORTANT:**

**PLEASE NOTE FOR APPLICANTS APPLYING THROUGH ELECTRONIC MODE SUCH AS RTGS, THE NAME OF THE APPLICANT AND THE APPLICATION FORM NUMBER MUST BE INCLUDED IN THE RTGS INSTRUCTION SLIP/INSTRUCTION SLIP FOR TRANSFER OF FUNDS.**

### **Eligibility to effect the Issue**

The Issuer and persons in control of the Issuer have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

### **Minimum Subscription**

As the current issue of NCRPS is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of the Base Issue or a certain percentage of the Base Issue.

### **Underwriting**

The present Issue of NCRPS is on private placement basis and is not underwritten.

### **Registrar and Transfer Agent and Depository Arrangements**

The Issuer has appointed Link Intime India Pvt. Ltd as Registrar and Transfer Agent for the NCRPS. The Issuer has made necessary depository arrangements with NSDL and CDSL issue and holding of NCRPS in dematerialised form. In this context the Issuer has signed two tripartite agreements as set out below:

- Tripartite agreement between the Issuer, Link Intime India Pvt. Ltd and NSDL for offering depository option to Eligible Investors.
- Tripartite agreement between the Issuer, Link Intime India Pvt. Ltd and CDSL for offering depository option to Eligible Investors.

Eligible Investors can hold the NCRPS only in dematerialised form and deal with the same in accordance with the provisions of the Depositories Act. However, pursuant to section 8(1) of the Depositories Act, the Issuer, at the request of the Eligible Investors who wish to hold the NCRPS in physical form, will rematerialize the NCRPS. However, trading in the NCRPS shall be compulsorily in dematerialized form.

### **Fictitious Applications**

Attention of Eligible Investors is specifically drawn to the provisions of section 38(1) of the Companies Act, set out below:

“Any person who: (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (ii) makes or abets making of multiple applications to a

company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 (of the Companies Act, 2013).”

### **Interest on Application Money**

As the Pay-In Date and the Date of Allotment fall on the same date, interest on Application Money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the BSE EBP Guidelines.

### **Tax Benefits**

The NCRPS Holders are advised to consider in their own case, the tax implications in respect of subscription to the NCRPS after consulting their own tax advisor or counsel.

### **Currency of Payment**

All obligations under the NCRPS, are payable in Indian Rupees only.

### **How to Bid**

This IM is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the NCRPS issued by the Issuer. All Eligible Investors are required to register themselves as a one-time exercise (if not already registered) with the BSE EBP Platform for participating in electronic book building mechanism. Eligible Investors should refer the operating guidelines for issuance of securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory know your customer verification process. Eligible Investors should refer to the BSE EBP Guidelines in this respect.

- i. The details of the Issue shall be entered on the BSE EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the BSE EBP Guidelines.
- ii. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the BSE EBP Platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

All Eligible Investors should note that the bidding mechanism for this Issue is a fixed price mechanism.

Some of the key guidelines in terms of the current BSE EBP Guidelines on issuance of securities on private placement basis through an EBP mechanism, are as follows:

#### **(i) Modification of Bid**

Eligible Investors may note that modification of bid is allowed during the bidding period or window. However, in the last 10 minutes of the bidding period or window, revision of bid is only allowed for upward revision of the bid amount placed or to improve the yield by the Eligible Investor.

#### **(ii) Cancellation of Bid**

Eligible Investors may note that cancellation of bid is allowed during the bidding period or

window. However, in the last 10 minutes of the bidding period or window, no cancellation of bids is permitted.

**(iii) Multiple Bids**

Investors are permitted to place multiple bids on the BSE EBP Platform in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

**(iv) Manner of bidding**

The Issue will be through closed bidding on the BSE EBP Platform in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

**(v) Manner of allotment**

The allotment will be done on uniform yield basis in line with the BSE EBP Guidelines and the SEBI EBP Circulars.

**(vi) Manner of settlement**

Settlement of the Issue will be done through ICCL and the account details are given in the section on Payment Mechanism of this Information Memorandum.

**(vii) Settlement cycle**

The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.

**(viii) Offer or Issue of executed PPOAL to successful Eligible Investors**

The PPOAL along with the application form will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form and part B of the PPOAL to the Issuer in order to accept the offer of NCRPS.

No person other than the successful Eligible Investors to whom the PPOAL has been issued by Issuer may apply for the Issue through the PPOAL and any Application Form received from a person other than those specifically addressed will be invalid.

However, Eligible Investors should refer to the BSE EBP Guidelines prevailing on the date of the bid.

**Documents to be provided by Eligible Investors at the time of application**

In order to be able to bid under the BSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to know your customer) in accordance with the BSE EBP Guidelines or Applicable Law. The Issuer is entitled at any time to require an Eligible Investor to provide any know your customer or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with Applicable Laws.

**Bids by the Arranger**

The Arranger as authorized on BSE EBP Platform by the Issuer is allowed to bid on a proprietary, client and consolidated basis. At the time of bidding, the Arranger is required to disclose the following details to the BSE EBP Platform:

- (i) Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.
- (ii) For consolidated bids, the Arranger shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.
- (iii) For bids entered on behalf of Eligible Investors, the Arranger shall disclose the following:
  - (a) Names of such Eligible Investors;
  - (b) Category of the Eligible Investors (i.e. QIB or non-QIB); and
  - (c) Quantum of bid of each Eligible Investor.

Provided that the Arranger shall not allowed to bid on behalf of any Eligible Investor if the bid amount exceeds 5% (five per cent.) of the Issue size or ₹15,00,00,000 (Rupees Fifteen Crores Only), whichever is lower (or such revised limits as may be specified in the BSE EBP Guidelines from time to time).

### **Withdrawal of Issue**

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- (i) Non receipt of bids up-to the Issue size;
- (ii) The bidder has defaulted on payment towards the allotment, within the stipulated time frame, due with which the Issuer is unable to fulfil the Issue size;
- (iii) The cut-off yield entered by the bidder is higher than the estimated cut-off yield disclosed to the EBP.

Provided that the Issuer shall accept or withdraw the Issue of the EBP within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date.

However, Eligible Investors should also refer to the SEBI EBP Circulars read with the BSE EBP Guidelines, as prevailing on the date of the bid.

### **Basis of Allocation or Allotment**

Allocation shall be made as approved by the Issuer in accordance with applicable SEBI regulations, BSE EBP Guidelines, and Applicable Laws.

Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP Platform. Post receipt of details of the successful Eligible Investors, the Issuer will upload the final allocation file on the BSE EBP Platform.

### **Acknowledgements**

No separate receipts will be provided by the Issuer for the Application Money.

### **Payment Mechanism**

Payment of subscription money for the NCRPS should be made by the successful Eligible Investor as notified by the Issuer (to whom the Issuer has issued given the offer by issue of PPOAL).

Successful Eligible Investors should do the funds pay-in to the following bank account of ICCL (“**Designated Bank Account**”):

*Bank:* HDFC BANK

*Beneficiary Name:* INDIAN CLEARING CORPORATION LTD

*Account Number:* ICCLEB

*IFSC Code:* HDFC0000060

*Mode:* NEFT/RTGS

The Designated Bank Account information shall be displayed in the front end of BSE EBP Platform and the same shall also be available in the obligation file downloaded to Eligible Investors.

Successful Eligible Investors must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“**Pay-in Time**”). Successful Eligible Investors should ensure to make payment of the subscription amount for the NCRPS from their same bank account which is updated by them in the BSE EBP Platform while placing the bids. In case of mismatch in the bank account details between BSE EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

**Note:** In case of failure of any successful bidders to complete the subscription amount payments by the Pay-in Time or the funds are not received in the ICCL’s Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue the NCRPS to such successful bidders.

Subscription monies will be paid out from the ICCL Designated Bank Account to the Issuer’s account. The transfer will be done in accordance with the procedure prescribed by the SEBI EBP Circulars and the BSE EBP Guidelines.

### **Settlement Process**

Upon final allocation by the Issuer, the Issuer or the Registrar and Transfer Agent on behalf of the Issuer shall instruct the Depositories on the Pay-in Date, and the Depositories shall accordingly credit the allocated NCRPS to the demat account of the successful Eligible Investor.

The Issuer shall give the instruction to the Registrar and Transfer Agent for crediting the NCRPS by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to ICCL the transfer of NCRPS in the demat account(s) of the successful Eligible Investors.

### **Post-Allocation Disclosures by the EBP**

Upon final allocation by the Issuer, the Issuer shall disclose the Issue size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the SEBI EBP Circulars and BSE EBP Guidelines. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

### **Date of Allotment**

All benefits relating to the NCRPS will be available to the Eligible Investor(s) from the Date of Allotment. The actual allotment of NCRPS may take place on a date other than the Date of Allotment.

The Issuer reserves the right to modify allotment date or Date of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date is changed (pre-poned or postponed), the Date of Allotment may also be changed (pre-poned or postponed) by the Issuer at its sole and absolute discretion.

### **Allotments or Refunds**

Allotment of the NCRPS shall be made in dematerialized form to the demat accounts in accordance with the details provided in the Application Form. Pending allotment, all monies received for subscription of the NCRPS shall be kept by the Issuer and be utilized only for the purposes permitted under this Information Memorandum. In case no demat details are provided in the Application Form or such details are incomplete or insufficient, the Issuer reserves the right to hold the Application Money until such details are provided accurately.

In case the Issuer has received money from applicants for NCRPS in excess of the aggregate of the Application Money relating to the NCRPS in respect of which allotments have been made, the RTA shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

If any application is rejected in full, the whole of the Application Money received, and if the application is rejected in part, the excess Application Money, after adjustment of allotment money if any, will be refunded to the applicants in its bank account mentioned with depositories. In the event the RTA is unable to retrieve the applicant's bank account details from the depositories or is unable to credit the amount to the applicant's bank account as above, the Issuer shall make the refund to the applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft/pay order/bankers cheques or such other similar mode shall be dispatched by registered post/speed post.

However, the Issuer shall not be liable to pay any interest on any Application Monies or refunds, except as required by Applicable Law.

In terms of Section 42(6) of the Companies Act, if the NCRPS is not allotted within 60 days from the date of receipt of the payments from the applicants, the Issuer shall repay such monies to the applicants within 15 days from the date of completion of the aforesaid 60 days. If the Issuer fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% per annum from the expiry of the sixtieth day. The NCRPS will be allotted within 2 working days from the Date of Allotment to the relevant demat account of each allottee in accordance with the SEBI LODR Regulations and the SEBI NCRPS Regulations.

### **Force Majeure**

The Issuer reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the Issue schedule.

### **Right to Accept or Reject Applications**

The Issuer reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected applicant will be intimated along with the refund warrant, if applicable. No interest on Application Money will be paid on rejected applications. The Application Form that is not complete in all respects is liable to be rejected and would not be paid any interest on the Application Money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of NCRPS applied for is less than the minimum application size;
- b. Applications are not duly signed by the sole/joint applicants;
- c. The amount paid does not tally with the NCRPS applied by the Eligible Investor;
- d. An application is made by a person other than an Eligible Investor;
- e. PAN or GIR and IT Circle or Ward or District not given;
- f. Application exceeding the size of the Issue;
- g. Applications by persons/entities who have been debarred from accessing the capital markets by the SEBI;
- h. Applications by persons who are not eligible to apply to this Issue;
- i. Applicant's details are not provided in the Application Form;
- j. Bank account details not given, or are incomplete, or inadequate;
- k. Relevant documents not submitted in cases where the application is under a power of attorney or by limited companies, corporate, trust etc.;
- l. Application Forms are not accompanied by UTR confirmation for receipt or payment of Application Money.
- m. The subscription amount is paid in any other manner than as mentioned in this IM;
- n. Complete demat details not provided or is incorrect or inadequate; and
- o. Application forms are incomplete in any respect.

For further instructions regarding the application for the NCRPS, Eligible Investors are requested to read the instructions provided in the Application Form.

In the event, if any NCRPS applied for is or are not allotted in full, the excess application monies of such NCRPS will be refunded, as may be permitted.

### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a bank or by a magistrate or notary public under his or her official seal.

### **Nomination Facility**

Nomination facility is available as per provisions under Companies Act 2013.

### **Terms of Redemption**

The NCRPS shall be redeemed in accordance with Section 55 of the Companies Act, 2013.

### **Dematerialisation**

The Company is issuing the NCRPS only in the dematerialized form and hence there is no physical holding of the NCRPS being issued in terms of the Information Memorandum. The Company undertakes that it shall use a common form/ procedure for transfer of the NCRPS issued under the terms of the Information Memorandum, if at a later stage there is some holding in the physical form due to the Depository giving the re-materialisation option to any investor.

### **Payment of Dividend**

Payment of dividend on the NCRPS(s) will be made to those of the NCRPS Holders whose name(s) appear in the Register of NCRPS Holder(s) (or to the first holder in case of joint holders) as on the



Record Date fixed by the Company for this purpose and/or as per the list provided by NSDL / CDSL to the Company of the Beneficial Owners who hold NCRPS in demat form on such Record Date, and are eligible to receive dividend. Payment will be made by the Company after verifying the bank details of the Investors by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/dividend warrant(s), which will be dispatched to the NCRPS Holder(s) by registered post/ speed post/courier or hand delivery on or before the Dividend Payment Dates at the sole risk of the NCRPS Holder. For holders of NCRPS in demat format, payment of dividend shall be directly credited through ECS, RTGS or NEFT to the bank account available from the Depositories' record and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/demand draft.

### **Computation of dividend**

Dividend for each of the dividend periods, shall be computed on the face value of the NCRPS at the rate specified in this IM.

### **Record Date**

The Record Date for payment of dividend or redemption of principal will be 15 calendar days prior to each Dividend Payment Date or the Redemption Date.

### **Payment of Redemption**

The NCRPS shall be redeemed by the Company, on the Redemption Date. The Company shall pay the principal amount of the NCRPS along with the accrued dividend on the Redemption Date.

### **Buy-Back of NCRPS**

Subject to the provisions of the Companies Act and other applicable regulatory provisions, if any, the Company may from time to time buyback the NCRPS(s) at a discount, at par, or at a premium.

### **Rights of NCRPS Holders**

The NCRPS Holders shall have such rights as specified in the Articles and the Companies Act. In pursuance of sub-section (2) of section 47 of the Companies Act every member of a Company and holding any NCRPS shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his NCRPS and, any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the holders of NCRPS shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the NCRPS. However, in case where the dividend in respect of the NCRPS have not been paid for a period of two years or more, such holder(s) of NCRPS shall have a right to vote on all the resolutions placed before the Company.

### **Modification of Rights**

The rights, privileges, terms and conditions attached to the NCRPS may be varied, modified or abrogated in accordance with the provisions of the Companies Act.

## **Mode of Transfer / Transmission of NCRPS**

The NCRPS issued under the IM shall be transferable freely to all classes of Eligible Participants. The NCRPS(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act. The provisions relating to transfer and transmission and other related matters in respect of shares of the Company contained in the Articles of the Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable to NCRPS) to the NCRPS as well. In respect of the NCRPS held in certificate form, a suitable instrument of transfer as may be prescribed by the Company may be used for the same. The NCRPS held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/DP of the transferor/transferee and any other Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, dividend will be paid/redemption will be made to the person, whose name appears in the Register of NCRPS Holders/records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company. The Company confirms that the forms of transfer as set out hereinabove are common forms of transfer as applicable to all NCRPS issued by the Company. Transfer cannot be made to the following persons, as the same is prohibited by Applicable Law:

- (a) Overseas Corporate Bodies (OCBs);
- (b) Any other person restricted by law to hold the NCRPS or any other instrument of like nature; and
- (c) “Person Resident Outside India” As such term is defined in the Foreign Exchange Management Act, 1999

## **Succession**

Where NCRPS are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the holder(s) of the said NCRPS. It would be sufficient for the Company to delete the name of the deceased NCRPS Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on the Company to register his name as successor of the deceased holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCRPS.

In the event of demise of the sole/first holder of the NCRPS(s), the Company will recognize the Executors or Administrator of the deceased NCRPS Holder, or the holder of the Succession Certificate or other legal representative as having title to the NCRPS only if such executor or administrator obtains and produces Probate or Letter of Administration or is the holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate Court in India. The Directors of the Company in their absolute discretion may, in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation.

## **Register of NCRPS Holders**

Register of NCRPS Holders means the register maintained by the Registrar and Transfer Agent and/or the Company.

## **Sharing of Information**

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the NCRPS Holders available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory

bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

### **Notices**

All notices to the NCRPS Holder(s) required to be given by the Company shall have and shall be deemed to have been given if sent by ordinary post or by e-mail to the original sole/first allottees of the NCRPS(s) or if notification and mandate has been received by the Company, pursuant to the provisions contained herein above, to the sole/first transferees. All notices to be given by the NCRPS Holder(s), including notices referred to under "Payment of Dividend" and "Redemption" shall be sent by Registered Post/Courier or by e-mail(s) or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time.

### **Obligations of Investors**

Notwithstanding anything contained hereinabove, every potential investor of the NCRPS must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this IM prior to investing in the NCRPS.

As a NCRPS Holder, every initial investor undertakes by virtue of this IM, that if the initial investor as the NCRPS Holder sells the NCRPS to subsequent investors, the initial investor as the NCRPS Holder shall ensure that such subsequent investors receive from the NCRPS Holder, a copy of this IM, and shall sell the NCRPS to a subsequent investor only if such subsequent investor has read, understood and accepted all the terms and conditions referred to above and is an investor who falls within the specified categories. Any such subsequent investor shall be deemed to have read, understood and accepted the terms and conditions in the documents referred to above prior to investing in the NCRPS.

Any person selling these NCRPS would be responsible for ensuring full and prior disclosure of the terms and conditions of the NCRPS to the person(s) to whom they are selling these NCRPS and shall sell the NCRPS only if the subsequent investor has read, understood and accepted all the terms and conditions. The Company would presume full knowledge of the contents of this IM and a full understanding of the NCRPS, their nature and the applicable terms and conditions on the part of any person holding/buying these NCRPS, and no claim to the contrary shall be entertained.

### **Undertaking by the Company**

The Company undertakes that:

- (a) it shall attend to the complaints received in respect of the Issue expeditiously and satisfactorily;
- (b) the funds required for making refunds, if any, shall be made available on time; and
- (c) that necessary co-operation shall be extended to credit rating agency in providing true and adequate information till the debt obligations in respect of the instruments are outstanding.

## **REGULATIONS AND POLICIES**

The regulations set out below are not exhaustive and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice in relation to the NCRPS. Laws applicable to the Company in general have not been included below. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

### ***Regulations relating to the NCRPS***

#### ***Issuance and Redemption***

The provisions of Section 55 of the Companies Act govern the issuance of NCRPS and the redemption of the NCRPS is subject to the conditions set out in the proviso to Section 55 of the Companies Act.

#### ***Payment of Dividends***

Dividends payable by the Company in respect of the NCRPS for any particular year shall be paid or declared only out of the profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) and shall be subject to the provisions of section 123 of the Companies Act and the Articles of Association of the Company. Further any dividend payout is subject to a dividend distribution tax (to the account of the Company) at the then prevailing rate on the dividend declared, distributed or paid as per the Applicable Law.

#### ***Voting Rights***

The NCRPS carry no voting rights other than in respect of matters directly affecting the rights attached to the NCRPS and resolutions in relation to winding up of the Company or for the repayment or reduction of the Company's preference share capital. In the event any due and payable dividends remain unpaid for a period 2 years prior to the start of any general meeting of the equity shareholders then the NCRPS Holders shall have voting rights in respect of all matters placed before the Company at a general meeting of its shareholders in accordance with the provisions of section 47 of the Companies Act and the Articles of Association of the Company.

#### ***Liquidation Preference***

The NCRPS shall, on a winding up or repayment of capital, carry a preferential right vis-à-vis equity shareholders to be repaid the amount of capital paid up and shall include any unpaid dividends and any fixed premium (if applicable) in accordance with the provisions of the Companies Act and the Articles of Association.

## **INSPECTION OF DOCUMENTS**

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated May 1, 2008.
3. Certificate of Registration no. N-13.01925 dated March 31, 2009 issued by RBI, under Section 45-IA of the Reserve Bank of India Act, 1934.
4. Certificate of Registration (CIC) No. N-13.02052 dated September 11, 2013 issued by RBI, under Section 45-IA of the Reserve Bank of India, 1934.
5. Certified true copy of resolution passed by the Board of Directors on March 19, 2019 approving the private placement of NCRPS on a private placement basis, as provided in Annexure F.
6. Certified true copy of the resolutions passed by the committee of Directors at its meeting held on September 24, 2019, according approval for issue of NCRPS on a private placement basis, and authorizing finalization and adoption of this IM as provided in Annexure G.
7. Certified true copy of the shareholder's resolution passed in the eleventh annual general meeting held on July 29, 2019 approving the private placement of NCRPS, as provided in Annexure H.
8. Annual Reports of the Company for last three Financial Years.
9. Copy of letter dated September 10, 2019 received from CARE granting credit rating to the NCRPS issued in pursuance of this IM.
10. Copies of the agreements executed with NSDL and CDSL.

The above material documents and contracts were available for inspection between 9.30 a.m. and 5.00 p.m. on all working days, except holidays in Mumbai, till the Issue Closing Date, at the Administrative Office of the Company mentioned below:

L&T Finance Holdings Limited  
Brindavan, Plot No. 177,  
CST Road, Kalina,  
Santacruz (East)  
Mumbai 98  
Tel: +91 22 6212 5000; Fax: +91 22 6212 5553

### **Confidentiality**

The information and data contained herein is submitted to each recipient of this IM on a strictly private and confidential basis. By accepting a copy of this IM, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This IM must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or disclosure, the recipient of this IM breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

## DECLARATION

I am authorized by the committee of Directors vide resolution dated September 24, 2019 read with the resolution of the Board of the Company dated March 19, 2019, to sign this Information Memorandum and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Information Memorandum.

**Signed:**

*Yashash*  
*TS*  
*ch*  
  
**Dinanath Dubhashi**  
**Managing Director & Chief Executive Officer**

Place: Mumbai  
Date: September 24, 2019

## ANNEXURE A

### Rating Letter from CARE



CARE/HO/RL/2019-20/2575

Mr. Sachinn Joshi,  
Group CFO,  
L&T Finance Holdings Ltd.  
L&T Financial Services Group,  
2nd Floor, Brindavan Bldg,  
Plot no.177, Kalina,  
Santacruz (East), Mumbai - 400098

September 10, 2019

Confidential

Dear Sir,

**Credit Rating for Non-Convertible Debentures and Compulsorily Redeemable Non-Convertible Cumulative Preference Shares**

Please refer to our letter dated August 14, 2019, and your request for revalidation of the rating assigned to the Non-Convertible Debentures and Compulsorily Redeemable Non-Convertible Cumulative Preference Shares of your company, our Rating Committee has reviewed the following rating:

| Instrument   | Amount<br>(Rs. crore)   | Amount O/s as on<br>Aug 31, 2019<br>(Rs. Crore)                                    | Rating <sup>1</sup>  | Rating Action |
|--|---|--|--|---------------|
| Non-convertible<br>Debenture   | 1,000.00  | Nil  | CARE AAA; Stable<br>(Triple A;<br>Outlook: Stable)   | Reaffirmed    |
| Compulsorily<br>Redeemable Non-<br>Convertible Cumulative<br>Preference Shares | 2,271.00  | 1,059.10   | CARE AAA (RPS);<br>Stable<br>(Triple A<br>(Redeemable<br>Preference Shares);<br>Outlook: Stable) | Reaffirmed    |
| Total  | 3,271.00<br>(Rupees Three<br>thousand two<br>hundred seventy one<br>crore only) | 1,059.10<br>(Rupees One<br>thousand and fifty<br>nine crore and ten<br>lakhs only) |  |               |

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

2. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
3. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture trustee/IPA | Details of top 10 Investors |
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
7. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

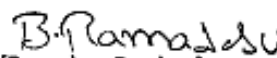


[Shailee Sanghvi]

Analyst

[shailee.sanghvi@careratings.com](mailto:shailee.sanghvi@careratings.com)

Yours faithfully,



[Ramadasu Bandaru]

Associate Director

[ramadasu.bandaru@careratings.com](mailto:ramadasu.bandaru@careratings.com)

Encl.: As above

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CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

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4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
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**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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**CARE Ratings Limited**

(Formerly known as Credit Analysis & Research Limited)

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457 • [www.careratings.com](http://www.careratings.com) • CIN-L67190MH1993PLC071691

## ANNEXURE B

**Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for the last three years and summary of auditor qualifications for the last three years, if any**

**DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Indiabulls Finance Centre, Tower 3  
27th – 32nd Floor, Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai 400013.

**B. K. KHARE & CO.**  
Chartered Accountants  
706/708,  
Sharda Chambers  
New Marine Lines  
Mumbai 400004.

**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
L&T FINANCE HOLDINGS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **L&T FINANCE HOLDINGS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

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4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the subsidiaries referred to in paragraph 5 below, the Statement:

a. includes the results of the following entities:

| <b>Sr. No.</b> | <b>Name of the Company</b>   | <b>Nature of relationship</b> |
|----------------|--|-------------------------------|
| 1              | L&T Finance Limited  | Subsidiary                    |
| 2              | L&T Infrastructure Finance Company Limited                               | Subsidiary                    |
| 3              | L&T Housing Finance Limited  | Subsidiary                    |
| 4              | L&T Infra Debt Fund Limited  | Subsidiary                    |
| 5              | L&T Infra Investment Partners Advisory Private Limited                   | Subsidiary                    |
| 6              | L&T Infra Investment Partners Trustee Private Limited                    | Subsidiary                    |
| 7              | L&T Investment Management Limited  | Subsidiary                    |
| 8              | L&T Mutual Fund Trustee Limited  | Subsidiary                    |
| 9              | L&T Capital Markets Limited  | Subsidiary                    |
| 10             | L&T Financial Consultants Limited  | Subsidiary                    |
| 11             | Mudit Cement Private Limited   | Subsidiary                    |
| 12             | L&T Infra Investment Partners  | Subsidiary                    |
| 13             | L&T Capital Market (Middle East) Limited (with effect from July 1, 2018) | Subsidiary                    |

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended March 31, 2019.
5. We did not audit the financial statements / financial information of 7 subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of ₹1,238.80 crore as at March 31, 2019, total revenues of ₹797.41 crore, total net profit after tax of ₹122.31 crore and total comprehensive income of ₹122.22 crore for the year ended on that date, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

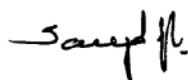
*h. mu*

6. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
7. The comparative financial information for the quarter and year ended March 31, 2018 in respect of 7 subsidiaries, prepared in accordance with the Ind AS and included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors. Our report is not modified in respect of this matter.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

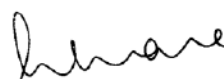


*vw* Sanjiv V. Pilgaonkar  
(Partner)  
(Membership No. 39826)  
Mumbai, April 28, 2019

**For B. K. KHARE & CO.**

Chartered Accountants

(Firm's Registration No. 105102W)



Padmini Khare Kaicker  
(Partner)  
(Membership No. 044784)  
Mumbai, April 28, 2019

**L&T FINANCE HOLDINGS LIMITED**  
CIN: L67120MH2008PLC181833  
Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India  
Website: www.lfhs.com Email: igrc@lfhs.com Phone: +91 22 6212 5000 Fax: +91 22 6621 7509

(₹ in Crore)

| STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019 |   |                               |                                  |                               |                             |                             |
|---|---|-------------------------------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Sr. No.   | Particulars   | Quarter ended                 |                                  |                               | Year ended                  |                             |
|   |   | March 31, 2019<br>(Unaudited) | December 31, 2018<br>(Unaudited) | March 31, 2018<br>(Unaudited) | March 31, 2019<br>(Audited) | March 31, 2018<br>(Audited) |
|   | <b>Revenue from operations</b>  |                               |                                  |                               |                             |                             |
| (i)   | Interest income   | 3,058.32                      | 3,084.08                         | 2,437.30                      | 11,637.90                   | 8,869.22                    |
| (ii)  | Dividend income   | 0.02                          | 0.17                             | -                             | 0.21                        | 0.78                        |
| (iii)   | Rental income   | 3.98                          | 4.30                             | 8.25                          | 18.84                       | 37.23                       |
| (iv)  | Fees and commission income  | 234.37                        | 246.42                           | 327.66                        | 1,277.11                    | 1,219.92                    |
| (v)   | Net gain on fair value changes  | 7.54                          | 27.93                            | (32.61)                       | 55.66                       | 35.58                       |
| (I)   | <b>Total revenue from operations</b>  | <b>3,304.23</b>               | <b>3,362.90</b>                  | <b>2,740.60</b>               | <b>12,989.72</b>            | <b>10,212.73</b>            |
| (II)  | Other income  | 79.69                         | 89.34                            | 22.11                         | 311.80                      | 53.53                       |
| (III)   | <b>Total income (I+II)</b>  | <b>3,383.92</b>               | <b>3,452.24</b>                  | <b>2,762.71</b>               | <b>13,301.52</b>            | <b>10,266.26</b>            |
|   | <b>Expenses</b>   |                               |                                  |                               |                             |                             |
| (i)   | Finance costs   | 1,832.50                      | 1,865.93                         | 1,463.05                      | 6,860.03                    | 5,449.24                    |
| (ii)  | Fees and commission expenses  | -                             | 38.59                            | 127.75                        | 325.71                      | 395.12                      |
| (iii)   | Net loss on fair value changes  | 132.27                        | 28.13                            | 13.98                         | 383.16                      | 36.60                       |
| (iv)  | Net loss on derecognition of financial instruments under amortised cost category            | 85.78                         | 54.32                            | 74.64                         | 384.01                      | 529.76                      |
| (v)   | Impairment on financial instruments   | 151.58                        | 267.47                           | 413.28                        | 700.88                      | 1,318.16                    |
| (vi)  | Employer benefits expense   | 215.76                        | 229.89                           | 122.07                        | 824.73                      | 408.70                      |
| (vii)   | Depreciation, amortisation and impairment   | 13.86                         | 12.34                            | 13.19                         | 49.62                       | 51.93                       |
| (viii)  | Other expenses  | 202.81                        | 179.76                           | 163.57                        | 721.40                      | 530.99                      |
| (IV)  | <b>Total expenses</b>   | <b>2,634.56</b>               | <b>2,676.43</b>                  | <b>2,396.53</b>               | <b>10,249.54</b>            | <b>8,810.50</b>             |
| (V)   | <b>Profit before exceptional items and tax (III-IV)</b>                                     | <b>749.36</b>                 | <b>775.81</b>                    | <b>366.18</b>                 | <b>3,051.98</b>             | <b>1,445.76</b>             |
| (VI)  | Exceptional items   | -                             | -                                | -                             | -                           | -                           |
| (VII)   | <b>Profit before tax (V-VI)</b>   | <b>749.36</b>                 | <b>775.81</b>                    | <b>366.18</b>                 | <b>3,051.98</b>             | <b>1,445.76</b>             |
| (VIII)  | Tax expense:  |                               |                                  |                               |                             |                             |
| (1)   | Current tax   | 263.56                        | 241.04                           | 241.35                        | 749.49                      | 518.38                      |
| (2)   | Deferred tax  | (66.32)                       | (46.19)                          | (163.24)                      | 70.46                       | (362.22)                    |
| (3)   | Short/(Excess) provision relating to earlier years  | -                             | -                                | 18.07                         | -                           | 11.98                       |
| (IX)  | <b>Net profit after tax (VII-VIII)</b>  | <b>552.12</b>                 | <b>580.96</b>                    | <b>270.90</b>                 | <b>2,232.03</b>             | <b>1,277.52</b>             |
| (X)   | Add: Share in profit of associate company   | -                             | -                                | (1.51)                        | -                           | 0.53                        |
| (XI)  | <b>Net profit after tax and share in profit of associate company (IX+X)</b>                 | <b>552.12</b>                 | <b>580.96</b>                    | <b>268.49</b>                 | <b>2,232.03</b>             | <b>1,278.35</b>             |
|   | <b>Profit/(loss) for the period attributable to:</b>  |                               |                                  |                               |                             |                             |
|   | Owners of the company   | 547.58                        | 579.93                           | 282.07                        | 2,226.30                    | 1,254.68                    |
|   | Non-controlling interest  | 4.54                          | 1.03                             | (13.58)                       | 5.73                        | 23.67                       |
| (XII)   | <b>Other comprehensive income</b>   | <b>(34.47)</b>                | <b>61.98</b>                     | <b>(4.86)</b>                 | <b>(2.41)</b>               | <b>(4.99)</b>               |
|   | <b>A (i) Items that will not be reclassified to profit or loss</b>                          |                               |                                  |                               |                             |                             |
|   | (a) Remeasurements of the defined benefit plans (net of tax)                                | (0.89)                        | (1.22)                           | (0.35)                        | (1.50)                      | (0.94)                      |
|   | (b) Exchange differences in translating the financial statements of foreign operations, net | (0.23)                        | -                                | -                             | (0.23)                      | -                           |
|   | <b>B (i) Items that may be reclassified to profit or loss</b>                               |                               |                                  |                               |                             |                             |
|   | (a) Debt instruments through other comprehensive income (net of tax)                        | (33.35)                       | 63.20                            | (4.51)                        | (0.68)                      | (4.02)                      |
|   | (b) The effective portion of gains and loss on hedging instruments in a cash flow hedge     | -                             | -                                | -                             | -                           | (0.03)                      |
|   | <b>Other comprehensive income for the period attributable to:</b>                           |                               |                                  |                               |                             |                             |
|   | Owners of the company   | (34.47)                       | 61.98                            | (4.86)                        | (2.41)                      | (4.99)                      |
|   | Non-controlling interest  | -                             | -                                | -                             | -                           | -                           |
| (XIII)  | <b>Total comprehensive income (XI+XII)</b>  | <b>517.65</b>                 | <b>642.94</b>                    | <b>263.63</b>                 | <b>2,229.62</b>             | <b>1,273.36</b>             |
|   | <b>Total comprehensive income for the period attributable to:</b>                           |                               |                                  |                               |                             |                             |
|   | Owners of the company   | 513.11                        | 641.91                           | 277.21                        | 2,223.89                    | 1,249.69                    |
|   | Non-controlling interest  | 4.54                          | 1.03                             | (13.58)                       | 5.73                        | 23.67                       |
| (XIV)   | <b>Paid-up equity share capital (face value of ₹ 10 each) (Refer note 5)</b>                | <b>1,998.81</b>               | <b>1,997.33</b>                  | <b>1,995.67</b>               | <b>1,998.81</b>             | <b>1,995.67</b>             |
| (XV)  | <b>Other equity</b>   |                               |                                  |                               | <b>11,449.79</b>            | <b>9,411.07</b>             |
| (XVI)   | <b>Earnings per share (*not annualised): (Refer note 5)</b>                                 |                               |                                  |                               |                             |                             |
| (a)   | Basic (₹)   | *2.74                         | *2.90                            | *1.51                         | 11.15                       | 6.88                        |
| (b)   | Diluted (₹)   | *2.73                         | *2.89                            | *1.50                         | 11.10                       | 6.81                        |

Notes:

**1 Consolidated Statement of Assets and Liabilities as at March 31, 2019**

| Particulars   | (₹ in Crore)                         |                                      |
|---|--------------------------------------|--------------------------------------|
|   | As at<br>March 31, 2019<br>(Audited) | As at<br>March 31, 2018<br>(Audited) |
| <b>ASSETS:</b>  |                                      |                                      |
| <b>(1) Financial assets:</b>  |                                      |                                      |
| (a) Cash and cash equivalents   | 1,826.65                             | 1,049.39                             |
| (b) Bank balance other than (a) above   | 47.50                                | 59.14                                |
| (c) Derivative financial instruments  | 7.20                                 | -                                    |
| (d) Receivables   |                                      |                                      |
| (i) Trade Receivables   | 106.37                               | 126.44                               |
| (ii) Other Receivables  | 10.63                                | 3.33                                 |
| (e) Loans   | 91,324.63                            | 77,088.34                            |
| (f) Investments   | 8,640.81                             | 5,301.49                             |
| (g) Other financial assets  | 126.29                               | 73.66                                |
| <b>(2) Non-financial assets</b>   |                                      |                                      |
| (a) Current tax assets (net)  | 642.97                               | 593.37                               |
| (b) Deferred tax Assets (net)   | 1,777.15                             | 1,846.40                             |
| (c) Investment property   | 367.66                               | 395.11                               |
| (d) Property, plant and equipment   | 67.69                                | 97.03                                |
| (e) Capital work-in-progress  | -                                    | 0.14                                 |
| (f) Intangible assets under development   | 35.65                                | 19.20                                |
| (g) Goodwill  | 638.91                               | 635.91                               |
| (h) Other intangible assets   | 53.04                                | 19.65                                |
| (i) Other non-financial assets  | 378.93                               | 462.36                               |
| <b>TOTAL - ASSETS</b>   | <b>1,06,055.10</b>                   | <b>87,776.98</b>                     |
| <b>LIABILITIES AND EQUITY:</b>  |                                      |                                      |
| <b>LIABILITIES</b>  |                                      |                                      |
| <b>(1) Financial liabilities</b>  |                                      |                                      |
| (a) Derivative financial instruments  | -                                    | 0.10                                 |
| (b) Trade payables  |                                      |                                      |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                                    | -                                    |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 120.05                               | 168.43                               |
| (c) 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 | 16.12                                | 16.62                                |
| (d) Debt securities   | 51,208.31                            | 40,946.13                            |
| (e) Borrowings (Other than debt securities)   | 35,785.15                            | 29,853.50                            |
| (f) Subordinated liabilities  | 4,453.52                             | 4,398.65                             |
| (g) Other financial liabilities   | 569.22                               | 520.17                               |
| <b>(2) Non financial liabilities</b>  |                                      |                                      |
| (a) Current tax liabilities (net)   | 33.51                                | 30.03                                |
| (b) Provisions  | 42.04                                | 27.57                                |
| (c) Deferred tax liabilities (net)  | 5.19                                 | 4.56                                 |
| (d) Other non-financial liabilities   | 91.13                                | 121.00                               |
| <b>(3) EQUITY</b>   |                                      |                                      |
| (a) Equity share capital  | 1,998.81                             | 1,995.67                             |
| (b) Other equity  | 11,419.79                            | 9,411.07                             |
| (4) Non-controlling interest  | 222.26                               | 223.48                               |
| <b>TOTAL - LIABILITIES AND EQUITY</b>   | <b>1,06,055.10</b>                   | <b>87,776.98</b>                     |

2 The Group has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) and National Housing Bank (NHB) (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

3 The results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 28, 2019. The Joint Statutory Auditors of the Company have carried out audit of the aforesaid results.

4 The Company reports quarterly financial results of the group on a consolidated basis, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 5, 2016. The standalone financial results are available on the website of the Company at [www.lifs.com](http://www.lifs.com), the website of BSE Limited ("BSE") at [www.bseindia.com](http://www.bseindia.com) and on the website of National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter and year ended March 31, 2019 are given below:

| Particulars                  | Quarter ended  |                   |                | Year months ended |                |
|------------------------------|----------------|-------------------|----------------|-------------------|----------------|
|                              | March 31, 2019 | December 31, 2018 | March 31, 2018 | March 31, 2019    | March 31, 2018 |
|                              | (Unaudited)    | (Unaudited)       | (Unaudited)    | (Audited)         | (Audited)      |
| Total income from operations | 310.55         | 62.55             | 402.22         | 526.48            | 477.82         |
| Profit/(loss) before tax     | 260.27         | (5.23)            | 353.86         | 304.03            | 292.70         |
| Profit/(loss) after tax      | 227.26         | (4.24)            | 321.63         | 267.06            | 266.05         |
| Total comprehensive income   | 226.65         | (4.26)            | 322.38         | 266.74            | 266.67         |

5 The Company, during the quarter and year ended March 31, 2019 has allotted 1,480,500 and 3,135,400 equity shares of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).

6 (a) During the year ended March 31, 2019, the Company has paid dividend of ₹ 78.61 crore (including Dividend Distribution Tax of ₹ 2.19 crore) on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid.

(b) During the year ended March 31, 2019, 9.00% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 250 crore have been redeemed and 8.95% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 250 crore have been issued. The Company has paid final dividend of ₹ 12.21 crore on Redeemed Preference Shares during the year.

7 On April 25, 2019, L&T Infra Debt Fund Limited, a subsidiary of L&T Finance Holdings Limited, has entered into a commitment for upto 25.1% minority equity investment from Apis Growth Fund II, for an all-cash consideration of upto US\$ 110 million which is subject to customary post-closing adjustments.

8 As on March 31, 2019, the Company's exposure as senior secured financial creditor to certain infrastructure special purpose entities of IL&FS Group are in the Stage 1 category and within the "Standard" classification of RBI's Prudential Norms. However, pending resolution of the plan submitted by the IL&FS Board to the NCLAT, recognition of interest of ₹ 84 crores on these loans between 1st October, 2018 and the year end has been deferred.

9 The figures for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of full financial year and the year to date figure up to nine months of current financial year.

10 The Board of Directors have recommended a final dividend of ₹ 1 per Equity Share of ₹ 10 each (previous year ₹ 1 per share) subject to approval of shareholders in forthcoming Annual General Meeting.

11 Consolidated segment wise revenue, result, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

| Sr. No.   | Particulars   | Quarter ended      |                    |                  | Year ended         |                  |
|---|---|--------------------|--------------------|------------------|--------------------|------------------|
|   |   | March 31, 2019     | December 31, 2018  | March 31, 2018   | March 31, 2019     | March 31, 2018   |
|   |   | (Unaudited)        | (Unaudited)        | (Unaudited)      | (Audited)          | (Audited)        |
|   | <b>Gross segment revenue from continuing operations</b> |                    |                    |                  |                    |                  |
| (a)   | Rural business  | 1,126.44           | 1,127.08           | 694.22           | 4,064.15           | 2,304.87         |
| (b)   | Housing business  | \$72.91            | 767.09             | 749.91           | 3,013.71           | 2,129.75         |
| (c)   | Wholesale business                                      | 1,174.79           | 1,304.87           | 1,093.00         | 5,063.93           | 4,308.38         |
| (d)   | Defocused business                                      | 18.06              | 26.15              | 37.81            | 116.02             | 222.22           |
| (e)   | Others  | 444.54             | 210.59             | 610.73           | 1,303.01           | 1,329.43         |
|   | <b>Segment revenue from continuing operations</b>       | <b>3,636.74</b>    | <b>3,435.78</b>    | <b>3,185.67</b>  | <b>13,565.85</b>   | <b>10,794.65</b> |
|   | Less: Inter segment revenue                             | (332.51)           | (72.83)            | (445.07)         | (576.13)           | (581.92)         |
|   | <b>Revenue as per the statement of profit and loss</b>  | <b>3,304.23</b>    | <b>3,362.90</b>    | <b>2,740.60</b>  | <b>12,989.72</b>   | <b>10,212.73</b> |
|   | <b>Segment result (Profit/loss) before tax</b>          |                    |                    |                  |                    |                  |
| (a)   | Rural business  | 328.15             | 300.27             | 232.20           | 1,151.50           | 744.76           |
| (b)   | Housing business  | 322.23             | 268.30             | 224.62           | 1,084.10           | 720.97           |
| (c)   | Wholesale business                                      | 166.45             | 200.46             | 46.99            | 912.20             | 294.52           |
| (d)   | Defocused business                                      | (104.34)           | (43.99)            | (111.57)         | (243.45)           | (394.42)         |
| (e)   | Others  | 36.87              | 50.77              | (26.06)          | 147.63             | 82.93            |
|   | <b>Profit before tax</b>                                | <b>749.36</b>      | <b>775.81</b>      | <b>366.18</b>    | <b>3,051.98</b>    | <b>1,445.76</b>  |
|   | <b>Segment assets</b>                                   |                    |                    |                  |                    |                  |
| (a)   | Rural business  | 25,517.39          | 24,759.02          | 16,527.68        | 25,517.39          | 16,527.68        |
| (b)   | Housing business  | 27,575.72          | 24,517.02          | 19,785.70        | 27,575.72          | 19,785.70        |
| (c)   | Wholesale business                                      | 48,173.25          | 47,688.35          | 46,180.28        | 48,173.25          | 46,180.28        |
| (d)   | Defocused business                                      | 628.20             | 837.90             | 1,187.35         | 628.20             | 1,187.35         |
| (e)   | Others  | 11,650.33          | 11,168.70          | 10,784.20        | 11,650.33          | 10,784.20        |
|   | <b>Sub total</b>  | <b>1,13,544.89</b> | <b>1,08,971.08</b> | <b>94,465.21</b> | <b>1,13,544.89</b> | <b>94,465.21</b> |
|   | Less: Inter segment assets                              | (9,909.91)         | (9,423.98)         | (9,128.00)       | (9,909.91)         | (9,128.00)       |
|   | <b>Segment assets</b>                                   | <b>1,03,634.98</b> | <b>99,547.10</b>   | <b>85,337.21</b> | <b>1,03,634.98</b> | <b>85,337.21</b> |
| (f)   | Unallocated   | 2,420.12           | 2,336.05           | 2,439.77         | 2,420.12           | 2,439.77         |
|   | <b>Total assets</b>                                     | <b>1,06,055.10</b> | <b>1,01,883.15</b> | <b>87,776.98</b> | <b>1,06,055.10</b> | <b>87,776.98</b> |
|   | <b>Segment liabilities</b>                              |                    |                    |                  |                    |                  |
| (a)   | Rural business  | 22,181.29          | 21,356.38          | 14,342.06        | 22,181.29          | 14,342.06        |
| (b)   | Housing business  | 24,321.31          | 21,673.33          | 17,583.87        | 24,321.31          | 17,583.87        |
| (c)   | Wholesale business                                      | 43,447.79          | 43,128.29          | 42,444.11        | 43,447.79          | 42,444.11        |
| (d)   | Defocused business                                      | 548.24             | 726.01             | 1,030.33         | 548.24             | 1,030.33         |
| (e)   | Others  | 2,800.57           | 2,533.85           | 2,131.82         | 2,800.57           | 2,131.82         |
|   | <b>Sub total</b>  | <b>93,299.20</b>   | <b>89,419.86</b>   | <b>77,532.19</b> | <b>93,299.20</b>   | <b>77,532.19</b> |
|   | Less: Inter segment liabilities                         | (731.40)           | (592.69)           | (1,196.34)       | (731.40)           | (1,196.34)       |
|   | <b>Segment liabilities</b>                              | <b>92,567.80</b>   | <b>88,827.17</b>   | <b>76,335.85</b> | <b>92,567.80</b>   | <b>76,335.85</b> |
| (f)   | Unallocated   | 38.70              | 74.64              | 34.59            | 38.70              | 34.59            |
|   | <b>Total liabilities</b>                                | <b>92,606.50</b>   | <b>88,901.81</b>   | <b>76,370.24</b> | <b>92,606.50</b>   | <b>76,370.24</b> |
| (i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.  |   |                    |                    |                  |                    |                  |
| (ii) Segment composition:<br>Rural Business comprises of Farm Equipment Finance, Two Wheeler Finance and Micro Loans.<br>Housing Business comprises of Home Loans, Loan against Property and Real Estate Finance.<br>Wholesale Business comprises of Infrastructure Finance and Structured Corporate Loans.<br>Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.<br>Others comprises of Asset Management, Wealth Management etc.<br>Unallocated represents tax assets and tax liabilities. |   |                    |                    |                  |                    |                  |

12 (i) Reconciliation of net profit after tax between Previous GAAP and Ind AS for the quarter and year ended March 31, 2018

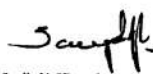
| Sr. No. | Particulars  | Quarter ended  |                | Year ended     |                 |
|---------|--|----------------|----------------|----------------|-----------------|
|         |  | March 31, 2018 | March 31, 2018 | March 31, 2018 | March 31, 2018  |
|         |  | (Unaudited)    | (Unaudited)    | (Audited)      | (Audited)       |
|         | <b>Net profit after tax as per previous GAAP</b>   |                | 406.00         |                | 1,459.48        |
| (a)     | Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual               |                | 26.49          |                | 7.37            |
| (b)     | Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value  |                | (8.18)         |                | (20.63)         |
| (c)     | Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution  |                | (92.99)        |                | (94.02)         |
| (d)     | Incremental provision on application on expected credit loss model   |                | (81.91)        |                | (388.86)        |
| (e)     | Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account |                | (27.50)        |                | (113.13)        |
| (f)     | Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings                           |                | -              |                | 162.53          |
| (g)     | Impact of consolidation of a fund on evaluation of control as per Ind AS 110   |                | (32.13)        |                | 21.82           |
| (h)     | Interest income recognition on stage 3 loans   |                | 36.55          |                | 145.69          |
| (i)     | Derecognition of deferred tax liability on special reserve   |                | 11.60          |                | 11.60           |
| (j)     | Others   |                | 0.82           |                | 1.57            |
| (k)     | Deferred taxes   |                | 49.41          |                | 96.93           |
|         | <b>Net profit after tax as per Ind AS</b>  |                | <b>268.49</b>  |                | <b>1,278.35</b> |
|         | Other comprehensive income (net of tax) attributable to owners of the Company  |                | (4.56)         |                | (4.99)          |
|         | <b>Total comprehensive income as per Ind AS</b>  |                | <b>263.93</b>  |                | <b>1,273.36</b> |

(ii) Reconciliation of equity as reported under previous GAAP and IndAS as at March 31, 2018 and as at April 1, 2017

| Sr. No. | Particulars  | [₹ in Crore]                         |                                     |
|---------|--|--------------------------------------|-------------------------------------|
|         |  | As at<br>March 31, 2018<br>(Audited) | As at<br>April 1, 2017<br>(Audited) |
|         | <b>Equity as per previous GAAP</b>   | 13,584.28                            | 9,107.34                            |
| (a)     | Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual               | (100.46)                             | (107.53)                            |
| (b)     | Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution  | 205.49                               | 291.79                              |
| (c)     | Incremental provision on application on expected credit loss model   | (2,521.09)                           | (2,132.23)                          |
| (d)     | Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account | 35.79                                | 42.71                               |
| (e)     | Impact of consolidation of a fund on evaluation of control as per Ind AS 110   | (2.04)                               | 0.17                                |
| (f)     | Interest income recognition on stage 3 loans   | 449.61                               | 305.92                              |
| (g)     | Redeemable preference capital classified as liability  | (1,054.40)                           | (1,213.40)                          |
| (h)     | Derogation of deferred tax liability on special reserve  | 32.62                                | 21.02                               |
| (i)     | Others   | 0.24                                 | (0.68)                              |
| (j)     | Deferred taxes   | 756.70                               | 660.71                              |
|         | <b>Equity as per Ind AS</b>  | <b>11,406.74</b>                     | <b>6,973.52</b>                     |

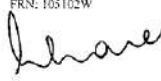
13. The previous year/periods Previous GAAP figures have been regrouped/re-classified wherever necessary to make them comparable with IndAS presentation.

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

  
**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : April 28, 2019

In terms of our report attached,  
**For B. K. KHARE & CO.**  
Chartered Accountants  
FRN: 105102W

  
**Padmini Khare Kaicker**  
Partner  
Membership no. 044784

Place : Mumbai  
Date : April 28, 2019

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

  
**Dinanath Dubhashi**  
Managing Director & Chief Executive Officer  
(DIN : 03545900)

Place : Mumbai  
Date : April 28, 2019



**DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Indiabulls Finance Centre, Tower 3  
27th – 32nd Floor, Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai 400013.

**B. K. KHARE & CO.**  
Chartered Accountants  
706/708, Sharda Chambers  
New Marine Lines  
Mumbai 400004.

## Independent Auditors' Report

### To The Members of L&T Finance Holdings Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **L&T Finance Holdings Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to

provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

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

| Key Audit Matter  | Auditor's Response  |
|---|---|
| Impairment of Investments The impairment review of unquoted equity instruments in subsidiaries, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override.   | Principal audit procedures performed: <ul style="list-style-type: none"><li>• Benchmarking assumptions: Comparing the Company's assumptions to externally derived data in relation to key inputs such as long-term growth rates and discount rates.</li><li>• Our experience: Assessing the appropriateness of the forecasted cash flows within the budgeted period based on our understanding of the business and sector experience.</li><li>• Sensitivity analysis: Performing sensitivity analysis in relation to the key assumptions.</li></ul> |
| The carrying value of such unquoted equity instruments is at risk of recoverability. The net worth of the underlying entity has significantly eroded. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows and there is limited headroom available. |   |



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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company

or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Other Matters

The comparative financial information of the Company for the year ended March 31, 2018 and the related transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by us and we expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of this the above matters on the comparative financial information.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness

of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our

opinion and to the best of our information and according to the explanations given to us:

- I. The Company does not have any pending litigations which would impact its financial position.
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

(Partner)  
(Membership No. 39826)

Mumbai, April 28, 2019

**For B. K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kalcker**

(Partner)  
(Membership No. 044784)

Mumbai, April 28, 2019

## Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of L&T Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366WW-100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 39826)  
Mumbai, April 28, 2019

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kaicker**  
(Partner)  
(Membership No. 044784)  
Mumbai, April 28, 2019

## Annexure 'B' to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made

investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees'

State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax as on March 31, 2019 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in

accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366WW-100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 39826)  
Mumbai, April 28, 2019

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kulkarni**  
(Partner)  
(Membership No. 044784)  
Mumbai, April 28, 2019



## Balance Sheet as at March 31, 2019

(₹ in crore)

| Particulars   | Note No. | As at March 31, 2019 | As at March 31, 2018 | As at April 01, 2017 |
|---|----------|----------------------|----------------------|----------------------|
| <b>ASSETS:</b>  |          |                      |                      |                      |
| <b>(1) Financial assets</b>   |          |                      |                      |                      |
| (a) Cash and cash equivalents   | 2        | 0.49                 | 11.26                | 0.53                 |
| (b) Bank balance other than (a) above   | 3        | 1.87                 | 1.00                 | 1.69                 |
| (c) Receivables   | 4        |                      |                      |                      |
| (i) Trade receivables   |          | 9.17                 | 57.63                | 26.99                |
| (ii) Other receivables  |          | -                    | -                    | -                    |
| (d) Loans   | 5        | 563.98               | 1,014.08             | 585.58               |
| (e) Investments   | 6        | 9,146.19             | 7,840.39             | 5,644.75             |
| (f) Other financial assets  | 7        | 290.62               | 224.01               | 86.26                |
| <b>(2) Non-financial assets</b>   |          |                      |                      |                      |
| (a) Current tax assets (net)  | 8        | 1.21                 | 1.54                 | 14.04                |
| (b) Deferred tax assets (net)   | 9        | 33.66                | 34.76                | 41.96                |
| (c) Property, plant and equipment   | 10       | 0.79                 | 0.01                 | 0.01                 |
| (d) Other intangible assets   | 10       | -                    | -                    | 0.02                 |
| (e) Other non-financial assets  | 11       | 0.90                 | 2.18                 | 0.69                 |
| <b>TOTAL ASSETS</b>   |          | <b>10,048.88</b>     | <b>9,186.86</b>      | <b>6,402.52</b>      |
| <b>LIABILITIES AND EQUITY:</b>  |          |                      |                      |                      |
| <b>LIABILITIES</b>  |          |                      |                      |                      |
| <b>(1) Financial liabilities</b>  |          |                      |                      |                      |
| (a) Payables  |          |                      |                      |                      |
| (i) Trade payables  |          |                      |                      |                      |
| (i) Total outstanding dues of micro enterprises and small enterprises                       |          | -                    | -                    | -                    |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 12       | 0.01                 | 0.02                 | 0.19                 |
| (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 |          | -                    | -                    | -                    |
| (b) Debt securities   | 13       | 1,162.49             | -                    | 568.97               |
| (c) Borrowings (other than debt securities)   | 14       | 4.99                 | 468.70               | 433.99               |
| (d) Subordinated liabilities  | 15       | 1,032.29             | 1,030.12             | 1,206.24             |
| (e) Other financial liabilities   | 16       | 5.95                 | 10.80                | 8.02                 |
| <b>(2) Non-financial liabilities</b>  |          |                      |                      |                      |
| (a) Current tax liabilities (net)   | 17       | 7.85                 | -                    | -                    |
| (b) Provisions  | 18       | 2.08                 | 1.83                 | 2.86                 |
| (c) Other non-financial liabilities   | 19       | 2.87                 | 1.70                 | 37.94                |
| <b>(3) Equity</b>   |          |                      |                      |                      |
| (a) Equity share capital  | 20       | 1,998.81             | 1,995.68             | 1,755.72             |
| (b) Other equity  | 21       | 5,831.54             | 5,678.01             | 2,388.59             |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |          | <b>10,048.88</b>     | <b>9,186.86</b>      | <b>6,402.52</b>      |
| Significant accounting policies   | 1        |                      |                      |                      |
| See accompanying notes forming part of the financial statements                             | 2 to 52  |                      |                      |                      |

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

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants

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

**Sanjiv V. Pliagonkar**  
Partner

**Padmini Khare Kalcker**  
Partner  
Membership no. 044784

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Apurva Rathod**  
Company Secretary

**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019



## Statement of Profit and Loss for the year ended March 31, 2019

(₹ In crore)

| Particulars   | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|----------|---------------------------|---------------------------|
| <b>Revenue from operations</b>                                  |          |                           |                           |
| (i) Interest income   | 22       | 137.94                    | 73.01                     |
| (ii) Dividend income  | 23       | 343.79                    | 376.92                    |
| (iii) Net gain on fair value changes                            | 24       | 0.38                      | 4.65                      |
| <b>(i) Total revenue from operations</b>                        |          | <b>482.11</b>             | <b>454.58</b>             |
| (ii) Other income   | 25       | 44.37                     | 23.24                     |
| <b>(iii) Total Income (i+ii)</b>                                |          | <b>526.48</b>             | <b>477.82</b>             |
| <b>Expenses</b>   |          |                           |                           |
| (i) Finance costs   | 26       | 202.05                    | 161.96                    |
| (ii) Impairment on financial instruments                        | 27       | (3.91)                    | 1.98                      |
| (iii) Employee benefit expenses                                 | 28       | 15.08                     | 10.03                     |
| (iv) Depreciation, amortization and impairment                  | 10       | 0.11                      | 0.02                      |
| (v) Other expenses  | 29       | 9.12                      | 11.13                     |
| <b>(iv) Total expenses</b>                                      |          | <b>222.45</b>             | <b>185.12</b>             |
| <b>(v) Profit before tax (iii-iv)</b>                           |          | <b>304.03</b>             | <b>292.70</b>             |
| <b>(vi) Tax expense:</b>  | 30       |                           |                           |
| (1) Current tax   |          | 35.87                     | 7.02                      |
| (2) Deferred tax  |          | 1.10                      | 7.19                      |
| (3) Provision for tax related to earlier years                  |          | -                         | 12.44                     |
| <b>(vii) Profit for the year (v - vi)</b>                       |          | <b>267.06</b>             | <b>266.05</b>             |
| <b>Other comprehensive income</b>                               |          |                           |                           |
| (i) Items that will not be reclassified to profit or loss       |          |                           |                           |
| (a) Remeasurements of defined benefit plans (net)               |          | (0.32)                    | 0.62                      |
| <b>(viii) Other comprehensive income</b>                        |          | <b>(0.32)</b>             | <b>0.62</b>               |
| <b>(ix) Total comprehensive income for the year (vii+viii)</b>  |          | <b>266.74</b>             | <b>266.67</b>             |
| <b>(x) Earnings per equity share</b>                            | 40       |                           |                           |
| Basic (₹)   |          | 1.34                      | 1.46                      |
| Diluted (₹)   |          | 1.33                      | 1.44                      |
| Significant accounting policies                                 | 1        |                           |                           |
| See accompanying notes forming part of the financial statements | 2 to 52  |                           |                           |

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

Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai  
Date : April 28, 2019

In terms of our report attached  
For B. K. KHARE & CO.  
Chartered Accountants

Padmini Khare Kalcker  
Partner  
Membership no. 044784

Place : Mumbai  
Date : April 28, 2019

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

S. V. Haribhakti  
Non-Executive Chairman  
(DIN: 00007347)

Apurva Rathod  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

Dinanath Dubhashi  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

Sachin Joshi  
Chief Financial Officer

## Statement of changes in equity for the year ended March 31, 2019

### A. Equity share capital

| Particulars  | As at March 31, 2019  |                 | As at March 31, 2018  |                 |
|--|-----------------------|-----------------|-----------------------|-----------------|
|  | No. of Shares         | (₹ in crore)    | No. of Shares         | (₹ in crore)    |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year  | 1,99,56,76,960        | 1,995.68        | 1,75,57,21,861        | 1,755.72        |
| Add: Shares Issued during the year:  |                       |                 |                       |                 |
| - On a preferential basis  | -                     | -               | 17,16,31,889          | 171.64          |
| - On a qualified institutional placement   | -                     | -               | 6,30,51,702           | 63.05           |
| - Against employee stock option  | 31,35,400             | 3.13            | 52,71,508             | 5.27            |
| <b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b> | <b>1,99,88,12,360</b> | <b>1,998.81</b> | <b>1,99,56,76,960</b> | <b>1,995.68</b> |

### B. Other equity

(₹ in crore)

| Particulars   | Securities premium account | General reserve | Reserve u/s 45-IC of Reserve Bank of India Act, 1934 | Employee stock option outstanding account | Retained earnings | Money received against share warrants | Total           |
|---|----------------------------|-----------------|--|---|-------------------|---------------------------------------|-----------------|
| <b>Balance as at April 01, 2017</b>                                     | 1,800.35                   | 1.60            | 294.29   | 32.07                                     | 142.21            | 118.07                                | 2,388.59        |
| Profit for the year (a)   | -                          | -               | -  | -   | 266.05            | -                                     | 266.05          |
| Actuarial gain on defined benefit plan (gratuity) net of income tax (b) | -                          | -               | -  | -   | 0.62              | -                                     | 0.62            |
| <b>Total comprehensive income for the year (a+b)</b>                    | -                          | -               | -  | -   | <b>266.67</b>     | -                                     | <b>266.67</b>   |
| Issue of equity shares  | 3,273.29                   | -               | -  | -   | -                 | -                                     | 3,273.29        |
| Share issue expenses  | (18.53)                    | -               | -  | -   | -                 | -                                     | (18.53)         |
| Employee stock option (net)   | -                          | -               | -  | 31.80                                     | -                 | -                                     | 31.80           |
| Shares issued against share warrants                                    | -                          | -               | -  | -   | -                 | (118.07)                              | (118.07)        |
| Transfer to general reserve   | -                          | 0.23            | -  | (0.23)                                    | -                 | -                                     | -               |
| Transfer from retained earnings   | -                          | -               | 73.57  | -   | (73.57)           | -                                     | -               |
| Dividend paid   | -                          | -               | -  | -   | (145.74)          | -                                     | (145.74)        |
| <b>Balance as at March 31, 2018</b>                                     | <b>5,055.11</b>            | <b>1.83</b>     | <b>367.86</b>  | <b>63.64</b>                              | <b>189.57</b>     | <b>-</b>                              | <b>5,678.01</b> |
| Profit for the year (a)   | -                          | -               | -  | -   | 267.06            | -                                     | 267.06          |
| Actuarial loss on defined benefit plan (gratuity) net of income tax (b) | -                          | -               | -  | -   | (0.32)            | -                                     | (0.32)          |
| <b>Total comprehensive income for the year (a+b)</b>                    | -                          | -               | -  | -   | <b>266.74</b>     | -                                     | <b>266.74</b>   |
| Issue of equity shares  | 28.15                      | -               | -  | -   | -                 | -                                     | 28.15           |

## Statement of changes in equity for the year ended March 31, 2019

(₹ in crore)

| Particulars                         | Securities premium account | General reserve | Reserve w/s 45-IC of Reserve Bank of India Act, 1934 | Employee stock option outstanding account | Retained earnings | Money received against share warrants | Total           |
|-------------------------------------|----------------------------|-----------------|--|---|-------------------|---------------------------------------|-----------------|
| Share issue expenses                | (0.02)                     | —               | —  | —   | —                 | —                                     | (0.02)          |
| Employee stock option (net)         | —                          | —               | —  | 58.36                                     | —                 | —                                     | 58.36           |
| Transfer to general reserve         | —                          | 0.06            | —  | (0.06)                                    | —                 | —                                     | —               |
| Transfer from retained earnings     | —                          | —               | 53.41  | —   | (53.41)           | —                                     | —               |
| Dividend paid                       | —                          | —               | —  | —   | (199.70)          | —                                     | (199.70)        |
| <b>Balance as at March 31, 2019</b> | <b>5,083.24</b>            | <b>1.89</b>     | <b>421.27</b>  | <b>121.94</b>                             | <b>203.20</b>     | <b>—</b>                              | <b>5,831.54</b> |

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

Sanjiv V. Pillgaonkar  
Partner

Place : Mumbai  
Date : April 28, 2019

In terms of our report attached  
For B. K. KHARE & CO.  
Chartered Accountants

Padmini Khare Kalcker  
Partner  
Membership no. 044784

Place : Mumbai  
Date : April 28, 2019

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

S. V. Haribhakti  
Non-Executive Chairman  
(DIN: 00007347)

Apurva Rathod  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

Dinanath Dubhashil  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

Sachinn Joshi  
Chief Financial Officer

## Statement of Cash Flows for the year ended March 31, 2019

| Particulars   | (₹ in crore)                 |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>A. Cash flow from operating activities</b>                       |                              |                              |
| Profit before tax   | 304.03                       | 292.70                       |
| <b>Adjustments for:</b>   |                              |                              |
| Depreciation and amortisation expense                               | 0.11                         | 0.02                         |
| Impairment loss allowance   | (3.91)                       | 1.98                         |
| Fair value (gain)/loss on investment                                | —                            | 0.57                         |
| Expenses on employee stock options                                  | 7.66                         | 5.25                         |
| Contribution to gratuity  | 0.11                         | (0.42)                       |
| Contribution to superannuation fund                                 | 0.22                         | 0.20                         |
| Gain on sale of investments (net)                                   | (0.38)                       | (5.22)                       |
| <b>Operating profit before working capital changes</b>              | <b>307.84</b>                | <b>295.08</b>                |
| <b>Changes in working capital:</b>                                  |                              |                              |
| (Increase) / decrease in financial assets                           | 435.86                       | (564.18)                     |
| (Increase) / decrease in non-financial assets                       | 1.28                         | (1.48)                       |
| Increase / (decrease) in financial liabilities                      | (3.78)                       | 5.99                         |
| Increase / (decrease) in non-financial liabilities                  | 61.48                        | (0.48)                       |
| <b>Cash generated from / (used in) operations</b>                   | <b>802.68</b>                | <b>(265.07)</b>              |
| Net income tax paid   | (27.69)                      | (6.96)                       |
| <b>Net cash generated from / (used in) operating activities (A)</b> | <b>774.99</b>                | <b>(272.03)</b>              |
| <b>B. Cash flow from investing activities</b>                       |                              |                              |
| Purchase of property, plant and equipment                           | (0.90)                       | —                            |
| Investment in subsidiaries  | (1,305.80)                   | (2,466.36)                   |
| Purchase of investments   | (665.00)                     | (3,060.47)                   |
| Proceeds from sale of investments                                   | 665.38                       | 3,335.83                     |
| <b>Net cash used in investing activities (B)</b>                    | <b>(1,306.32)</b>            | <b>(2,191.00)</b>            |



## Statement of Cash Flows for the year ended March 31, 2019

| (₹ In crore)   |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>C. Cash flow from financing activities</b>  |                              |                              |
| Proceeds from issue of equity shares including securities premium  | 21.50                        | 3,385.97                     |
| Proceeds from issue of preference shares   | 250.00                       | —                            |
| Payment on redemption of preference shares   | (250.00)                     | (179.00)                     |
| Share issue expenses   | (0.02)                       | (18.53)                      |
| Dividend paid  | (199.70)                     | (145.74)                     |
| Repayment of borrowings  | (463.71)                     | (568.94)                     |
| Proceeds from borrowings   | 1,162.49                     | —                            |
| <b>Net cash generated from financing activities (C)</b>  | <b>520.56</b>                | <b>2,473.76</b>              |
| <b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>  | <b>(10.77)</b>               | <b>10.73</b>                 |
| <b>Cash and cash equivalents at the beginning of the year</b>  | <b>11.26</b>                 | <b>0.53</b>                  |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>0.49</b>                  | <b>11.26</b>                 |
| <b>Notes:</b>  |                              |                              |
| 1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015. |                              |                              |
| 2. Net cash used in operating activity is determined after adjusting the following:  |                              |                              |
| Interest received  | 133.55                       | 63.51                        |
| Dividend received  | 277.46                       | 239.20                       |
| Interest paid  | 261.85                       | 123.48                       |

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

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants

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

**Sanjiv V. Pilgaonkar**  
Partner

**Padmini Khare Kalcker**  
Partner  
Membership no. 044784

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Apurva Rathod**  
Company Secretary

**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

**DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
Indiabulls Finance Centre, Tower 3  
27th – 32nd Floor, Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai 400013.

**B. K. KHARE & CO.**

Chartered Accountants  
706/708, Sharda Chambers  
New Marine Lines  
Mumbai 400004.

## Independent Auditors' Report

**To The Members of L&T Finance Holdings Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **L&T Finance Holdings Limited** (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

| <b>Key Audit Matter</b>   | <b>Auditor's Response</b>  |
|---|--|
| <p>impairment of goodwill on consolidation:</p> <p>There is a risk that the Group's Goodwill may be impaired due to the inherent uncertainty involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates, which are the basis of the assessment of recoverability. These are the key judgement areas for our audit.</p> <p>The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts.</p> | <p>Principle procedures performed:</p> <p>Besides obtaining an understanding of Management's processes and controls with regard to testing the goodwill for impairment the procedures included the following:</p> <ul style="list-style-type: none"> <li>• Engaged internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used.</li> <li>• Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates.</li> <li>• Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience.</li> <li>• Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved.</li> <li>• Performed a sensitivity analysis in relation to key assumptions.</li> </ul> |

For Key Audit Matters Identified by Component Auditors, refer "Annexure I" attached herewith.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysts included Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report

thereon.

- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of 7 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 1,238.80 crore as at March 31, 2019, total revenues of ₹ 797.41 crore and net cash outflows amounting to ₹ 13.33 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The comparative financial statements/ information for the year ended March 31, 2018 in respect of 7 subsidiaries and the related transition date opening balance sheet as at April 01, 2017 prepared in accordance with the Ind AS and included in these

consolidated financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries, made in these consolidated financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366WW-100018)

**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 39826)  
Mumbai, April 28, 2019

**For B. K. KHARE & CO.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Padmini Khare Kalcker**  
(Partner)  
(Membership No. 044784)  
Mumbai, April 28, 2019

## Annexure 'A' to the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of L&T Finance Holdings Limited (hereinafter referred to as (the "Parent") and its subsidiary companies, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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)\*. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

In all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud



may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2019, the criteria for internal financial control over financial reporting established by the respective companies 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.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 7 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

#### **For DELOITTE HASKINS & SELLS LLP**

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

#### **Sanjiv V. Pilgaonkar**

(Partner)  
(Membership No. 39826)

Mumbai, April 28, 2019

#### **For B. K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

#### **Padmini Khare Kalcker**

(Partner)  
(Membership No. 044784)

Mumbai, April 28, 2019

## **Annexure I**

| <b>Sr. No.</b> | <b>Components</b>  | <b>Key Audit Matter</b>   | <b>Auditor's Response</b>   |
|----------------|--|---|---|
|                | L&T Infrastructure Company Finance Limited;<br>L&T Finance Limited and L&T Housing Finance Limited | Provision for Expected Credit Loss:<br>The Components exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Because loans form a major portion of the Component's assets, and due to the significance of the judgments used in classifying these loans into various stages stipulated in Ind AS 109 and determining related provision requirements, this audit area is considered a key audit risk. | Audit procedure performed:<br><ul style="list-style-type: none"> <li>We gained understanding of the Component's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes;</li> <li>We read the Component's Ind AS 109 based impairment provisioning policy and compared it with the requirements of Ind AS 109;</li> <li>We obtained an understanding of the Component's internal rating models for loans and advances and read the rating validation report prepared by the Component to gain comfort that the discrimination and calibration of the rating model is appropriate;</li> </ul> |

| Sr. No. | Components | Key Audit Matter | Auditor's Response  |
|---------|------------|------------------|---|
|         |            |                  | <ul style="list-style-type: none"> <li>• We understood the theoretical soundness and tested the mathematical integrity of the Models. Where relevant, we used Information System specialists to gain comfort on data integrity;</li> <li>• We checked consistency of various inputs and assumptions used by the Component's management to determine impairment provisions;</li> <li>• We checked the appropriateness of the Component's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages;</li> <li>• We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the Models) used by the Component to determine impairment provisions;</li> <li>• For forward looking assumptions used by the Component's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information;</li> <li>• For a sample of exposures, we checked the appropriateness of the Component's staging, appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations;</li> <li>• For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and checked the appropriateness of conversion of the TTC PDs to point in time (PIT) PDs;</li> <li>• We checked the calculation of the Loss Given Default (LGD) used by the Component in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations;</li> </ul> |

| Sr. No. | Components          | Key Audit Matter  | Auditor's Response   |
|---------|---------------------|---|--|
|         |                     |   | <ul style="list-style-type: none"> <li>• We checked the completeness of the loans, off balance sheet items, investment securities, placements and other financial assets included in the ECL calculations as at the period end.</li> <li>• For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Component's provisioning methodology, assessed the reasonableness of the underlying assumptions and the sufficiency of the data used by the management.</li> <li>• For exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and</li> <li>• We checked the appropriateness of the opening balance adjustments.</li> </ul>  |
|         | L&T Finance Limited | <p>Multiple and discrete Information Technology (IT) Systems:</p> <p>The Component is highly dependent on technology due to the significant number of transactions that are processed daily and discrete IT Systems. The interest income is computed through various IT Systems and the interfacing of these system with the accounting system is critical aspect of audit. The audit approach relies on automated controls and controls around interface of different systems; therefore on the effectiveness of controls over IT systems.</p> <p>IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>Management has implemented preventive and detective controls across critical applications and infrastructure to reduce the risk over IT applications in the financial reporting process. Due to the pervasive nature, we assessed the risk of a material misstatement arising from technology as significant for the audit.</p> | <p>Audit procedures performed:</p> <p>We have performed a range of audit procedures, which included of the following:</p> <p>a) Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following:</p> <p>New access requests for new recruits were properly reviewed and authorised;</p> <p>User access rights were removed on a timely basis when an individual left or moved role;</p> <p>Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and</p> <p>Highly privileged access is restricted to appropriate personnel.</p> <p>b) Other procedures were performed:</p> <p>Where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed;</p> |

| Sr. No. | Components   | Key Audit Matter  | Auditor's Response   |
|---------|--|---|--|
|         |  |   | c) Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. Testing of automated controls and interface testing was carried out.  |
|         | <p><b>L&amp;T Infra Debt Fund Limited and</b></p> <p><b>L&amp;T Infrastructure Finance Company Limited</b></p> | <p>Revenue recognition on loans and advances:</p> <p>Revenue recognition is considered to be a significant audit risk as it is a key driver of return to investors and there is a risk that there could be misstatement or omission of amounts recorded in the system.</p> <p>There is an inherent risk around the accuracy of the revenue recorded given the complexity of the IT system and impact of the terms of loan/debenture agreements to the revenue recognition. Revenue mainly comprises of Interest Income on term loans &amp; debentures &amp; financial advisory fee income forming part of other operating income.</p> <ul style="list-style-type: none"> <li>Interest Income: Interest income is recognised as per Effective Interest Rate (EIR) model for the purpose of determining revenue recognition in accordance with the requirements of Ind AS 109. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.</li> </ul> <p>While recognising an interest income as per Effective Interest Rate (EIR) model in accordance with the requirements of Ind AS 109, the significant judgements have been applied for inclusion/exclusion of certain components from EIR methodology and also recognising interest on performing &amp; under performing assets (till the period of 90 days past due; Stage 1 &amp; 2) on gross carrying value of a loan asset and on non-performing assets (more than 90 days past due; Stage 3) on net carrying value of the asset.</p> | <p>Audit procedures performed:</p> <p>Our audit procedures included considering the appropriateness of Component's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>As regards to the interest income:</p> <p>Performed test of controls, assisted by our IT specialists wherever required, over revenue recognition with specific focus on whether an interest income is recorded as per EIR model over the contract term on a straight-line basis or other applicable basis as per the terms of the contract.</p> <p>We have performed tests of details, on a sample basis, to review the case contracts entered into, with the customers to assess whether interest income recorded is as per the contract terms.</p> <p>Reviewed the completeness of interest income recorded during the year by comparing the income as appearing in component's loan management system with that of accounts.</p> <p>We also performed detailed substantive analytical procedures for select periods and gained more understanding on any variations / corroboration with the results drawn as per the process.</p> <p>As regards to the Fee based income:</p> <p>We have performed tests of details, on a sample basis, to review the underlying agreement / executed memo along with evidences of contractual services performed as stated per the agreed terms.</p> <p>Reviewed the management assessment of compliance with the conditions put under Ind AS 109 for income recognition based on the principles of Ind AS 115 in respect of certain items which did not form a part of EIR.</p> |



| Sr. No. | Components  | Key Audit Matter   | Auditor's Response   |
|---------|---|--|--|
|         |   | <ul style="list-style-type: none"> <li>Financial advisory fee based income: Such revenues are recognised when the certain criteria are met which includes persuasive evidence of an arrangement exists, evidences of rendering of services available, the fee or commission is fixed or determinable, and collectability is reasonably assured.</li> </ul>   |  |
|         | <b>L&amp;T Infra Debt Fund Limited and L&amp;T Infrastructure Finance Company Limited</b> | <p>Transition to Ind AS:</p> <p>Pursuant MCA circular dated January 18, 2016, Component being an NBFC has been transitioned to Ind AS w.e.f. April 1, 2018. Application of Ind AS requires an entity to make key changes in its significant accounting policy/practices and thereby affecting recognition, measurement &amp; disclosure requirements. Hence, this has been identified as a key audit matter.</p> | <p>Audit procedures performed:</p> <p>Our audit procedures primarily involved the application of Ind AS framework per the requirements of Companies (Indian Accounting Standards) (Amendment) Rules, 2016 inter-alia including:</p> <ul style="list-style-type: none"> <li>Review of preparation &amp; presentation of Opening balance sheet - on the date of transition i.e. April 1, 2017 as per provisions of Ind AS 101 - First time adoption with a retrospective application of Ind AS principles after applying certain mandatory exceptions &amp; optional exemptions</li> <li>Ensuring application and alignment of significant accounting policies per the requirements of Ind AS.</li> <li>Ensuring the application of relevant Ind AS requirements in terms of recognition, measurement and disclosure.</li> </ul> |



| Sr. No. | Components  | Key Audit Matter   | Auditor's Response   |
|---------|---|--|--|
|         | <b>L&amp;T Infrastructure Finance Company Limited</b> | <p>Valuation of unquoted shares/debentures and the related diminution in value of investments:</p> <p>Component's investments mainly comprises of investments in quoted instruments, Subsidiaries/associates, unquoted instruments including invoked equity shares of some delinquent borrowers, and subscription to Securities Receipts (SRs) issued by Asset Reconstruction Companies (ARCs) etc.</p> <p>As per the policy adopted by the Component, investments have been fair valued as at the reporting date. Considering that these investments are unquoted and illiquid, the assessment of fair valuation is subjective and requires number of significant estimates and complex judgments to be made by management. The exit value will be determined by the market at the time of realisation and therefore despite the valuation policy adopted and judgments made by management, the final sales value may differ materially from the valuation at the yearend date. There is the risk that inaccurate judgments could be made in the assessment of fair value</p> | <p>Audit procedures performed:</p> <p>Our audit procedures primarily included reviewing the appropriateness of fair valuation methodology used by the Component and to determine whether they are as per the Component's policy and are also in line with applicable accounting standards / regulations. We also reviewed the related control &amp; substantive procedures.</p> <ul style="list-style-type: none"> <li>• Test of detail: Review of investment specific information provided including underlying working/ reports/ methodology/ assumptions provided by the Component for each type of investment.</li> <li>• We obtained an understanding of management's processes and controls for determining the fair valuation of unquoted investments. This included discussing with management the valuation governance structure and protocols around their oversight of the valuation process and corroborating our understanding by applying independent assessments wherever possible.</li> <li>• Wherever feasible, we formed an independent range for the key assumptions used in the valuation of a sample of unquoted investments, with reference to the relevant industry and market valuation considerations and critically challenged appropriateness of significant management assumptions/estimates.</li> </ul> |

## Consolidated Balance Sheet as at March 31, 2019

| (₹ In crore)                            |      |                      |                      |                      |
|---|------|----------------------|----------------------|----------------------|
| Particulars                             | Note | As at March 31, 2019 | As at March 31, 2018 | As at April 01, 2017 |
| <b>ASSETS:</b>                          |      |                      |                      |                      |
| <b>1 Financial assets</b>               |      |                      |                      |                      |
| (a) Cash and cash equivalents           | 2    | 1,826.65             | 1,049.39             | 462.50               |
| (b) Bank balance other than (a) above   | 3    | 47.50                | 59.14                | 163.59               |
| (c) Derivative financial instruments    | 4    | 7.20                 | –                    | 0.03                 |
| (d) Receivables                         | 5    |                      |                      |                      |
| (i) Trade receivables                   |      | 106.37               | 126.44               | 77.84                |
| (ii) Other receivables                  |      | 10.63                | 3.33                 | 1.17                 |
| (e) Loans                               | 6    | 91,324.63            | 77,088.34            | 60,308.69            |
| (f) Investments                         | 7    | 8,640.81             | 5,301.49             | 6,565.90             |
| (g) Other financial assets              | 8    | 126.29               | 73.66                | 65.68                |
|   |      | <b>1,02,090.08</b>   | <b>83,701.79</b>     | <b>67,645.40</b>     |
| <b>2 Non-financial assets</b>           |      |                      |                      |                      |
| (a) Current tax assets (net)            |      | 642.97               | 593.37               | 450.17               |
| (b) Deferred tax assets (net)           |      | 1,777.15             | 1,846.40             | 1,482.97             |
| (c) Investment property                 | 9    | 367.66               | 395.11               | 401.04               |
| (d) Property, plant and equipment       | 10   | 67.69                | 97.05                | 184.89               |
| (e) Capital work-in-progress            | 10   | –                    | 0.14                 | 0.27                 |
| (f) Intangible assets under development | 10   | 38.65                | 19.20                | 1.27                 |
| (g) Goodwill on consolidation           |      | 638.91               | 638.91               | 638.91               |
| (h) Other intangible assets             | 10   | 53.04                | 19.65                | 10.49                |
| (i) Other non-financial assets          | 11   | 378.95               | 465.36               | 330.27               |
|   |      | <b>3,965.02</b>      | <b>4,075.19</b>      | <b>3,500.28</b>      |
| <b>Total assets</b>                     |      | <b>1,06,055.10</b>   | <b>87,776.98</b>     | <b>71,145.68</b>     |
| <b>LIABILITIES AND EQUITY</b>           |      |                      |                      |                      |
| <b>LIABILITIES</b>                      |      |                      |                      |                      |

## Consolidated Balance Sheet as at March 31, 2019

|   |         | ₹ in crore)          |                      |                      |
|---|---------|----------------------|----------------------|----------------------|
| Particulars   | Note    | As at March 31, 2019 | As at March 31, 2018 | As at April 01, 2017 |
| <b>1 Financial liabilities</b>  |         |                      |                      |                      |
| (a) Derivative financial instruments  | 4       | —                    | 0.10                 | 6.66                 |
| (b) Payables  | 12      |                      |                      |                      |
| (i) Trade payables  |         |                      |                      |                      |
| (i) total outstanding dues of micro enterprises and small enterprises                       |         | —                    | —                    | —                    |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |         | 120.05               | 168.43               | 90.51                |
| (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 |         | 16.12                | 16.62                | 11.37                |
| (c) Debt securities   | 13      | 51,268.31            | 40,996.13            | 34,977.92            |
| (d) Borrowings (other than debt securities)   | 14      | 35,785.15            | 29,853.50            | 23,545.02            |
| (e) Subordinated liabilities  | 15      | 4,453.52             | 4,398.65             | 4,562.26             |
| (f) Other financial liabilities   | 16      | 569.22               | 520.17               | 581.63               |
|   |         | <b>92,212.37</b>     | <b>75,953.60</b>     | <b>63,775.37</b>     |
| <b>2 Non-Financial Liabilities</b>  |         |                      |                      |                      |
| (a) Current tax liabilities (net)   |         | 33.51                | 30.03                | 9.42                 |
| (b) Provisions  | 17      | 42.04                | 27.57                | 26.89                |
| (c) Deferred tax liabilities (net)  |         | 5.19                 | 4.56                 | 2.39                 |
| (d) Other non-financial liabilities   | 18      | 91.13                | 131.00               | 106.18               |
|   |         | <b>171.87</b>        | <b>193.16</b>        | <b>144.88</b>        |
| <b>3 EQUITY</b>   |         |                      |                      |                      |
| (a) Equity share capital  | 19      | 1,998.81             | 1,995.68             | 1,755.72             |
| (b) Other equity  | 20      | 11,449.79            | 9,411.06             | 5,217.80             |
| <b>Equity attributable to owners of the company</b>   |         | <b>13,448.60</b>     | <b>11,406.74</b>     | <b>6,973.52</b>      |
| <b>4 Non-controlling Interest</b>   |         | 222.26               | 223.48               | 251.91               |
| <b>Total liabilities and equity</b>   |         | <b>1,06,055.10</b>   | <b>87,776.98</b>     | <b>71,145.68</b>     |
| Significant accounting policies   | 1       |                      |                      |                      |
| See accompanying notes forming part of the financial statements                             | 2 to 54 |                      |                      |                      |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : April 28, 2019

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants

**Padmini Khare Kalcker**  
Partner  
Membership no. 044784

Place : Mumbai  
Date : April 28, 2019

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

|   |      | (₹ in crore)                 |                              |
|---|------|------------------------------|------------------------------|
| Particulars   | Note | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>Revenue from operations</b>  |      |                              |                              |
| (i) Interest income   | 21   | 11,637.90                    | 8,869.22                     |
| (ii) Dividend income  | 22   | 0.21                         | 0.78                         |
| (iii) Rental income   | 23   | 18.84                        | 37.23                        |
| (iv) Fees and commission income   | 24   | 1,277.11                     | 1,219.92                     |
| (v) Net gain on fair value changes  | 25   | 55.66                        | 85.58                        |
| <b>I Total revenue from operations</b>  |      | <b>12,989.72</b>             | <b>10,212.73</b>             |
| II Other income   | 26   | 311.80                       | 53.53                        |
| <b>III Total income (I + II)</b>  |      | <b>13,301.52</b>             | <b>10,266.26</b>             |
| <b>Expenses</b>   |      |                              |                              |
| (i) Finance costs   | 27   | 6,860.03                     | 5,449.24                     |
| (ii) Fees and commission expense  | 28   | 325.71                       | 395.12                       |
| (iii) Net loss on fair value changes  | 29   | 383.16                       | 36.60                        |
| (iv) Net loss on derecognition of financial instruments under amortised cost category | 30   | 384.01                       | 529.76                       |
| (v) Impairment on financial instruments   | 31   | 700.88                       | 1,418.16                     |
| (vi) Employee benefits expenses   | 32   | 824.73                       | 408.70                       |
| (vii) Depreciation, amortization and impairment                                       | 33   | 49.62                        | 51.93                        |
| (viii) Other expenses   | 34   | 721.40                       | 530.99                       |
| <b>IV Total expenses (IV)</b>   |      | <b>10,249.54</b>             | <b>8,820.50</b>              |
| <b>V Profit before exceptional items and tax (III - IV)</b>                           |      | <b>3,051.98</b>              | <b>1,445.76</b>              |
| VI Exceptional items  |      | -                            | -                            |
| <b>VII Profit before tax (V - VI)</b>   |      | <b>3,051.98</b>              | <b>1,445.76</b>              |
| <b>VIII Tax expense</b>   |      |                              |                              |
| (i) Current tax   | 35   | 749.49                       | 518.48                       |
| (ii) Deferred tax   | 35   | 70.46                        | (362.22)                     |
| (iii) Provision for tax related to earlier year                                       | 35   | -                            | 11.98                        |
| <b>IX Net profit after tax (VII - VIII)</b>   |      | <b>2,232.03</b>              | <b>1,277.52</b>              |
| X Share in profit of associates   |      | -                            | 0.83                         |
| <b>XI Net profit after tax and share in profit of associate company (IX+X)</b>        |      | <b>2,232.03</b>              | <b>1,278.35</b>              |
| Profit for the year attributable to:  |      |                              |                              |
| Owners of the company   |      | 2,226.30                     | 1,254.68                     |
| Non-controlling interest  |      | 5.73                         | 23.67                        |



## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

|   |                | (₹ in crore)                 |                              |
|---|----------------|------------------------------|------------------------------|
| Particulars   | Note           | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>XII Other comprehensive income</b>   |                |                              |                              |
| <b>A Items that will not be reclassified to profit or loss</b>  |                |                              |                              |
| (a) Remeasurements of the defined benefit plans (net of tax)  |                | (1.50)                       | (0.94)                       |
| (b) Exchange differences in translating the financial statements of foreign operations, net                         |                | (0.23)                       | —                            |
| <b>B Items that will be reclassified to profit or loss</b>  |                |                              |                              |
| (a) Change in fair value of debt instruments measured at fair value through other comprehensive income (net of tax) |                | (0.68)                       | (4.02)                       |
| (b) The effective portion of gains and loss on hedging instruments in a cash flow hedge                             |                | —                            | (0.03)                       |
| <b>Other comprehensive income for the year attributable to:</b>   |                |                              |                              |
| Owners of the company   |                | (2.41)                       | (4.99)                       |
| Non-controlling interest  |                | —                            | —                            |
| <b>XIII Total comprehensive income (XI+XII)</b>   |                | <b>2,229.62</b>              | <b>1,273.36</b>              |
| Total comprehensive income for the year attributable to:  |                |                              |                              |
| Owners of the company   |                | 2,223.89                     | 1,249.69                     |
| Non-controlling interest  |                | 5.73                         | 23.67                        |
| <b>XIV Earnings per equity share</b>  | <b>41</b>      |                              |                              |
| Basic (₹)   |                | 11.15                        | 6.88                         |
| Diluted (₹)   |                | 11.10                        | 6.81                         |
| Significant accounting policies   | <b>1</b>       |                              |                              |
| See accompanying notes to the financial statements  | <b>2 to 54</b> |                              |                              |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : April 28, 2019

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants

**Padmini Khare Kalcker**  
Partner  
Membership no. 044784

Place : Mumbai  
Date : April 28, 2019

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Consolidated Statement of changes in equity for the year ended March 31, 2019

### A. Equity share capital

| Particulars  | As at March 31, 2019  |                 | As at March 31, 2018  |                 |
|--|-----------------------|-----------------|-----------------------|-----------------|
|  | No. of Shares         | (₹ in crore)    | No. of Shares         | (₹ in crore)    |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year  | 1,99,56,76,960        | 1,995.68        | 1,75,57,21,861        | 1,755.72        |
| Add: Shares issued during the year:  |                       |                 |                       |                 |
| - On a preferential basis  | —                     | —               | 17,16,31,889          | 171.64          |
| - On a qualified institutional placement   | —                     | —               | 6,30,51,702           | 63.05           |
| - Against employee stock option  | 31,35,400             | 3.13            | 52,71,508             | 5.27            |
| <b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b> | <b>1,99,88,12,360</b> | <b>1,998.81</b> | <b>1,99,56,76,960</b> | <b>1,995.68</b> |

### B. Other equity

| Particulars  | ₹ in crore                 |                 |                              |                                  |   |  |  |   |                   |                                       |
|--|----------------------------|-----------------|------------------------------|----------------------------------|---|--|--|---|-------------------|---------------------------------------|
|  | Securities premium account | General reserve | Debenture redemption reserve | Capital reserve on consolidation | Reserve under section 36 (1)(iii) of Income tax Act, 1961 | Reserve under section 45-IC of Reserve Bank of India Act, 1934 | Reserve under section 29C of National Housing Bank Act, 1987 | Employee stock option outstanding account | Retained earnings | Money received against share warrants |
| <b>Balance as at April 01, 2017</b>                                | 1,787.08                   | 38.03           | 424.30                       | 492.36                           | 501.53  | 1,224.69   | 14.90  | 32.06                                     | 580.68            | 118.07                                |
| Profit for the year (a)  | —                          | —               | —                            | —                                | —   | —  | —  | —   | 1,254.68          | —                                     |
| Other comprehensive income, net of tax (b)                         | —                          | —               | —                            | —                                | —   | —  | —  | —   | (0.94)            | —                                     |
| <b>Total comprehensive income for the year (c)=(a)+(b)</b>         | —                          | —               | —                            | —                                | —   | —  | —  | —   | <b>1,253.74</b>   | —                                     |
| Issue of equity shares   | 3,273.32                   | —               | —                            | —                                | —   | —  | —  | —   | —                 | (118.07)                              |
| Share issue expenses   | (21.01)                    | —               | —                            | —                                | —   | —  | —  | —   | —                 | —                                     |
| Employee share options (net)                                       | —                          | —               | —                            | —                                | —   | —  | —  | 31.80                                     | —                 | —                                     |
| Transfer to general reserve  | —                          | 50.15           | (48.92)                      | —                                | —   | —  | —  | (0.23)                                    | —                 | —                                     |
| Transfer to reserve under 45-IC of Reserve Bank of India Act, 1934 | —                          | —               | —                            | —                                | —   | 176.66   | —  | —   | (176.66)          | —                                     |
| Transfer to reserve under 36(1)(iii) of Income tax Act, 1961       | —                          | —               | —                            | —                                | 85.62   | —  | —  | —   | (85.62)           | —                                     |
| Transfer to reserve under 29C of National Housing Bank Act, 1987   | —                          | —               | —                            | —                                | —   | —  | 0.66   | —   | (0.66)            | —                                     |
| Transfer to debenture redemption reserve                           | —                          | —               | 48.07                        | —                                | —   | —  | —  | —   | (48.07)           | —                                     |
| Dividend paid for previous year                                    | —                          | —               | —                            | —                                | —   | —  | —  | —   | (145.74)          | —                                     |
| Additional tax on dividend paid for the previous year              | —                          | —               | —                            | —                                | —   | —  | —  | —   | (76.73)           | —                                     |
| Net gain/(loss) on transaction with non-controlling interest       | —                          | —               | —                            | —                                | —   | —  | —  | —   | —                 | —                                     |
| <b>Balance as at March 31, 2018</b>                                | <b>5,099.39</b>            | <b>88.18</b>    | <b>422.45</b>                | <b>492.36</b>                    | <b>587.15</b>   | <b>1,401.35</b>  | <b>15.56</b>   | <b>63.63</b>                              | <b>1,300.94</b>   | —                                     |
| Profit for the year (a)  | —                          | —               | —                            | —                                | —   | —  | —  | —   | 2,226.30          | —                                     |
| Other comprehensive income, net of tax (b)                         | —                          | —               | —                            | —                                | —   | —  | —  | —   | (1.50)            | —                                     |
| <b>Total comprehensive income for the year (c)=(a)+(b)</b>         | —                          | —               | —                            | —                                | —   | —  | —  | —   | <b>2,224.80</b>   | —                                     |
| Issue of equity shares   | 28.14                      | —               | —                            | —                                | —   | —  | —  | —   | —                 | —                                     |
| Share issue expenses   | (1.29)                     | —               | —                            | —                                | —   | —  | —  | —   | —                 | —                                     |
| Employee share options (net)                                       | —                          | —               | —                            | —                                | —   | —  | —  | 58.37                                     | —                 | —                                     |
| Transfer to general reserve  | —                          | 29.33           | (29.27)                      | —                                | —   | —  | —  | (0.06)                                    | —                 | —                                     |
| Transfer to reserve under 45-IC of Reserve Bank of India Act, 1934 | —                          | —               | —                            | —                                | —   | 295.32   | —  | —   | (295.32)          | —                                     |
| Transfer to reserve under 36(1)(iii) of Income tax Act, 1961       | —                          | —               | —                            | —                                | 114.35  | —  | —  | —   | (114.35)          | —                                     |
| Transfer to reserve under 29C of National Housing Bank Act, 1987   | —                          | —               | —                            | —                                | —   | —  | 11.87  | —   | (11.87)           | —                                     |
| Transfer to debenture redemption reserve                           | —                          | —               | 62.41                        | —                                | —   | —  | —  | —   | (62.41)           | —                                     |
| Dividend paid for previous year                                    | —                          | —               | —                            | —                                | —   | —  | —  | —   | (199.71)          | —                                     |
| Additional tax on dividend paid for the previous year              | —                          | —               | —                            | —                                | —   | —  | —  | —   | (70.67)           | —                                     |
| Net gain/(loss) on transaction with non-controlling interest       | —                          | —               | —                            | —                                | —   | —  | —  | —   | —                 | —                                     |
| <b>Balance as at March 31, 2019</b>                                | <b>5,066.24</b>            | <b>117.51</b>   | <b>455.59</b>                | <b>492.36</b>                    | <b>701.50</b>   | <b>1,696.67</b>  | <b>27.43</b>   | <b>121.94</b>                             | <b>2,771.41</b>   | —                                     |
| Significant accounting policies                                    | 1                          |                 |                              |                                  |   |  |  |   |                   |                                       |
| See accompanying notes forming part of the financial statements    | 2 to 54                    |                 |                              |                                  |   |  |  |   |                   |                                       |

## Consolidated Statement of changes in equity for the year ended March 31, 2019

### B. Other equity (contd.)

₹ in crore

| Particulars   | Foreign<br>currency<br>translation<br>reserve | Items of other comprehensive income  |   | Total Other Equity | Non-Controlling<br>Interest | Total            |
|---|---|--|---|--------------------|-----------------------------|------------------|
|   |   | Fair value changes of financial<br>instrument measured at fair value<br>through other comprehensive income | Effective portion of cash<br>flow hedge |                    |                             |                  |
| <b>Balance as at April 01, 2017</b>                                 | —   | 4.07   | 0.03                                    | 5,217.80           | 251.91                      | 5,469.71         |
| Profit for the year (a)   | —   | —  | —                                       | 1,254.68           | 23.67                       | 1,278.35         |
| Other comprehensive income, net of tax (b)                          | —   | (4.02)   | (0.03)                                  | (4.99)             | —                           | (4.99)           |
| <b>Total comprehensive income for the year<br/>(c)=(a)+(b)</b>      | —   | <b>(4.02)</b>  | <b>(0.03)</b>                           | <b>1,249.69</b>    | <b>23.67</b>                | <b>1,273.36</b>  |
| Issue of equity shares  | —   | —  | —                                       | 3,155.25           | —                           | 3,155.25         |
| Share issue expenses  | —   | —  | —                                       | (21.01)            | —                           | (21.01)          |
| Employee share options (net)  | —   | —  | —                                       | 31.80              | —                           | 31.80            |
| Transfer to general reserve   | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 45-4C of Reserve Bank of India<br>Act, 1934 | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 36(1)(iii) of Income tax Act                | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 29C of National Housing Bank<br>Act, 1987   | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to debenture redemption reserve                            | —   | —  | —                                       | —                  | —                           | —                |
| Dividend paid for previous year                                     | —   | —  | —                                       | (145.74)           | —                           | (145.74)         |
| Additional tax on dividend paid for the previous year               | —   | —  | —                                       | (76.73)            | —                           | (76.73)          |
| Net gain/(loss) on transaction with<br>non-controlling interest     | —   | —  | —                                       | —                  | (52.10)                     | (52.10)          |
| <b>Balance as at March 31, 2018</b>                                 | —   | <b>0.05</b>  | <b>—</b>                                | <b>9,411.06</b>    | <b>223.48</b>               | <b>9,634.54</b>  |
| Profit for the year (a)   | —   | —  | —                                       | 2,226.30           | 5.73                        | 2,232.03         |
| Other comprehensive income, net of tax (b)                          | (0.23)  | (0.68)   | —                                       | (2.41)             | —                           | (2.41)           |
| <b>Total comprehensive income for the year<br/>(c)=(a)+(b)</b>      | <b>(0.23)</b>                                 | <b>(0.68)</b>  | <b>—</b>                                | <b>2,223.89</b>    | <b>5.73</b>                 | <b>2,229.62</b>  |
| Issue of equity shares  | —   | —  | —                                       | 28.14              | —                           | 28.14            |
| Share issue expenses  | —   | —  | —                                       | (1.29)             | —                           | (1.29)           |
| Employee share options (net)  | —   | —  | —                                       | 58.37              | —                           | 58.37            |
| Transfer to general reserve   | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 45-4C of Reserve Bank of India<br>Act, 1934 | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 36(1)(iii) of Income tax Act, 1961          | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to reserve u/s 29C of National Housing Bank<br>Act, 1987   | —   | —  | —                                       | —                  | —                           | —                |
| Transfer to debenture redemption reserve                            | —   | —  | —                                       | —                  | —                           | —                |
| Dividend paid for previous year                                     | —   | —  | —                                       | (199.71)           | —                           | (199.71)         |
| Additional tax on dividend paid for the previous year               | —   | —  | —                                       | (70.57)            | —                           | (70.57)          |
| Net gain/(loss) on transaction with<br>non-controlling interest     | —   | —  | —                                       | —                  | (6.95)                      | (6.95)           |
| <b>Balance as at March 31, 2019</b>                                 | <b>(0.23)</b>                                 | <b>(0.63)</b>  | <b>—</b>                                | <b>11,449.79</b>   | <b>222.26</b>               | <b>11,672.05</b> |

Significant accounting policies

See accompanying notes forming part of the  
financial statements

1

2 to 54

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

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants

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

**Sanjiv V. Pilgaonkar**  
Partner

**Padmini Khare Kaicker**  
Partner  
Membership no. 044784

**S. V. Haribhakti**  
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**Apurva Rathod**  
Company Secretary

**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019



## Consolidated Statement of Cash Flows for the year ended March 31, 2019

| (₹ in crore)   |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| <b>A. Cash flow from operating activities</b>                                    |                              |                              |
| Profit before tax  | 3,051.98                     | 1,445.76                     |
| <b>Adjustment for:</b>   |                              |                              |
| Depreciation and amortisation  | 49.62                        | 51.93                        |
| Loss on sale of property, plant and equipment (net)                              | 7.46                         | 2.09                         |
| Fair value change in loan asset  | 49.02                        | 27.80                        |
| Net loss arising on financial assets (Investments)                               | 257.27                       | (72.21)                      |
| Net loss on derecognition of financial instruments under amortised cost category | 384.01                       | 529.76                       |
| Provision for expected credit loss   | 700.88                       | 1,418.16                     |
| Expense on employee stock option plan  | 68.16                        | 41.01                        |
| <b>Operating profit before working capital changes</b>                           | <b>4,568.40</b>              | <b>3,444.30</b>              |
| <b>Changes in working capital</b>  |                              |                              |
| (Increase)/decrease in financial and non-financial assets                        | (21.04)                      | (369.41)                     |
| Increase/(decrease) in financial and non-financial liabilities                   | (27.28)                      | 619.42                       |
| <b>Cash generated from operations</b>  |                              |                              |
| Direct taxes paid  | (795.60)                     | (649.14)                     |
| Loans disbursed (net of repayments)  | (15,367.93)                  | (18,684.88)                  |
| <b>Net cash flow generated from/(used) in operating activities (A)</b>           | <b>(11,643.45)</b>           | <b>(15,639.71)</b>           |
| <b>B. Cash flows from Investing activities</b>                                   |                              |                              |
| Add: Inflow from investing activities  |                              |                              |
| Proceeds from sale of property, plant and equipment                              | 11.33                        | 108.99                       |
| Proceed from sale of investments   | 123,016.63                   | 134,161.78                   |
| Less: Outflow from investing activities  |                              |                              |
| Purchase of property, plant and equipment <sup>1</sup>                           | (91.20)                      | (83.25)                      |
| Purchase of investments  | (126,524.17)                 | (132,638.72)                 |
| <b>Net cash flow generated from/(used) in investing activities (B)</b>           | <b>(3,587.41)</b>            | <b>1,548.80</b>              |



## Consolidated Statement of Cash Flows for the year ended March 31, 2019

(₹ in crore)

| Particulars   | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
| <b>C. Cash flows from financing activities</b>  |                              |                              |
| <b>Add: Inflow from financing activities</b>  |                              |                              |
| Proceeds from issue of share capital including security premium on account of employee stock options  | 21.50                        | 3,385.97                     |
| Proceeds from issue of preference share   | 250.00                       | —                            |
| Proceeds from borrowings  | 43,173.22                    | 48,492.11                    |
| <b>Less: Outflow from financing activities</b>  |                              |                              |
| Payment to non-controlling interests  | (6.95)                       | (52.10)                      |
| Share issue expenses  | (1.29)                       | (21.01)                      |
| Dividend paid (including dividend distribution tax)   | (270.38)                     | (222.47)                     |
| Repayment of borrowing  | (26,907.92)                  | (36,725.71)                  |
| Redemption of preference shares   | (250.00)                     | (179.00)                     |
| <b>Net cash generated from/(used in) financing activities (C)</b>   | <b>16,008.19</b>             | <b>14,677.79</b>             |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>   | <b>777.33</b>                | <b>586.89</b>                |
| Cash and cash equivalents as at beginning of the year   | 1,049.39                     | 462.50                       |
| Exchange difference on translation of foreign currency cash and cash equivalents  | (0.07)                       | —                            |
| <b>Cash and cash equivalents as at end of the year</b>  | <b>1,826.65</b>              | <b>1,049.39</b>              |
| <b>Notes:</b>   |                              |                              |
| 1. Purchase of property, plant and equipment represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year. |                              |                              |
| 2. Net cash used in operating activity is determined after adjusting the following:   |                              |                              |
| Interest received   | 11,051.55                    | 8,561.40                     |
| Interest paid   | 6,848.01                     | 4,751.14                     |

Significant accounting policies

1

See accompanying notes to the financial statements

2 to 54

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

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants

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

**Sanjiv V. Pilgaonkar**  
Partner

**Padmini Khare Kalcker**  
Partner  
Membership no. 044784

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Apurva Rathod**  
Company Secretary

**Sachin Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019

## Independent Auditors' Report

### To The Members of L&T FINANCE HOLDINGS LIMITED

#### Report on the Standalone Financial Statements

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

#### Management's Responsibility for the Standalone Financial Statements

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

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

#### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and

the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

#### Opinion

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 39826)  
MUMBAI, May 3, 2018

**For B.K. KHARE & CO.**  
Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**  
Partner  
(Membership No. 040404)  
MUMBAI, May 3, 2018

## Annexure 'A' to the Independent Auditors' Report

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

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
MUMBAI, May 3, 2018

**Opinion**

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

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
MUMBAI, May 3, 2018



## Annexure 'B' to the Independent Auditors' Report

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

- |   |  |
|---|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.</p> <p>(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.</p> <p>(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.</p> <p>(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> | <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax and Value Added Tax as on March 31, 2018 on account of disputes.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.</p> <p>(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.</p> <p>(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> |
|---|--|

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**Sanjiv V. Pilgaonkar**

Partner

(Membership No. 39826)

MUMBAI, May 3, 2018

**For B.K. KHARE & CO.**

Chartered Accountants

(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner

(Membership No. 040404)

MUMBAI, May 3, 2018

## Balance Sheet as at March 31, 2018

|   |         |                      | (₹ in Lakh)          |
|---|---------|----------------------|----------------------|
|   | Note No | As at March 31, 2018 | As at March 31, 2017 |
| <b>EQUITY AND LIABILITIES:</b>                                  |         |                      |                      |
| <b>1 Shareholders' funds</b>                                    |         |                      |                      |
| (a) Share capital   | 2       | 303,007.70           | 296,912.19           |
| (b) Reserves and surplus  | 3       | 562,149.65           | 223,653.58           |
| (c) Money received against share warrants                       | 4       | -                    | 11,806.88            |
|   |         | <b>865,157.35</b>    | <b>532,372.65</b>    |
| <b>2 Current liabilities</b>                                    |         |                      |                      |
| (a) Short term borrowings                                       | 5       | 40,496.06            | 97,390.14            |
| (b) Other current liabilities                                   | 6       | 7,629.72             | 7,579.64             |
| (c) Short term provisions                                       | 7       | 580.90               | 433.70               |
|   |         | <b>48,706.68</b>     | <b>105,403.48</b>    |
| <b>TOTAL</b>  |         | <b>913,864.03</b>    | <b>637,776.13</b>    |
| <b>ASSETS:</b>  |         |                      |                      |
| <b>1 Non current assets</b>                                     |         |                      |                      |
| (a) Property, plant and equipment                               | 8       | 0.67                 | 1.00                 |
| (b) Intangible assets   | 8       | -                    | 2.13                 |
| (c) Non current investments                                     | 9       | 784,038.71           | 537,403.38           |
| (d) Deferred tax assets (net)                                   | 10      | 196.43               | 935.43               |
| (e) Long term loans and advances                                | 11      | 3,434.39             | 4,684.03             |
|   |         | <b>787,670.20</b>    | <b>543,025.97</b>    |
| <b>2 Current assets</b>   |         |                      |                      |
| (a) Current investments   | 12      | -                    | 27,013.92            |
| (b) Cash and bank balances                                      | 13      | 1,226.65             | 221.57               |
| (c) Short term loans and advances                               | 14      | 100,613.37           | 58,367.40            |
| (d) Other current assets  | 15      | 24,353.81            | 9,147.27             |
|   |         | <b>126,193.83</b>    | <b>94,750.16</b>     |
| <b>TOTAL</b>  |         | <b>913,864.03</b>    | <b>637,776.13</b>    |
| See accompanying notes forming part of the financial statements | 1 to 22 |                      |                      |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 3, 2018

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 3, 2018

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 3, 2018

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Sachinn Joshi**  
Chief Financial Officer



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

| (₹ in Lakh)   |                |                              |                              |
|---|----------------|------------------------------|------------------------------|
|   | Note No        | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| <b>REVENUE</b>  |                |                              |                              |
| 1 Revenue from operations                                       | 16             | 44,993.34                    | 27,757.57                    |
| 2 Other income  | 17             | 2,843.77                     | 3,731.42                     |
| <b>3 Total Revenue (1+2)</b>                                    |                | <b>47,837.11</b>             | <b>31,488.99</b>             |
| <b>EXPENSES</b>   |                |                              |                              |
| 4 Employee benefits expense                                     | 18             | 472.00                       | 1,156.99                     |
| 5 Finance costs   | 19             | 6,587.18                     | 4,591.56                     |
| 6 Depreciation and amortisation                                 | 8              | 2.47                         | 5.13                         |
| 7 Administration and other expenses                             | 20             | 1,109.59                     | 1,090.33                     |
| 8 Provisions and contingencies                                  | 21             | 197.52                       | 134.25                       |
| <b>9 Total expenses (4+5+6+7+8)</b>                             |                | <b>8,368.76</b>              | <b>6,978.26</b>              |
| <b>10 Profit before tax (3-9)</b>                               |                | <b>39,468.35</b>             | <b>24,510.73</b>             |
| <b>11 Tax expense:</b>  |                |                              |                              |
| - Current tax   |                | 700.58                       | 512.25                       |
| - MAT credit entitlement  |                | -                            | (835.87)                     |
| - Deferred tax  |                | 739.00                       | (31.82)                      |
| - Short provision relating to earlier years                     |                | 1,244.94                     | -                            |
| <b>Total provision for tax</b>                                  |                | <b>2,684.52</b>              | <b>(355.44)</b>              |
| <b>12 Profit after tax (10-11)</b>                              |                | <b>36,783.83</b>             | <b>24,866.17</b>             |
| <b>Earnings per equity share:</b>                               | <b>22.5</b>    |                              |                              |
| Basic earnings per equity share (₹)                             |                | 1.51                         | 0.71                         |
| Diluted earnings per equity share (₹)                           |                | 1.49                         | 0.70                         |
| Face value per equity share (₹)                                 |                | 10.00                        | 10.00                        |
| See accompanying notes forming part of the financial statements | <b>1 to 22</b> |                              |                              |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 3, 2018

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 3, 2018

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 3, 2018

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2018

|  | (₹ in lakh)                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| <b>A. Cash flow from operating activities</b>                                    |                              |                              |
| Profit before tax as per statement of profit and loss                            | 39,468.35                    | 24,510.73                    |
| <b>Adjustment for:</b>   |                              |                              |
| Provision on standard assets   | 197.52                       | 115.64                       |
| Provision and MTM (gain)/loss on current investments                             | -                            | 18.61                        |
| Provision for gratuity   | (41.61)                      | 39.07                        |
| Provision for compensated absences   | (54.39)                      | 130.62                       |
| Provision for superannuation fund  | 19.50                        | 65.56                        |
| Depreciation and amortisation  | 2.47                         | 5.13                         |
| Profit on sale of property, plant and equipment                                  | -                            | (2.00)                       |
| Profit on sale of investments  | (521.87)                     | (1,712.38)                   |
| Expense on employee stock option scheme  | 41.93                        | 63.63                        |
| <b>Operating profit before working capital changes</b>                           | <b>39,111.90</b>             | <b>23,234.61</b>             |
| <b>Changes in working capital</b>  |                              |                              |
| Increase in current and non current assets                                       | (56,457.63)                  | (37,549.74)                  |
| Increase in current and non current liabilities and provisions                   | 2,249.16                     | 2,423.74                     |
| <b>Net cash used in operations</b>   | <b>(15,096.57)</b>           | <b>(11,891.39)</b>           |
| Direct taxes paid (net)  | (695.88)                     | (890.71)                     |
| <b>Net cash used in operating activities (A)</b>                                 | <b>(15,792.45)</b>           | <b>(12,782.10)</b>           |
| <b>B. Cash flows from investing activities</b>                                   |                              |                              |
| Current investments not considered as cash and cash equivalents                  |                              |                              |
| - Purchased  | (306,047.45)                 | (373,375.00)                 |
| - Proceeds from sale   | 333,583.23                   | 398,487.57                   |
| Purchase of long-term investments in subsidiaries                                | (246,635.33)                 | (31,235.00)                  |
| Proceed from sale of long term investments                                       | -                            | 500.00                       |
| Capital expenditure on property, plant and equipment, including capital advances | -                            | (0.43)                       |
| Proceeds from sale of property, plant and equipment                              | -                            | 21.36                        |
| <b>Net cash used in investing activities (B)</b>                                 | <b>(219,099.55)</b>          | <b>(5,601.50)</b>            |

## Cash Flow Statement for the year ended March 31, 2018

|   | (₹ in lakh)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| <b>C. Cash flows from financing activities</b>                                |                              |                              |
| Proceeds from issue of share capital including securities premium             | 338,597.44                   | 1,149.76                     |
| Proceeds from short term borrowings (net)                                     | (56,894.08)                  | 37,630.97                    |
| Share issue expenses  | (1,853.13)                   | -                            |
| Dividend paid on equity shares  | (14,573.70)                  | (14,032.97)                  |
| Dividend paid on preference shares (including dividing distribution tax)      | (9,306.55)                   | (10,338.95)                  |
| Dividend tax paid on cumulative redeemable preference shares                  | (2,104.46)                   | -                            |
| Redemption of preference shares   | (17,900.00)                  | -                            |
| <b>Net cash generated from financing activities (C)</b>                       | <b>235,965.52</b>            | <b>14,408.81</b>             |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>           | <b>1,073.52</b>              | <b>(3,974.79)</b>            |
| Cash and cash equivalents as at beginning of the year                         | 52.89                        | 4,027.68                     |
| <b>Cash and cash equivalents as at end of the year</b>                        | <b>1,126.41</b>              | <b>52.89</b>                 |
| <b>Components of cash and cash equivalents as at end of the year</b>          |                              |                              |
| Cash and bank balances  | 1,226.65                     | 221.57                       |
| Less: Earmarked accounts  | 100.24                       | 168.68                       |
| <b>With banks - in current accounts</b>                                       | <b>1,126.41</b>              | <b>52.89</b>                 |
| See accompanying notes forming part of the financial statements               |                              |                              |
| <b>Notes:</b>   |                              |                              |
| 1. Net cash used in operating activities includes:                            |                              |                              |
| Interest received   | 6,350.48                     | 4,962.68                     |
| Dividend received   | 23,920.35                    | 22,633.20                    |
| Interest paid   | 3,041.44                     | 1,533.78                     |
| 2. Previous year figures have been regrouped/reclassified wherever applicable |                              |                              |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 3, 2018

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 3, 2018

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 3, 2018

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN: 03545900)

**Sachinn Joshi**  
Chief Financial Officer



## Independent Auditors' Report

### TO THE MEMBERS OF L&T FINANCE HOLDINGS LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group

and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- (a) We did not audit the financial statements of 7 subsidiaries whose financial statements reflect total assets of ₹121,311.08 lakh as at March 31, 2018, total revenues of ₹79,748.83 lakh and net cash inflows amounting to ₹883.79 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net profit of ₹83.39 lakh for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by us. This financial information is unaudited and have been furnished to us by the Management and our opinion on the



consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, and associate, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our

examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and its associate company.

- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of

the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts which have not been provided for in the Consolidated Statement of Profit and Loss.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
MUMBAI, May 3, 2018

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
MUMBAI, May 3, 2018

## Annexure 'A' To the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary companies and its associate company as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have Obtained from the other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company.



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 7 subsidiary companies and an associate company, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

### **For DELOITTE HASKINS & SELLS LLP**

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

### **Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
MUMBAI, May 3, 2018

### **For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

### **Ravi Kapoor**

Partner  
(Membership No. 040404)  
MUMBAI, May 3, 2018

## Consolidated Balance Sheet as at March 31, 2018

(₹ in lakh)

|  | Note No | As at March 31, 2018 | As at March 31, 2017 |
|--|---------|----------------------|----------------------|
| <b>EQUITY AND LIABILITIES:</b>   |         |                      |                      |
| <b>Shareholders' funds</b>   |         |                      |                      |
| (a) Share capital  | 2       | 303,007.70           | 296,912.20           |
| (b) Reserves and surplus   | 3       | 1,055,419.86         | 602,014.70           |
| (c) Money received against share warrants  | 4       | -                    | 11,806.88            |
|  |         | 1,358,427.56         | 910,733.78           |
|  |         | 12,314.01            | 11,856.64            |
| <b>Minority interest</b>   |         |                      |                      |
| <b>Non-current liabilities</b>   |         |                      |                      |
| (a) Long-term borrowings   | 5       | 5,104,324.48         | 4,323,034.62         |
| (b) Deferred tax liabilities (net)   | 6       | 261.75               | 238.87               |
| (c) Other long-term liabilities  | 7       | 42,389.44            | 73,205.64            |
| (d) Long-term provisions   | 8       | 28,045.18            | 26,382.84            |
|  |         | 5,175,020.85         | 4,422,861.97         |
| <b>Current liabilities</b>   |         |                      |                      |
| (a) Short-term borrowings  | 9       | 1,080,295.51         | 1,176,409.93         |
| (b) Current maturities of long term borrowings   | 5       | 973,085.39           | 481,660.93           |
| (c) Trade payables   |         | -                    | -                    |
| - Total outstanding dues of micro enterprises and small enterprises                      |         | -                    | -                    |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 10      | 16,964.33            | 7,263.62             |
| (d) Other current liabilities  | 11      | 295,302.50           | 232,382.50           |
| (e) Short-term provisions  | 12      | 11,646.43            | 8,189.83             |
|  |         | 2,377,294.16         | 1,905,906.81         |
| <b>TOTAL</b>   |         | <b>8,923,056.58</b>  | <b>7,251,359.20</b>  |
| <b>ASSETS:</b>   |         |                      |                      |
| <b>Non-current assets</b>  |         |                      |                      |
| (a) Property, plant and equipment  | 13      | 46,657.46            | 58,046.39            |
| (b) Intangible assets  | 13      | 1,964.95             | 1,049.31             |
| (c) Capital work-in-progress   |         | 3,900.18             | 2,596.75             |
| (d) Intangible assets under development  |         | 591.43               | 192.42               |
| (e) Goodwill on consolidation  |         | 63,891.06            | 63,891.06            |
| (f) Non-current investments  | 14      | 256,281.14           | 217,601.95           |
| (g) Deferred tax assets (net)  | 15      | 98,632.07            | 74,262.65            |
| (h) Long-term loans and advances   | 16      | 82,965.53            | 58,887.42            |
| (i) Long-term loans and advances towards financing activities                            | 17      | 6,269,418.07         | 4,933,479.05         |
| (j) Other non-current assets   | 18      | 29,204.01            | 36,514.74            |
|  |         | 6,853,505.90         | 5,446,521.74         |
| <b>Current assets</b>  |         |                      |                      |
| (a) Current investments  | 19      | 228,051.92           | 383,551.16           |
| (b) Trade receivables  | 20      | 12,650.56            | 7,884.92             |
| (c) Cash and bank balances   | 21      | 106,330.61           | 59,438.28            |
| (d) Short-term loans and advances  | 22      | 20,116.20            | 11,840.71            |
| (e) Short-term loans and advances towards financing activities                           | 23      | 186,647.36           | 217,124.52           |
| (f) Current maturities of long term loans and advances towards financing activities      | 17      | 1,373,856.57         | 1,014,246.42         |
| (g) Other current assets   | 24      | 141,897.46           | 110,751.45           |
|  |         | 2,069,550.68         | 1,804,837.46         |
| <b>TOTAL</b>   |         | <b>8,923,056.58</b>  | <b>7,251,359.20</b>  |

See accompanying notes forming part of the financial statements: 1 to 31

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 3, 2018

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no.040404

Place : Mumbai  
Date : May 3, 2018

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 3, 2018

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer



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

(₹ in lakh)

|  | Note No | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|--|---------|------------------------------|------------------------------|
| <b>INCOME:</b>   |         |                              |                              |
| Revenue from operations  | 25      | 1,002,103.36                 | 834,058.85                   |
| Other income   | 26      | 47,890.72                    | 23,172.16                    |
| <b>Total Income</b>  |         | <b>1,049,994.08</b>          | <b>857,231.01</b>            |
| <b>EXPENSES:</b>   |         |                              |                              |
| Finance costs  | 27      | 532,610.70                   | 462,703.21                   |
| Employee benefits expense  | 28      | 50,344.14                    | 49,352.16                    |
| Administration and other expenses  | 29      | 98,189.31                    | 71,565.74                    |
| Allowances and write offs  | 30      | 189,674.89                   | 158,989.73                   |
| Depreciation and amortisation  |         | 5,192.65                     | 6,729.98                     |
| <b>Total expenses</b>  |         | <b>876,011.69</b>            | <b>749,340.82</b>            |
| <b>Profit before exceptional and extraordinary items and taxes</b>         |         | <b>173,982.39</b>            | <b>107,890.19</b>            |
| Exceptional items  |         | -                            | -                            |
| <b>Profit before extraordinary items and taxes</b>                         |         | <b>173,982.39</b>            | <b>107,890.19</b>            |
| Extraordinary items  |         | -                            | -                            |
| <b>Profit before tax</b>   |         | <b>173,982.39</b>            | <b>107,890.19</b>            |
| <b>Tax expense:</b>  |         |                              |                              |
| Current tax  |         | 51,846.99                    | 39,923.15                    |
| MAT credit entitlement   |         | (1,214.67)                   | (2,183.30)                   |
| Deferred tax   |         | (24,346.54)                  | (34,096.18)                  |
| Short provision relating to earlier years                                  |         | 1,197.52                     | -                            |
| <b>Tax expense</b>   |         | <b>27,483.30</b>             | <b>3,643.67</b>              |
| <b>Profit after tax</b>  |         | <b>146,499.09</b>            | <b>104,246.52</b>            |
| Add: share in profit of associate company                                  |         | 83.39                        | 574.73                       |
| Less: share of minority interest   |         | 633.68                       | 602.58                       |
| <b>Profit for the year attributable to the shareholders of the company</b> |         | <b>145,948.80</b>            | <b>104,218.67</b>            |
| <b>Earnings per equity share:</b>  |         |                              |                              |
| Basic earnings per equity share before and after extraordinary items (₹)   |         | 7.49                         | 5.21                         |
| Diluted earnings per equity share before and after extraordinary items (₹) |         | 7.42                         | 5.14                         |
| Face value per equity share (₹)  |         | 10.00                        | 10.00                        |
| See accompanying notes forming part of the financial statements            | 1 to 31 |                              |                              |

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

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

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

**Sanjiv V. Pilgaonkar**  
Partner

**Ravi Kapoor**  
Partner  
Membership no.040404

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Apurva Rathod**  
Company Secretary

**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : May 3, 2018

Place : Mumbai  
Date : May 3, 2018

Place : Mumbai  
Date : May 3, 2018

## Consolidated Cash Flow Statement for the year ended March 31, 2018

|   | (₹ in lakh)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| <b>A. Cash flow from operating activities</b>                                   |                              |                              |
| <b>Profit before tax</b>  | <b>173,982.39</b>            | <b>107,890.19</b>            |
| <b>Adjustments for:</b>   |                              |                              |
| Depreciation and amortisation   | 5,192.65                     | 6,729.98                     |
| (Profit)/ Loss on sale of investments (net)                                     | (20,813.52)                  | (8,732.88)                   |
| (Profit)/ Loss on sale of property, plant and equipments (net)                  | 207.96                       | 1,311.89                     |
| Provision for diminution in value of investments                                | 6,107.22                     | 3,936.41                     |
| Loss on foreclosure of loans and bad debts write offs                           | 108,273.21                   | 40,003.32                    |
| Provision for non-performing assets   | 67,905.08                    | 76,282.32                    |
| Provision for advances and receivables  | (37.65)                      | 85.37                        |
| Provision for standard assets   | 9,666.02                     | 39,670.86                    |
| Provision for restructured assets   | (2,238.99)                   | (988.55)                     |
| Expense on employee stock option scheme   | 1,036.81                     | 72.55                        |
| <b>Operating profit before working capital changes</b>                          | <b>349,281.18</b>            | <b>266,261.46</b>            |
| <b>Changes in working capital</b>   |                              |                              |
| (Increase)/ Decrease in trade and other receivables and advances                | (44,585.01)                  | (41,600.33)                  |
| Increase/ (Decrease) in trade and other payables                                | 40,028.59                    | (7,336.27)                   |
| <b>Cash generated from operations</b>   | <b>344,724.76</b>            | <b>217,324.86</b>            |
| Direct taxes paid   | (64,914.17)                  | (53,167.17)                  |
| Loans disbursed (net of repayments)   | (1,838,896.40)               | (742,098.89)                 |
| <b>Net cash used in operating activities (A)</b>                                | <b>(1,559,085.81)</b>        | <b>(577,941.20)</b>          |
| <b>B. Cash flow from investing activities</b>                                   |                              |                              |
| <b>Add : Inflow from investing activities</b>                                   |                              |                              |
| Proceeds from sale of property, plants and equipment                            | 10,898.95                    | 3,194.83                     |
| Sale of current investments   | 176,447.46                   | -                            |
|   | 187,346.41                   | 3,194.83                     |
| <b>Less : Outflow from investing activities</b>                                 |                              |                              |
| Purchase of property, plants and equipment (including capital work in progress) | 8,325.45                     | 3,328.50                     |
| Purchase of non current investments   | 24,139.99                    | 126,652.69                   |
| Purchase of current investments   | -                            | 84,968.00                    |
|   | 32,465.44                    | 214,949.19                   |
| <b>Net cash from/(used in) investing activities (B)</b>                         | <b>154,880.97</b>            | <b>(211,754.36)</b>          |

## Consolidated Cash Flow Statement for the year ended March 31, 2018

|   | (₹ in lakh)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| <b>C. Cash flow from financing activities</b>                                   |                              |                              |
| <b>Add : Inflow from financing activities</b>                                   |                              |                              |
| Proceeds from issue of share capital including securities premium               | 338,597.44                   | 1,149.74                     |
| Proceeds from issue of preference share capital (Minority Interest)             | -                            | 500.00                       |
| Net proceeds from long term borrowings  | 1,272,754.36                 | 317,030.37                   |
| Net proceeds from short term borrowings   | -                            | 506,857.03                   |
|   | <b>1,611,351.80</b>          | <b>825,537.14</b>            |
| <b>Less : Outflow from financing activities</b>                                 |                              |                              |
| Shares / Debenture issue expenses   | 3,234.20                     | 743.94                       |
| Dividend paid (including dividend distribution tax) including Minority Interest | 30,428.77                    | 29,583.09                    |
| Redemption of Preference shares   | 17,900.00                    | -                            |
| Net repayments towards short term borrowings                                    | 96,114.42                    | -                            |
|   | 147,677.39                   | 30,327.03                    |
| <b>Net cash from financing activities (C)</b>                                   | <b>1,463,674.41</b>          | <b>795,210.11</b>            |
| <b>Net cash increase in cash and cash equivalents (A+B+C)</b>                   | 59,469.57                    | 5,514.55                     |
| Cash and cash equivalents as at beginning of the year                           | 45,331.29                    | 39,816.74                    |
| <b>Cash and cash equivalents as at end of the year</b>                          | <b>104,800.86</b>            | <b>45,331.29</b>             |
| <b>Reconciliation of Cash and Cash Equivalents</b>                              |                              |                              |
| Closing Balance as per Balance Sheet  | 106,330.61                   | 59,438.28                    |
| Less : Deposits with original maturity for more than 3 months                   | 5.29                         | 12,779.70                    |
| Less : Earmarked balances   | 1,524.46                     | 1,327.29                     |
| <b>Cash and cash equivalents as at end of the year</b>                          | <b>104,800.86</b>            | <b>45,331.29</b>             |
| <b>Notes:</b>   |                              |                              |
| 1. Net cash used in operating activities includes:                              |                              |                              |
| Interest received   | 856,140.18                   | 742,366.37                   |
| Dividend received   | 66.33                        | -                            |
| Interest paid   | 475,113.63                   | 428,915.33                   |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 3, 2018

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no.040404

Place : Mumbai  
Date : May 3, 2018

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 3, 2018

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer



## Independent Auditors' Report

### **To the Members of L&T Finance Holdings Limited Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **L&T FINANCE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

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

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
Mumbai, May 4, 2017

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
Mumbai, May 4, 2017



## Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **For DELOITTE HASKINS & SELLS LLP**

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

#### **Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
Mumbai, May 4, 2017

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

#### **Ravi Kapoor**

Partner  
(Membership No. 040404)  
Mumbai, May 4, 2017



## Annexure 'B' to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) the CARO 2016 Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Value Added Tax and corresponding cess.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
Mumbai, May 4, 2017

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
Mumbai, May 4, 2017

## Balance Sheet as at March 31, 2017

|   |         |                      | (₹ in lakh)          |
|---|---------|----------------------|----------------------|
|   | Note No | As at March 31, 2017 | As at March 31, 2016 |
| <b>EQUITY AND LIABILITIES:</b>                                  |         |                      |                      |
| <b>1 Shareholders' funds</b>                                    |         |                      |                      |
| (a) Share capital   | 2       | 296,912.19           | 296,679.86           |
| (b) Reserves and surplus  | 3       | 223,653.58           | 210,247.25           |
| (c) Money received against share warrants                       | 4       | 11,806.88            | 11,806.88            |
|   |         | <b>532,372.65</b>    | <b>518,733.99</b>    |
| <b>2 Non current liabilities</b>                                |         |                      |                      |
| (a) Other long-term liabilities                                 | 5       | -                    | 13.58                |
| (b) Long term provisions  | 6       | -                    | 0.96                 |
|   |         |                      | <b>14.54</b>         |
| <b>3 Current liabilities</b>                                    |         |                      |                      |
| (a) Short term borrowings                                       | 7       | 97,390.14            | 59,759.17            |
| (b) Other current liabilities                                   | 8       | 5,418.80             | 1,890.48             |
| (c) Short term-provisions                                       | 9       | 2,594.54             | 15,087.75            |
|   |         | <b>105,403.48</b>    | <b>76,737.40</b>     |
| <b>TOTAL</b>  |         | <b>637,776.13</b>    | <b>595,485.93</b>    |
| <b>ASSETS:</b>  |         |                      |                      |
| <b>1 Non - Current assets</b>                                   |         |                      |                      |
| (a) Fixed assets  | 10      |                      |                      |
| (i) Tangible assets   |         | 1.00                 | 21.39                |
| (ii) Intangible assets  |         | 2.13                 | 5.79                 |
|   |         | 3.13                 | 27.18                |
| (b) Non-current investments                                     | 11      | 537,403.38           | 506,668.39           |
| (c) Deferred tax assets (net)                                   | 12      | 935.43               | 903.61               |
| (d) Long term loans and advances                                | 13      | 4,684.03             | 3,789.70             |
|   |         | <b>543,025.97</b>    | <b>511,388.88</b>    |
| <b>2 Current assets</b>   |         |                      |                      |
| (a) Current Investments   | 14      | 27,013.92            | 50,432.72            |
| (b) Cash and bank balances                                      | 15      | 221.57               | 4,027.68             |
| (c) Short term loans and advances                               | 16      | 58,367.40            | 29,188.36            |
| (d) Other current assets  | 17      | 9,147.27             | 448.29               |
|   |         | <b>94,750.16</b>     | <b>84,097.05</b>     |
| <b>TOTAL</b>  |         | <b>637,776.13</b>    | <b>595,485.93</b>    |
| See accompanying Notes forming part of the financial statements | 1 to 24 |                      |                      |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 4, 2017

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 4, 2017

**For and on behalf of board of directors of  
L&T Finance Holdings Limited**

**Y.M. Deosthalee**  
Chairperson  
(DIN :00001698)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 4, 2017

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer



## Statement of Profit and Loss for the year ended March 31, 2017

|   |                | (₹ in lakh)                  |                              |
|---|----------------|------------------------------|------------------------------|
|   | Note No        | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>REVENUE</b>  |                |                              |                              |
| 1. Revenue from operations                                      | 18             | 27,757.57                    | 34,850.26                    |
| 2. Other income   | 19             | 3,731.42                     | 7,894.84                     |
| <b>3. Total Revenue (1+2)</b>                                   |                | <b>31,488.99</b>             | <b>42,745.10</b>             |
| <b>EXPENSES</b>   |                |                              |                              |
| 4. Employee benefits expense                                    | 20             | 1,156.99                     | 2,032.63                     |
| 5. Finance costs  | 21             | 4,591.56                     | 2,707.87                     |
| 6. Depreciation and amortisation                                |                | 5.13                         | 13.26                        |
| 7. Administration and other expenses                            | 22             | 1,090.33                     | 1,202.37                     |
| 8. Provisions and contingencies                                 | 23             | 134.25                       | (20.32)                      |
| <b>9. Total Expenses (4+5+6+7+8)</b>                            |                | <b>6,978.26</b>              | <b>5,935.81</b>              |
| <b>10. Profit before tax (3-9)</b>                              |                | <b>24,510.73</b>             | <b>36,809.29</b>             |
| <b>11. Tax expense:</b>   |                |                              |                              |
| - Current tax   |                | 512.25                       | 2,249.12                     |
| - MAT credit entitlement  |                | (835.87)                     | (2,492.67)                   |
| - Deferred tax  |                | (31.82)                      | (750.82)                     |
| <b>Total provision for tax</b>                                  |                | <b>(355.44)</b>              | <b>(994.37)</b>              |
| <b>12. Profit after tax (10-11)</b>                             |                | <b>24,866.17</b>             | <b>37,803.66</b>             |
| <b>Earnings Per Equity Share:</b>                               | <b>24.5</b>    |                              |                              |
| Basic earnings per equity share (₹)                             |                | <b>0.71</b>                  | <b>1.25</b>                  |
| Diluted earnings per equity share (₹)                           |                | <b>0.70</b>                  | <b>1.25</b>                  |
| Face value per equity share (₹)                                 |                | <b>10.00</b>                 | <b>10.00</b>                 |
| See accompanying Notes forming part of the financial statements | <b>1 to 24</b> |                              |                              |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 4, 2017

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 4, 2017

For and on behalf of board of directors of  
**L&T Finance Holdings Limited**

**Y.M. Deosthalee**  
Chairperson  
(DIN :00001698)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 4, 2017

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2017

|  | (₹ in lakh)                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>A. Cash flow from operating activities</b>                              |                              |                              |
| Profit/(loss) before tax as per statement of profit and loss               | 24,510.73                    | 36,809.29                    |
| <b>Adjustment for:</b>   |                              |                              |
| Provision on standard assets   | 115.64                       | (20.32)                      |
| Provision and MTM loss on Current Investments                              | 18.61                        | -                            |
| Provision for Leave Encashment   | 130.62                       | 299.30                       |
| Provision for Gratuity   | 39.07                        | 415.04                       |
| Provision for Superannuation   | 65.56                        | 65.56                        |
| Depreciation and amortisation  | 5.13                         | 13.26                        |
| Profit on sale of Fixed Assets   | (2.00)                       | -                            |
| Profit on sale of Mutual Fund  | (1,712.38)                   | (6,498.55)                   |
| Expense on employee stock option scheme                                    | 63.63                        | 36.72                        |
| <b>Operating profit before working capital changes</b>                     | <b>23,234.61</b>             | <b>31,120.30</b>             |
| <b>Changes in working capital</b>  |                              |                              |
| (Increase)/ Decrease in current and non current assets                     | (37,549.74)                  | 15,542.98                    |
| Increase/ (Decrease) in current and non current liabilities and provisions | 2,592.42                     | 449.29                       |
| <b>Cash generated from operations</b>                                      | <b>(11,722.71)</b>           | <b>47,112.57</b>             |
| Direct taxes paid  | (890.71)                     | (1,484.99)                   |
| <b>Net cash generated/ (used) in operating activities (A)</b>              | <b>(12,613.42)</b>           | <b>45,627.58</b>             |
| <b>B. Cash flows from investing activities</b>                             |                              |                              |
| <b>Add : Inflows from investing activities</b>                             |                              |                              |
| Sale of current investments (net)  | 398,487.57                   | 11,425,150.66                |
| Sale of Fixed Assets   | 21.36                        | 0.07                         |
| Sale of long term investment   | 500.00                       | 18,175.09                    |
|  | <b>399,008.93</b>            | <b>11,443,325.82</b>         |
| <b>Less : Outflow for investing activities</b>                             |                              |                              |
| Investment in subsidiary companies   | 31,235.00                    | 41,255.46                    |
| Purchase of current investments (net)                                      | 373,375.00                   | 11,442,086.00                |
| Purchases of fixed assets  | 0.43                         | 0.07                         |
|  | <b>404,610.43</b>            | <b>11,483,341.53</b>         |
| <b>Net cash from/(used in) investing activities (B)</b>                    | <b>(5,601.50)</b>            | <b>(40,015.71)</b>           |



## Cash Flow Statement for the year ended March 31, 2017

|  | (₹ in lakh)                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>C. Cash flows from financing activities</b>                         |                              |                              |
| <b>Add : Inflows from financing activities</b>                         |                              |                              |
| Proceeds from issue of share capital including securities premium      | 1,149.76                     | 59,246.61                    |
| Proceeds from issue of share warrants                                  | -                            | 11,806.88                    |
| Proceeds from short term borrowings (net)                              | 37,630.97                    | 5,052.34                     |
|  | 38,780.73                    | 76,105.83                    |
| <b>Less : Outflows for financing activities</b>                        |                              |                              |
| Share/Debenture issue expenses   | -                            | 826.21                       |
| Dividend paid (including dividend distribution tax)                    | 24,371.92                    | 29,975.80                    |
| Redemption of Preference Shares  | -                            | 50,000.00                    |
|  | 24,371.92                    | 80,802.01                    |
| <b>Net cash generated from/(used in) financing activities (C)</b>      | <b>14,408.81</b>             | <b>(4,696.18)</b>            |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>    | <b>(3,806.11)</b>            | <b>915.69</b>                |
| Cash and cash equivalents as at beginning of the year                  | 4,027.68                     | 3,111.99                     |
| <b>Cash and cash equivalents as at end of the year*</b>                | <b>221.57</b>                | <b>4,027.68</b>              |
| <b>See accompanying Notes forming part of the financial statements</b> |                              |                              |

|   |             |           |
|---|-------------|-----------|
| <b>Notes:</b>   | (₹ in lakh) |           |
| 1. Net cash used in operating activities is determined after adjusting the following: |             |           |
| Interest received   | 4,962.68    | 4,323.31  |
| Dividend received   | 22,633.20   | 30,197.85 |
| Interest paid   | 1,533.78    | 2,861.92  |
| 2. Previous year figures have been regrouped/reclassified wherever applicable.        |             |           |

\* Includes balances in earmarked accounts ₹ 168.68 lakhs (Previous balance ₹ 699.33 lakhs)

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 4, 2017

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 4, 2017

**For and on behalf of board of directors of  
L&T Finance Holdings Limited**

**Y.M. Deosthalee**  
Chairperson  
(DIN :00001698)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 4, 2017

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Independent Auditors' Report

### To the Members of L&T Finance Holdings Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner



so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

(a) We did not audit the financial statements of 8 subsidiaries whose financial statements/ financial information reflect total assets of ₹ 111,513.12 lakh as at March 31, 2017, total revenues of ₹ 45,176.86 lakh and net cash inflows amounting to ₹ 3,113.61 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 574.64 lakh for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associate referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies and its associate company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and associate company's internal financial controls over financial reporting.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company.
- iv. To the best of our information and according to the information and explanations given to us, we report that, except where, for reasons explained in note no. 31.17 to the consolidated financial statements, the disclosures by certain subsidiaries of the Group with regard to the Specified Bank Notes ("SBNs") were restricted to readily available information and also considering that certain amounts directly deposited into the bank accounts of those entities by their customers for which information

relating to SBNs was not available with those entities were classified as "Permitted receipts/ Other Denomination Notes", the Parent Company has provided requisite disclosures in the consolidated financial statements as regards the Group entities' holding and dealings in SBNs, as defined in the Notification S.O. 3407(E) dated 8th November, 2016, of the Ministry of Finance, during the period from November 9, 2016 to December 30, 2016. Based on audit procedures performed by us and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements, which, as the case may be, were produced before us and the other auditors by the managements of the respective Group entities.

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
Mumbai, May 4, 2017

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
Mumbai, May 4, 2017



## Annexure 'A' To the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **L&T FINANCE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company and its associate company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors

**For DELOITTE HASKINS & SELLS LLP**

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

**Sanjiv V. Pilgaonkar**

Partner  
(Membership No. 39826)  
Mumbai, May 4, 2017

referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 8 subsidiary companies and an associate company is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

**For B.K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

**Ravi Kapoor**

Partner  
(Membership No. 040404)  
Mumbai, May 4, 2017



## Consolidated Balance Sheet as at March 31, 2017

(₹ in Lakh)

|  | Note No | As at March 31, 2017 | As at March 31, 2016 |
|--|---------|----------------------|----------------------|
| <b>EQUITY AND LIABILITIES:</b>   |         |                      |                      |
| <b>Shareholders' funds</b>   |         |                      |                      |
| Share capital  | 2       | 296,912.20           | 296,679.86           |
| Reserves and surplus   | 3       | 602,014.70           | 532,368.43           |
| Money received against share warrants  | 4       | 11,806.88            | 11,806.88            |
|  |         | 910,733.78           | 840,855.17           |
|  |         | 11,856.64            | 10,030.00            |
| <b>Minority interest</b>   |         |                      |                      |
| <b>Non-current liabilities</b>   |         |                      |                      |
| Long-term borrowings   | 5       | 4,323,034.62         | 3,703,112.74         |
| Deferred tax liabilities   | 6       | 238.87               | 171.06               |
| Other long term liabilities  | 7       | 73,205.64            | 58,297.93            |
| Long-term provisions   | 8       | 26,382.84            | 34,620.05            |
|  |         | 4,422,861.97         | 3,796,201.78         |
| <b>Current liabilities</b>   |         |                      |                      |
| Short-term borrowings  | 9       | 1,176,409.93         | 669,552.90           |
| Current maturities of long term borrowings   | 5       | 481,660.93           | 788,900.16           |
| Trade payables:  | 10      |                      |                      |
| Total outstanding dues of micro enterprises and small enterprises                      |         | -                    | -                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |         | 7,263.62             | 6,870.97             |
| Other current liabilities  | 11      | 230,278.04           | 237,838.30           |
| Short-term provisions  | 12      | 10,294.29            | 29,856.65            |
|  |         | 1,905,906.81         | 1,733,018.98         |
| <b>TOTAL</b>   |         | <b>7,251,359.20</b>  | <b>6,380,105.93</b>  |
| <b>ASSETS:</b>   |         |                      |                      |
| <b>Non-current assets</b>  |         |                      |                      |
| <b>Fixed assets</b>  |         |                      |                      |
|  | 13      |                      |                      |
| Tangible assets  |         | 58,046.39            | 66,549.66            |
| Intangible assets  |         | 1,049.31             | 826.30               |
| Capital work-in-progress   |         | 2,596.75             | 2,218.74             |
| Intangible assets under development  |         | 192.42               | 23.14                |
| Goodwill on consolidation  |         | 63,891.06            | 63,891.06            |
| Non-current investments  | 14      | 267,601.95           | 134,000.64           |
| Deferred tax assets  | 15      | 74,262.65            | 40,098.74            |
| Long-term loans and advances   | 16      | 58,966.95            | 57,121.89            |
| Long-term loans and advances towards financing activities                              | 17      | 4,933,479.05         | 4,388,120.40         |
| Other non-current assets   | 18      | 36,435.21            | 31,970.09            |
|  |         | 5,496,521.74         | 4,784,820.66         |
| <b>Current assets</b>  |         |                      |                      |
| Current investments  | 19      | 333,551.16           | 222,326.72           |
| Trade receivables  | 20      | 7,884.92             | 2,669.12             |
| Cash and bank balances   | 21      | 59,438.28            | 40,153.43            |
| Short-term loans and advances  | 22      | 7,631.21             | 7,506.58             |
| Short-term loans and advances towards financing activities                             | 23      | 217,124.52           | 311,468.07           |
| Current maturities of long term loans and advances towards financing activities        | 17      | 1,014,246.42         | 906,949.55           |
| Other current assets   | 24      | 114,960.95           | 104,211.80           |
|  |         | 1,754,837.46         | 1,595,285.27         |
| <b>TOTAL</b>   |         | <b>7,251,359.20</b>  | <b>6,380,105.93</b>  |
| See accompanying Notes forming part of the financial statements                        | 31      |                      |                      |

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

Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai  
Date : May 4, 2017

In terms of our report attached  
For B. K. KHARE & CO.  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

Ravi Kapoor  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 4, 2017

For and on behalf of board of directors of  
L&T Finance Holdings Limited

Y.M. Deosthalee  
Chairperson  
(DIN :00001698)

Apurva Rathod  
Company Secretary  
Place : Mumbai  
Date : May 4, 2017

Dinanath Dubhashi  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

Sachinn Joshi  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended March 31, 2017

|  |         |                              | (₹ in Lakh)                  |
|--|---------|------------------------------|------------------------------|
|  | Note No | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>INCOME:</b>   |         |                              |                              |
| Revenue from operations  | 25      | 834,058.85                   | 728,878.92                   |
| Other income   | 26      | 23,172.16                    | 18,190.04                    |
| <b>Total Income</b>  |         | <b>857,231.01</b>            | <b>747,068.96</b>            |
| <b>EXPENSES:</b>   |         |                              |                              |
| Finance costs  | 27      | 462,703.21                   | 412,413.64                   |
| Employee benefits expense  | 28      | 49,352.16                    | 48,768.77                    |
| Administration and other expenses  | 29      | 71,565.74                    | 74,236.51                    |
| Allowances and write offs  | 30      | 158,989.73                   | 78,102.13                    |
| Depreciation and amortisation  |         | 6,729.98                     | 8,281.38                     |
| <b>Total expenses</b>  |         | <b>749,340.82</b>            | <b>621,802.43</b>            |
| <b>Profit before exceptional and extraordinary items and taxes</b>         |         | <b>107,890.19</b>            | <b>125,266.53</b>            |
| Exceptional items  |         | -                            | -                            |
| <b>Profit before extraordinary items and taxes</b>                         |         | <b>107,890.19</b>            | <b>125,266.53</b>            |
| Extraordinary items  |         | -                            | -                            |
| <b>Profit before tax</b>   |         | <b>107,890.19</b>            | <b>125,266.53</b>            |
| <b>Tax expense:</b>  |         |                              |                              |
| Current tax  |         | 39,923.15                    | 53,339.24                    |
| MAT Credit   |         | (2,183.30)                   | (2,492.67)                   |
| Deferred tax   |         | (34,096.18)                  | (10,948.85)                  |
| <b>Tax expense</b>   |         | <b>3,643.67</b>              | <b>39,897.72</b>             |
| <b>Profit after tax</b>  |         | <b>104,246.52</b>            | <b>85,368.81</b>             |
| Add : Share in profit of associate company                                 |         | 574.73                       | 300.45                       |
| Less : Share of minority interest  |         | (602.58)                     | -                            |
| <b>Profit for the year attributable to the shareholder of the Company</b>  |         | <b>104,218.67</b>            | <b>85,669.26</b>             |
| <b>Earnings per equity share:</b>  | 31.2    |                              |                              |
| Basic earnings per equity share before and after extraordinary items (₹)   |         | 5.21                         | 3.79                         |
| Diluted earnings per equity share before and after extraordinary items (₹) |         | 5.14                         | 3.79                         |
| Face value per equity share (₹)  |         | 10.00                        | 10.00                        |
| See accompanying Notes forming part of the financial statements            | 31      |                              |                              |

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

**Sanjiv V. Pilgaonkar**  
Partner

Place : Mumbai  
Date : May 4, 2017

In terms of our report attached  
**For B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : May 4, 2017

**For and on behalf of board of directors of  
L&T Finance Holdings Limited**

**Y.M. Deosthalee**  
Chairperson  
(DIN :00001698)

**Apurva Rathod**  
Company Secretary

Place : Mumbai  
Date : May 4, 2017

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Sachinn Joshi**  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended March 31, 2017

|  | (₹ in Lakh)                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>A. Cash flow from operating activities</b>                    |                              |                              |
| Profit before tax  | 107,890.19                   | 125,266.53                   |
| Adjustments for:   |                              |                              |
| Depreciation and amortisation                                    | 6,729.98                     | 8,281.38                     |
| (Profit)/ Loss on sale of investments (net)                      | (8,732.88)                   | (9,360.40)                   |
| (Profit)/ Loss on sale of fixed assets (net)                     | 1,311.89                     | 2,295.99                     |
| Provision for compensated absences/leave encashment              | 605.79                       | 981.03                       |
| Provision for Gratuity   | 213.86                       | 310.97                       |
| Cumulative interest on long term NCDs, payable at maturity       | 10,308.75                    | 10,308.75                    |
| Provision for diminution in value of investments                 | 3,936.41                     | 5,485.43                     |
| Loss on foreclosure of loans and bad debts write offs            | 40,003.32                    | 51,231.44                    |
| Provision for non-performing assets                              | 76,282.32                    | 11,614.45                    |
| Provision for advances and receivables                           | 85.37                        | (45.93)                      |
| Provision for standard assets                                    | 39,670.86                    | 9,490.49                     |
| Provision for restructured assets                                | (988.55)                     | 326.25                       |
| <b>Operating profit before working capital changes</b>           | <b>277,317.31</b>            | <b>216,186.38</b>            |
| Changes in working capital                                       |                              |                              |
| (Increase)/ Decrease in trade and other receivables and advances | (41,527.78)                  | (14,657.67)                  |
| Increase/ (Decrease) in trade and other payables                 | (17,137.38)                  | 68,860.29                    |
| <b>Cash generated from operations</b>                            | <b>218,652.15</b>            | <b>270,389.00</b>            |
| Direct taxes paid  | (53,167.17)                  | (61,078.18)                  |
| Loans disbursed (net of repayments)                              | (742,098.89)                 | (1,130,576.05)               |
| <b>Net cash flow from/(used in) operating activities (A)</b>     | <b>(576,613.91)</b>          | <b>(921,265.23)</b>          |
| <b>B. Cash flow from investing activities</b>                    |                              |                              |
| Add : Inflow from investing activities                           |                              |                              |
| Proceeds from sale of fixed assets                               | 3,194.83                     | 1,299.84                     |
| Sale of current investments                                      | 6,329,472.18                 | 15,942,887.12                |
| Sale of non current investments                                  | 7,060.15                     | 22,665.58                    |
|  | 6,339,727.16                 | 15,966,852.54                |
| Less : Outflow from investing activities                         |                              |                              |
| Purchase of fixed assets (including capital work in progress)    | 3,328.50                     | 9,220.01                     |
| Purchase of non current investments                              | 133,712.84                   | 57,536.59                    |
| Purchase of current investments                                  | 6,414,440.18                 | 15,967,557.67                |
|  | 6,551,481.52                 | 16,034,314.27                |
| <b>Net cash from/(used in) investing activities (B)</b>          | <b>(211,754.36)</b>          | <b>(67,461.73)</b>           |



## Consolidated Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakh)

|  | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--|------------------------------|------------------------------|
| <b>C. Cash flow from financing activities</b>                              |                              |                              |
| <b>Add : Inflow from financing activities</b>                              |                              |                              |
| Proceeds from issue of share capital including securities premium          | 1,149.74                     | 9,246.59                     |
| Proceeds from issue of preference share capital (Minority Interest)        | 500.00                       | -                            |
| Proceeds from issue of share warrants                                      | -                            | 11,806.88                    |
| Net proceeds from long term borrowings                                     | 317,030.37                   | 884,116.56                   |
| Net proceeds from short term borrowings                                    | 506,857.03                   | 77,133.33                    |
|  | <b>825,537.14</b>            | <b>982,303.36</b>            |
| <b>Less : Outflow from financing activities</b>                            |                              |                              |
| Shares / Debenture issue expenses  | 743.94                       | 2,947.44                     |
| Dividend paid (including dividend distribution tax)                        | 29,583.09                    | 36,715.55                    |
|  | 30,327.03                    | 39,662.99                    |
| <b>Net cash generated from/(used in) financing activities (C)</b>          | <b>795,210.11</b>            | <b>942,640.37</b>            |
| <b>Net cash increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>6,841.84</b>              | <b>(46,086.59)</b>           |
| Cash and cash equivalents as at beginning of the year                      | 39,816.74                    | 85,903.33                    |
| <b>Cash and cash equivalents as at end of the year</b>                     | <b>46,658.58</b>             | <b>39,816.74</b>             |
| <b>Reconciliation of Cash and Cash Equivalents</b>                         |                              |                              |
| Closing Balance as per Balance Sheet                                       | 59,438.28                    | 40,153.43                    |
| Less : Deposits with original maturity for more than 3 months              | 12,779.70                    | 336.69                       |
| <b>Cash and cash equivalents as at end of the year*</b>                    | <b>46,658.58</b>             | <b>39,816.74</b>             |

**Notes:**

1. Purchase of fixed assets includes movements of capital work in progress during the year.
2. Net cash used in investing activities excludes investment aggregating ₹ 28,818.97 lakh (previous period ₹ 27,688.76 lakh) acquired against claims.
3. Previous year figures have been regrouped/reclassified wherever applicable.
4. Net cash used in operating activities is determined after adjusting the following:

|                   |            |            |
|-------------------|------------|------------|
| Interest received | 742,366.37 | 646,921.68 |
| Dividend received | -          | 766.26     |
| Interest paid     | 428,915.33 | 403,018.70 |

\* Includes balances in earmarked accounts ₹ 1,327.29 lakh (Previous period balance ₹ 2,439.73 lakh)

|   |   |  |
|---|---|--|
| In terms of our report attached<br><b>For DELOITTE HASKINS &amp; SELLS LLP</b><br>Chartered Accountants | In terms of our report attached<br><b>For B. K. KHARE &amp; CO.</b><br>Chartered Accountants<br>Firm's registration no. 105102W<br>by the hand of | <b>For and on behalf of board of directors of<br/>L&amp;T Finance Holdings Limited</b> |
|---|---|--|

**Sanjiv V. Pilgaonkar**  
Partner

**Ravi Kapoor**  
Partner  
Membership no. 040404

**Y.M. Deosthalee**  
Chairperson  
(DIN :00001698)

**Dinanath Dubhashi**  
Managing Director &  
Chief Executive Officer  
(DIN :03545900)

**Apurva Rathod**  
Company Secretary

**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : May 4, 2017

Place : Mumbai  
Date : May 4, 2017

Place : Mumbai  
Date : May 4, 2017

## ANNEXURE C

### PRE-ISSUE AND POST-ISSUE SHAREHOLDING PATTERN AS ON JUNE 30, 2019

| Sl. No | Category                                | Pre-Issue             |                   | Post-issue            |                   |
|--------|---|-----------------------|-------------------|-----------------------|-------------------|
|        |   | No of shares held     | % of shareholding | No of shares held     | % of shareholding |
| A      | Promoters' holding                      |                       |                   |                       |                   |
| 1      | Indian                                  |                       |                   |                       |                   |
|        | Individual                              | 0                     | 0                 | 0                     | 0                 |
|        | Bodies corporate                        | 1,27,75,20,203        | 63.8909           | 1,27,75,20,203        | 63.8909           |
|        | Sub-total                               | 1,27,75,20,203        | 63.8909           | 1,27,75,20,203        | 63.8909           |
| 2      | Foreign promoters                       | 0                     | 0                 | 0                     | 0                 |
|        | Sub-total (A)                           | 1,27,75,20,203        | <b>63.8909</b>    | 1,27,75,20,203        | <b>63.8909</b>    |
| B      | Non-promoters' holding                  |                       |                   |                       |                   |
| 1      | Institutional Investors                 | 27,03,15,318          | 13.5189           | 27,03,15,318          | 13.5189           |
| 2      | Non-institutional investors             |                       |                   |                       |                   |
|        | Private Corporate bodies                | 8,88,60,532           | 4.4441            | 8,88,60,532           | 4.4441            |
|        | Directors and relatives                 | 0                     | 0                 | 0                     | 0                 |
|        | Indian public                           | 23,15,50,363          | 11.5802           | 23,15,50,363          | 11.5802           |
|        | Others (including non-resident Indians) | 13,12,88,444          | 6.5659            | 13,12,88,444          | 6.5659            |
|        | Sub-total (B)                           | <b>72,20,14,657</b>   | <b>36.1091</b>    | <b>72,20,14,657</b>   | <b>36.1091</b>    |
|        | <b>GRAND TOTAL</b>                      | <b>1,99,95,34,860</b> | <b>100</b>        | <b>1,99,95,34,860</b> | <b>100</b>        |

## ANNEXURE D

### CONSENT LETTER OF REGISTRAR AND TRANSFER AGENT



**Link Intime India Pvt. Ltd.**  
CIN : U67190MH1999PTC118368  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel. : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : mumbai@linkintime.co.in  
Website : www.linkintime.co.in

September 23, 2019

To,  
L&T Finance Holding Limited,  
6<sup>th</sup> Floor Brindavan,  
177-C.S.T. Road  
Kalina Santacruz (East)  
Mumbai - 400 098

Dear Sir,

Kind Attention: - Mr. Nagarajan Iyer.

Sub: Consent to Act as Registrar for privately placed NCRPS Issue.

With reference to the above subject, we give our consent to Act as Registrar for the above forthcoming issue.

Issue Size: Rs. 150 Crores  
Issue Period: During September 2019

Thanking You,

For Link Intime India Pvt Ltd

  
Authorised Signatory



## ANNEXURE E

### BRIEF PARTICULARS OF OUR MANAGEMENT

#### **1. Mr. S V Haribhakti - Non - Executive Chairman**

Mr. Shailesh Haribhakti is a chartered accountant, with over four decades of experience in developing and leading one of India's most respected and diversified chartered accounting firm – Haribhakti & Co. LLP.

He is currently the Non-Executive Chairman of L&T Mutual Fund Trustee Limited, Future Lifestyle Fashions Limited, Blue Star Limited and NSDL e-Governance Infrastructure Limited . He serves as an Independent Director of several other public and private limited companies. He is also pursuing advisory work through his proprietary firm, Shailesh Haribhakti & Associates.

He actively promotes “shared value” creation and a green environment through his own enterprise Planet People & Profit Consulting Private Limited and his leadership roles as chairman of United Way, and chairman/member of the CSR committees of some of the boards that he serves on.

He was associated with Indian Institute of Management Ahmedabad (IIMA), BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years he served on the Standards Advisory Council of the IASB in London, and was the chairman of NPS (National Pension Scheme) Trust from 2015-2017.

#### **2. Mr. Dinanath Dubhashi - Managing Director & Chief Executive Officer**

Mr. Dinanath Dubhashi is the Managing Director & Chief Executive Officer of L&T Finance Holdings Ltd. With a rich experience of over two decades, he has worked in multiple domains of financial services such as corporate banking, cash management, credit rating, retail lending and rural finance. He has been with L&T Financial Services since 2007 and has been instrumental in scaling up the retail business operations manifold, across customer segments and geographies.

The strategy roadmap defined under his leadership, has transformed LTFHL into an organization focused on creating sustainable value for shareholders through an increase in retailisation of the loan book, robust risk management framework, doubling of in return on equity, and decisive strategic choices in businesses. Providing 'Assurance' to all stakeholders, his focus has been to align LTFH's intent, execution and culture, towards making a stable and sustainable organisation. Prior to L&T Financial Services , he was associated with organisations such as BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities.

He is a Post Graduate from IIM Bangalore and also holds a B.E. (Mechanical) degree.

#### **3. Mr. R Shankar Raman - Non-Executive Director**

Mr. R Shankar Raman is serving as the Whole Time Director and the Chief Financial Officer at Larsen & Toubro Limited (“L&T”). He is also on the board of several companies within the L&T Group. He joined the L&T Group in 1994 to set up L&T Finance Limited. Over the past 35 years, he has worked for leading listed corporates in varied capacities in the field of finance and general management.

He is a qualified Chartered Accountant and a Cost Accountant with a degree in Commerce from Madras University.

#### **4. Mr. P V Bhide - Independent Director**

Mr. P. V. Bhide is a retired IAS Officer of the Andhra Pradesh Cadre (1973 Batch). He has worked in several government positions during a career spanning nearly four decades. In the state government he worked as Deputy Secretary in Medical & Health Department and also as Commissioner Relief (Department of Revenue). He also was Finance Secretary and Secretary Energy for Andhra Pradesh. He also worked as Managing Director of A.P. State Handloom Weavers Co-operative Society Limited (APCO) and Chief Executive & Managing Director of Godavari Fertilisers and Chemicals Limited.

With the Government of India his roles include Deputy Secretary - Department of Economic Affairs, Ministry of Finance, Executive Advisor to India's Executive Director to the International Bank for Reconstruction and Development (IBRD/World Bank), Joint Secretary and later as Secretary - Department of Disinvestment, Ministry of Finance, Additional Secretary/Spl. Secretary - Ministry of Home Affairs. He retired as Revenue Secretary - Ministry of Finance, Govt. of India. He is an MBA and has LLB and B.Sc. (Hons. Chemistry) degrees.

#### **5. Mr. Thomas Mathew T - Independent Director**

Mr. Thomas Mathew T. has over four decades of strategic leadership and operational experience in the Life Insurance & Reinsurance industry. He was the Managing Director and Interim Chairman of L.I.C. He was also India MD & CEO of 'Reinsurance Group of America'. He was nominated by SEBI as the Chairman of the Metropolitan Stock Exchange of India. He has served as Director on the Boards of Mahindra & Mahindra Limited., Tata Power Co. Limited, Voltas Limited, IFCI Limited and Corporation Bank. He was a member on the Governing Council of the MDI, Gurgaon, Actuarial Institute of India & Chairman of The National Insurance Academy, Pune.

He is a Director on the Boards of Larsen & Toubro Limited, Canara HSBC OBC Life Insurance Company, LIC (International) B.S.C.(c), Bahrain and subsidiaries of the Company. He is also member of the 'Take Over Panel' of SEBI. He is PGDM – Marketing, Post Graduate in Economics, Law Graduate, and Associate of the Insurance Institute of India.

#### **6. Ms. Nishi Vasudeva - Independent Director**

Ms. Nishi Vasudeva with over 38 years of experience in the petroleum industry is an internationally acclaimed leader and the first woman to chair an oil and gas company in India. As Chairman and Managing Director of Hindustan Petroleum Corporation Limited ("HPCL"), she was responsible for developing the vision and long term objectives, improving growth and profitability, driving a high performance culture geared towards operational excellence and consistent value creation for all stakeholders.

She is the first Indian to be awarded the Global CEO of the year at Platt's Global Energy Awards 2015. She received the SCOPE Award for excellence and outstanding contribution to public sector management from the Hon'ble President of India. She was awarded Best CEO (Super Large Companies) and Best CEO (Oil & Gas) at Business Today Best CEO Awards 2016. She is BA (Economic Honors) from Delhi University and an MBA from IIM Calcutta.

#### **7. Mr. Pavninder Singh - Nominee Director**

Mr. Pavninder Singh serves as a Managing Director at Bain Capital Private Equity, LP, as part of the Asia Pacific Private Equity team. He leads their efforts in India and South East Asia with a focus on Financial & Business Services and Industrial & Energy Verticals. Prior to that he was based in the New York Office as part of the North American Private Equity industrials team. He has been closely involved

with a number of Bain Capital's investments in the region, including Axis Bank, Hero MotoCorp, L&T Financial Services, Quest Engineering, Bridge Data Centres, Emcure Pharmaceuticals and Trans Maldivian Airways.

He currently serves on the boards of Quest, Bridge Data Centres, TMA and Brillio . Prior to Bain, he served as a Co-Chief Executive Officer of Medrishi.com.

He also served as a Consultant at Mercer Management Consulting, where he consulted in the e-commerce, retail and energy industries. He received an M.B.A. from Harvard Business School, where he was a Baker Scholar. He received a B.A. from Harvard College.

#### **8. Mr. Prabhakar B. – Non-Executive Director**

Mr. Prabhakar B., retired as Chairman and Managing Director of Andhra Bank in August 2013 after serving various banks for about 37 years. Prior to that, he had served as the Executive Director of Bank of India for a period of over 3 years. Before that, he had served with Bank of Baroda having worked in all areas of banking with stints at Zambia and U.K. He was the Chief Executive of Bank of Baroda, UK operations.

He is a commerce graduate from the University of Mysore and a Chartered Accountant.

#### **9. Dr. Rajani R. Gupte - Independent Director**

Dr. Rajani Gupte is the Vice Chancellor of the Symbiosis International (Deemed University), Pune.

She joined Symbiosis as a founding member of the Symbiosis Institute of International Business in 1992. She was the Director of the Institute between 2004 and 2012. She has also earlier held the positions of Dean-Faculty of Management, Dean-Academics and ProVice Chancellor at the Symbiosis International (Deemed University).

She is an independent director on the governing board of NSDL and subsidiaries of the Company. She has been frequently invited on committees of important organizations, such as International Trade Panel - Confederation of Indian Industries ('CII'), World Trade Organization Committee, Government of Maharashtra, and Chemtech World Expo. She has also served on committees appointed by the university grants commission ('UGC') and on working groups on higher education.

She has received several awards for her outstanding contribution to education. A distinguished academic, she received her Doctorate degree in Economics from the prestigious Gokhale Institute of Economics and Politics, Pune .

## ANNEXURE F

Certified True Copy of Resolution passed by the Board of Directors on March 19, 2019



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE FIFTH MEETING  
OF THE BOARD OF DIRECTORS OF THE COMPANY (FY 2018-19) HELD ON  
MARCH 19, 2019:**

**CONSIDERING AND APPROVING ISSUANCE OF PREFERENCE SHARES OF THE  
COMPANY:**

"RESOLVED THAT subject to the approval of the Members of the Company and pursuant to the provisions of Sections 23, 42, 62 and 179 of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, other relevant provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force), the Memorandum and Articles of Association of the Company and such approvals as may be required from such regulatory authorities from time to time, approval of the Board of Directors be and is hereby accorded to the proposal for issuing 20 Crore (Twenty Crore) Cumulative Compulsorily Non-Convertible Redeemable Preference Shares ("CRPS") of the face value of Rs. 100 (Rupees Hundred only) each, amounting to Rs. 2,000 Crore (Rupees Two Thousand Crore only), to various persons either through public offer or on a private placement basis, in one or more tranches to various entities / persons including Promoters / Promoter Group & Associates, whether or not they are Member(s) of the Company.

RESOLVED FURTHER THAT the Committee of Directors ("COD") be and is hereby authorised to finalise the timing of raising the funds, Information Memorandum / Private Placement Offer Letter, terms and conditions, allot CRPS to eligible allottees and perform all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto, either directly or through appropriate delegation of powers.

RESOLVED FURTHER THAT in the event of issue of shares to the public, the COD be and is hereby further authorised to decide the terms and conditions of the issue such as tenor and redemption date, coupon rate and frequency, etc., and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be necessary, finalise and appoint various intermediaries including Merchant Banker(s), allot the said CRPS, and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle all questions, differences, difficulties or doubts that may arise in regards to the offer / issue or allotment of said CRPS as it may, in its absolute discretion deem fit.

RESOLVED FURTHER THAT any one Director, Company Secretary, Mr. Yashesh Bhatt, Mr. Ankit Sheth and Mr. Gufran Ahmed Siddiqui, be and are hereby severally authorised to do all such acts, deeds, matters and things as may deemed necessary or expedient to give effect to this Resolution and for matter connected therewith or incidental thereto."

Certified True Copy  
For L&T Finance Holdings Limited

Ankit Sheth  
Authorised Signatory  
Date: April 12, 2019  
Address: 6<sup>th</sup> Floor, Brindavan, Plot No.177,  
C.S.T Road, Kalina, Santacruz (East),  
Mumbai-400098

L&T Finance Holdings Limited  
Registered Office  
Brindavan, Plot No. 177, C.S.T Road  
Kalina, Santacruz (East)  
Mumbai 400 098, Maharashtra, India  
CIN: L67120MH2008PLC181833

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F +91 22 6621 7509  
E [lgro@lts.com](mailto:lgro@lts.com)

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## ANNEXURE G

Certified True Copy of the Resolution passed by the Committee of Directors at its Meeting held on September 24, 2019



**CERTIFIED TRUE COPY OF THE RESOLUTION DATED SEPTEMBER 24, 2019 PASSED BY THE COMMITTEE OF DIRECTORS OF L&T FINANCE HOLDINGS LIMITED THROUGH CIRCULAR**

**APPROVING THE OFFER AND ISSUANCE OF CUMULATIVE COMPULSORILY REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES ON A PRIVATE PLACEMENT BASIS:**

**\*RESOLVED THAT** the Committee of Directors be and hereby gives its consent to offer and issue Cumulative Compulsorily Redeemable Non-Convertible Preference Shares ("CRPS") at par up to 1,50,00,000 CRPS of face value of Rs. 100 each at par aggregating to an amount not exceeding Rs.150,00,00,000 (Rupees One Hundred Fifty crore) with dividend rate of 7.95% for cash on a private placement basis, in accordance with the requirements of the Companies Act, 2013, as amended (the "Act"), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, as amended ("SEBI Regulations"), if applicable, and other applicable laws (the "Issue").

**RESOLVED FURTHER THAT** the Managing Director & Chief Executive Officer of the Company be and is hereby authorized to finalize the terms and conditions of the Issue basis the prevalent market conditions, to finalize, execute and/or issue various documents in connection with the Issue including but not limited to the Private Placement Offer cum Application letter ("PPOAL") and/or Information Memorandum ("IM") on behalf of the Company, decide the opening and closing date of issue, appoint and finalize the scope of the intermediaries, provide such confirmations and declarations on behalf of the Company as may be required in relation to the Issue and to take all such actions that may be necessary in this connection and do all such acts, deeds, matters and things, as may be required, to give effect to the resolution.

**RESOLVED FURTHER THAT** the Managing Director & Chief Executive Officer, Chief Financial Officer, Company Secretary of the Company and Mr. Raju Dodti, be and are hereby severally authorized to:

1. Open bank account, if required, with a scheduled bank for receipt of the application monies;
2. File and upload any IMs for inviting offers on the electronic book process mechanism ("EBP") and carry out such acts, deeds, matters and things as necessary in connection with the EBP;
3. File the PPOAL and IM along with other necessary documents, forms, letters, notices or records as required under applicable law including the filing of records and with the Registrar of Companies or stock exchanges or other applicable statutory authorities in relation to any CRPS, intimating the stock exchanges in relation to the above, if required, taking on record the details of the identified investors and making other statutory and regulatory filings, as required, under all applicable laws;

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4. Apply for admission of the CRPS on the depository system and to do various acts, deeds, matters and things as may be deemed necessary including but not limited to submission of Master Creation Form for creation of ISIN, submission of Corporate Action Form for allotment to depositories and taking all actions that may be necessary in this regard for allotment of CRPS in demat form;
5. Apply for and obtain the listing of any CRPS on any stock exchange in India and provide, execute and file all information, letters, agreements, notices or documents and to do various acts, deeds, matters and things as may be deemed necessary in this regard;
6. Sign and submit all necessary papers, certificates, undertakings, agreements, declarations, letters, signal forms, other deeds and such other papers as may be necessary and desirable and take all necessary steps in this regard including the payment of applicable stamp duty and other taxes, fees and costs as required in connection with the Issue; and
7. Do all such acts, deeds, matters and things as may be deemed fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to the Issue and allotment of the CRPS.

**RESOLVED FURTHER THAT** any one Director, Company Secretary of the Company, Mr. Yashesh Bhatt, Mr. Ankit Sheth and Mr. Gufran Ahmed Siddiqui be and are hereby severally authorized to certify the true copy of the aforesaid resolution or any other Board of Directors or Committee of Directors resolutions in connection with the Issue and provide any of them to the stock exchange, depositories or any other authorities concerned for their record and necessary action.

**RESOLVED FURTHER THAT** the aforesaid resolution shall be effective from September 24, 2019."

**Certified True Copy  
For L&T Finance Holdings Limited**

**Gufran Ahmed Siddiqui  
Authorized Signatory**

**Date:** September 24, 2019

**Address:** 6th Floor, Brindavan, Plot No. 177,  
C.S.T Road, Kalina, Santacruz (East),  
Mumbai - 400 098

**L&T Finance Holdings Limited**  
**Registered Office**  
Brindavan, Plot No. 177, C.S.T Road  
Kalina, Santacruz (East)  
Mumbai 400 098, Maharashtra, India  
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**E** [lgc@lifs.com](mailto:lgc@lifs.com)

[www.lifs.com](http://www.lifs.com)



## ANNEXURE H

Certified True Copy of the Shareholder's Resolution passed in the eleventh annual general meeting held on July 29, 2019



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON JULY 29, 2019 AT SWATANTRYAVEER SAVARKAR RASHTRIYA SMARAK, 252 SWATANTRYAVEER SAVARKAR MARG, SHIVAJI PARK, DADAR, MUMBAI – 400 028 AT 3:00 P.M.**

**ISSUANCE OF CUMULATIVE COMPULSORILY REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES BY WAY OF PUBLIC OFFER OR ON A PRIVATE PLACEMENT BASIS:**

"RESOLVED THAT pursuant to the provisions of Sections 23, 40, 42, 55, 62 and any other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Rules, Regulations, Guidelines and Circulars issued by the Reserve Bank of India, as amended from time to time, the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors ("Board", which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution) to create, offer, issue and allot, in one or more tranches 20,00,00,000 (Twenty Crore) Cumulative Compulsorily Redeemable Non-Convertible Preference Shares ("Preference Shares") of the face value of Rs.100 each for cash at par or at a premium aggregating to a nominal value of Rs. 2,000 Crore (Rupees Two Thousand Crore only) to various persons either through public offer or on a private placement basis, in one or more tranches to various institutions / entities viz. companies / bodies corporate / persons including Promoters / Promoter Group & Associates, whether or not they are the Member(s) of the Company on such terms and conditions as may be decided by the Board and subject to the following rights:

- The Preference Shares shall carry a fixed cumulative preference dividend to be determined by the Board at the time of issue of the Preference Shares, on the capital for the time being paid-up thereon and shall be redeemable not later than the date determined by the Board at the time of issue or such other date as may be determined by the Board but not later than a period exceeding 7 (Seven) years.
- The Preference Shares shall rank for dividend in priority to the Equity Shares for the time being of the Company.
- In the case of winding up of the Company, the Preference Shares shall be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets.

2  
L&T Finance Holdings Limited  
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- Voting rights of the persons holding the Preference Shares shall be in accordance with the provisions of Section 47 of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make arrangements with any financial institution / bank or any other body or person(s) to underwrite the whole or any part of the issue of the Preference Shares, subject to the provisions of Section 40(6) of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

**Certified True Copy  
For L&T Finance Holdings Limited**

A handwritten signature in black ink, appearing to read 'Ankit Sheth'.

**Ankit Sheth**  
**Authorized Signatory**  
**Date:** August 5, 2019  
**Address:** 6<sup>th</sup> Floor, Brindavan, Plot No. 177,  
C.S.T Road, Kalina, Santacruz (East),  
Mumbai - 400 098

**L&T Finance Holdings Limited**  
**Registered Office**  
Brindavan, Plot No. 177, C.S.T Road  
Kalina, Santacruz (East)  
Mumbai 400 098, Maharashtra, India  
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## ANNEXURE I

### SHAREHOLDING PATTERN OF THE COMPANY AS ON JUNE 30, 2019

L&T Finance Holdings Limited  
Table I - Summary Statement holding of specified securities

| Table 1: Summary Statement holding of specified securities |                                 |                               |   |   |  |   |   |  |             |            |                                 |   |   |                            |                                 |  |                                 |  |
|--|---------------------------------|-------------------------------|---|---|--|---|---|--|-------------|------------|---------------------------------|---|---|----------------------------|---------------------------------|--|---------------------------------|--|
| Category<br>(I)  | Category of shareholder<br>(II) | Nos. of shareholders<br>(III) | No. of fully paid up equity shares held<br>(IV) | No. of Partly paid-up equity shares held<br>(V) | No. of shares underlying Depository Receipts<br>(VI) | Total nos. shares held<br>(VII) = (IV) + (V) + (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)<br>(VIII) As a % of | Number of Voting Rights held in each class of securities |             |            |                                 | No. of Shares Underlying Outstanding convertible securities (including Warrants)<br>(X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)<br>(XI) = (VII) + (X) As a % | Number of Locked In shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialised form<br>(XIV) |
|  |                                 |                               |   |   |  |   |   | No of Voting Rights                                      |             |            | Total as a % of (A+B+C)<br>(IX) |   |   | No. (a)                    | As a % of total Shares held (b) | No. (a)  | As a % of total Shares held (b) |  |
|  |                                 |                               |   |   |  |   |   | Class eq: K  | Class eq: y | Total      |                                 |   |   |                            |                                 |  |                                 |  |
|  |                                 |                               |   |   |  |   |   |  |             |            |                                 |   |   |                            |                                 |  |                                 |  |
| (A)  | Promoter & Promoter Group       | 1                             | 1277520203                                      | 0   | 0  | 1277520203  | 63.8909   | 1277520203   | 0           | 1277520203 | 63.8909                         | 0   | 63.8909   | 107810899                  | 8.439                           | 0  | 0                               | 1277520203   |
| (B)  | Public                          | 504456                        | 722014657                                       | 0   | 0  | 722014657   | 36.1091   | 722014657  | 0           | 722014657  | 36.1091                         | 0   | 36.1091   | 0                          | 0                               | NA   | NA                              | 722014657  |
| (C)  | Non Promoter - Non Public       |                               |   |   |  |   |   |  |             |            |                                 | 0   | 0   | 0                          | 0                               | NA   | NA                              |  |
| (C1)   | Shares Underlying DRs           |                               |   | 0   | 0  | 0   | 0   | 0  | 0           | 0          | 0                               | 0   | 0   | 0                          | 0                               | NA   | NA                              | 0  |
| (C2)   | Shares Held By Employee Trust   |                               |   | 0   | 0  | 0   | 0   | 0  | 0           | 0          | 0                               | 0   | 0   | 0                          | 0                               | NA   | NA                              | 0  |
|  | Total                           | 504457                        | 1999534860                                      | 0   | 0  | 1999534860  | 100   | 1999534860   | 0           | 1999534860 | 100                             | 0   | 100   | 107810899                  | 5.3917                          | 0  | 0                               | 1999526934   |

Handwritten signature and stamp of L&T Finance Holdings Limited.

Table B - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category B: Name of the shareholders | PAN   | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held  | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities |             |            |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares |                                 | Number of Shares pledged or otherwise encumbered |                                 | Number of equity shares held in dematerialised form |
|--------------------------------------|---|----------------------|---|-----------------------------------|--|-------------------------|---|--|-------------|------------|-------------------------|--|--|----------------------------|---------------------------------|--|---------------------------------|---|
|                                      |   |                      |   |                                   |  |                         |   | No of Voting Rights                                      |             |            | Total as a % of (A+B+C) |  |  | No. (a)                    | As a % of total shares held (b) | No. (c)  | As a % of total shares held (d) |   |
|                                      |   |                      |   |                                   |  |                         |   | Class eq: X  | Class eq: y | Total      |                         |  |  |                            |                                 |  |                                 |   |
|                                      |   |                      |   |                                   |  |                         |   |  |             |            |                         |  |  |                            |                                 |  |                                 |   |
| (I)                                  | (II)  | (III)                | (IV)                                    | (V)                               | (VI) = (IV)+(V)+(VI)                         | (VII) As a % of (A+B+C) | (IX)  |  |             |            | (X)                     | (XI) = (XII)+(XIII) As a % of (A+B+C)  | (XIV)  |                            | (XV)                            |  |                                 |   |
| 1                                    | Indian  |                      |   |                                   |  |                         |   |  |             |            |                         |  |  |                            |                                 |  |                                 |   |
| (a)                                  | Individuals / Hindu Undivided Family                                |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (b)                                  | Central Government / State Government(s)                            |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (c)                                  | Financial Institutions / Banks                                      |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (d)                                  | Any Other Depositor   |                      | 1                                       | 1277520203                        | 0  | 1277520203              | 66.8909   | 1277520203   | 0           | 1277520203 | 63.8909                 | 0  | 63.8909  | 107810899                  | 8.4361                          | 0  | 0                               | 1277520203  |
|                                      | Bodies Corporate  |                      | 1                                       | 1277520203                        | 0  | 1277520203              | 66.8909   | 1277520203   | 0           | 1277520203 | 63.8909                 | 0  | 63.8909  | 107810899                  | 8.4361                          | 0  | 0                               | 1277520203  |
|                                      | Partner And / Subsidiary Limited                                    | AMAC/1160P           | 1                                       | 1277520203                        | 0  | 1277520203              | 66.8909   | 1277520203   | 0           | 1277520203 | 63.8909                 | 0  | 63.8909  | 107810899                  | 8.4361                          | 0  | 0                               | 1277520203  |
|                                      | Sub Total (A)(1)  |                      | 1                                       | 1277520203                        | 0  | 1277520203              | 66.8909   | 1277520203   | 0           | 1277520203 | 63.8909                 | 0  | 63.8909  | 107810899                  | 8.4361                          | 0  | 0                               | 1277520203  |
| 2                                    | Foreign   |                      |   |                                   |  |                         |   |  |             |            |                         |  |  |                            |                                 |  |                                 |   |
| (a)                                  | Individuals (Non-Resident individuals / Foreign Individuals)        |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (b)                                  | Government  |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (c)                                  | Institutions  |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (d)                                  | Foreign Portfolio Investor  |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
| (e)                                  | Any Other Foreign   |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
|                                      | Sub Total (A)(2)  |                      | 0                                       | 0                                 | 0  | 0                       | 0   | 0  | 0           | 0          | 0                       | 0  | 0  | 0                          | 0                               | 0  | 0                               | 0   |
|                                      | Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)(2) |                      | 1                                       | 1277520203                        | 0  | 1277520203              | 66.8909   | 1277520203   | 0           | 1277520203 | 63.8909                 | 0  | 63.8909  | 107810899                  | 8.4361                          | 0  | 0                               | 1277520203  |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

No. of shareholders : 6

No. of shares outstanding : 0

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term "Encumbrance" has the same meaning as assigned under regulation 18(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

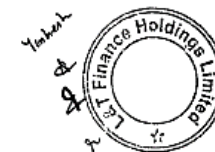


Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | PAN   | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held    | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities |             |           | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares |         | Number of Shares pledged or otherwise encumbered |         | Number of equity shares held in dematerialised form |                                |
|-------------------------------------|---|----------------------|---|-----------------------------------|--|---------------------------|---|--|-------------|-----------|--|--|----------------------------|---------|--|---------|---|--------------------------------|
|                                     |   |                      |   |                                   |  |                           |   | No. of Voting Rights                                     |             |           |  |  | Total as a % of (A+B+C)    | No. (a) | As a % of total shares held(b)                   | No. (a) |   | As a % of total Shares held(b) |
|                                     |   |                      |   |                                   |  |                           |   | Class eq: X  | Class eq: y | Total     |  |  |                            |         |  |         |   |                                |
| (I)                                 | (II)  | (III)                | (IV)                                    | (V)                               | (VI)   | (VII) = (IV) + (V) + (VI) | (VIII) As a % of (A+B+C)                                      | (IX)   | (X)         | (XI)      | (XII) = (VII)+(X) As a % of (A+B+C)  | (XIII)   | (XIV)                      | (XV)    | (XVI)  | (XVII)  | (XVIII)   |                                |
| 1                                   | Institutions  |                      |   |                                   |  |                           |   |  |             |           |  |  |                            |         |  |         |   |                                |
| (a)                                 | Mutual Fund   |                      | 18                                      | 49230959                          | 0  | 49230959                  | 2.4621  | 49230959   | 0           | 49230959  | 2.4621   | 0  | 2.4621                     | 0       | 0  | NA      | NA  | 49230959                       |
|                                     | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity fund | AAATB0102C           | 1                                       | 32735696                          | 0  | 32735696                  | 1.6372  | 32735696   | 0           | 32735696  | 1.6372   | 0  | 1.6372                     | 0       | 0  | NA      | NA  | 32735696                       |
| (b)                                 | Venture Capital Funds   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (c)                                 | Alternate investment funds  |                      | 4                                       | 1527031                           | 0  | 1527031                   | 0.0764  | 1527031  | 0           | 1527031   | 0.0764   | 0  | 0.0764                     | 0       | 0  | NA      | NA  | 1527031                        |
| (d)                                 | Foreign Venture Capital Investors   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (e)                                 | Foreign Portfolio Investor  |                      | 109                                     | 209324368                         | 0  | 209324368                 | 10.4687   | 209324368  | 0           | 209324368 | 10.4687  | 0  | 10.4687                    | 0       | 0  | NA      | NA  | 209324368                      |
|                                     | Citigroup Global Markets Mauritius Private Limited  | AAFCS3747AC          | 1                                       | 57869992                          | 0  | 57869992                  | 2.8942  | 57869992   | 0           | 57869992  | 2.8942   | 0  | 2.8942                     | 0       | 0  | NA      | NA  | 57869992                       |
|                                     | SmallCap World Fund, Inc.   | AABCS3581L           | 1                                       | 36176853                          | 0  | 36176853                  | 1.8093  | 36176853   | 0           | 36176853  | 1.8093   | 0  | 1.8093                     | 0       | 0  | NA      | NA  | 36176853                       |
| (f)                                 | Financial Institutions / Banks  |                      | 9                                       | 10232960                          | 0  | 10232960                  | 0.5118  | 10232960   | 0           | 10232960  | 0.5118   | 0  | 0.5118                     | 0       | 0  | NA      | NA  | 10232960                       |
| (g)                                 | Insurance Companies   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (h)                                 | Provident funds/ Pension Funds  |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (i)                                 | Any Other (Specify)   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
|                                     | Sub Total (B)(1)  |                      | 140                                     | 270315318                         | 0  | 270315318                 | 13.5189   | 270315318  | 0           | 270315318 | 13.5189  | 0  | 13.5189                    | 0       | 0  | NA      | NA  | 270315318                      |
| 2                                   | Central Government/ State Government(s)/ President of India                                   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (a)                                 | Non-institutions  |                      |   |                                   |  |                           |   |  |             |           |  |  |                            |         |  |         |   |                                |
|                                     | Individuals   |                      |   | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
|                                     | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.                   |                      | 482345                                  | 187849327                         | 0  | 187849327                 | 9.3947  | 187849327  | 0           | 187849327 | 9.3947   | 0  | 9.3947                     | 0       | 0  | NA      | NA  | 187849327                      |
|                                     | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.           |                      | 705                                     | 43701036                          | 0  | 43701036                  | 2.1856  | 43701036   | 0           | 43701036  | 2.1856   | 0  | 2.1856                     | 0       | 0  | NA      | NA  | 43701036                       |
| (b)                                 | NBFCs registered with RBI   |                      | 19                                      | 465686                            | 0  | 465686                    | 0.0233  | 465686   | 0           | 465686    | 0.0233   | 0  | 0.0233                     | 0       | 0  | NA      | NA  | 465686                         |
|                                     | Trust Employee  |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (d)                                 | Overseas Depositories(holding DRs) (balancing figure)   |                      | 0                                       | 0                                 | 0  | 0                         | 0   | 0  | 0           | 0         | 0  | 0  | 0                          | 0       | 0  | NA      | NA  | 0                              |
| (e)                                 | Any Other (Specify)   |                      | 21277                                   | 219683290                         | 0  | 219683290                 | 10.9867   | 219683290  | 0           | 219683290 | 10.9867  | 0  | 10.9867                    | 0       | 0  | NA      | NA  | 219683290                      |
|                                     | Trusts  |                      | 19                                      | 7751500                           | 0  | 7751500                   | 0.3877  | 7751500  | 0           | 7751500   | 0.3877   | 0  | 0.3877                     | 0       | 0  | NA      | NA  | 7751500                        |
|                                     | Foreign Nationals   |                      | 1                                       | 1492                              | 0  | 1492                      | 0.0001  | 1492   | 0           | 1492      | 0.0001   | 0  | 0.0001                     | 0       | 0  | NA      | NA  | 1492                           |
|                                     | Hindu Undivided Family  |                      | 12495                                   | 8660929                           | 0  | 8660929                   | 0.4331  | 8660929  | 0           | 8660929   | 0.4331   | 0  | 0.4331                     | 0       | 0  | NA      | NA  | 8660929                        |
|                                     | Foreign Companies   |                      | 2                                       | 95657961                          | 0  | 95657961                  | 4.784   | 95657961   | 0           | 95657961  | 4.784  | 0  | 4.784                      | 0       | 0  | NA      | NA  | 95657961                       |
|                                     | Bc Asia Growth Investments  | AADC66851C           | 1                                       | 63820990                          | 0  | 63820990                  | 3.1918  | 63820990   | 0           | 63820990  | 3.1918   | 0  | 3.1918                     | 0       | 0  | NA      | NA  | 63820990                       |
|                                     | Bc Investments VI Limited   | AAGCB3659R           | 1                                       | 31836971                          | 0  | 31836971                  | 1.5922  | 31836971   | 0           | 31836971  | 1.5922   | 0  | 1.5922                     | 0       | 0  | NA      | NA  | 31836971                       |
|                                     | Non Resident Indians (Non Repatriate)   |                      | 2240                                    | 2656984                           | 0  | 2656984                   | 0.1329  | 2656984  | 0           | 2656984   | 0.1329   | 0  | 0.1329                     | 0       | 0  | NA      | NA  | 2656984                        |
|                                     | Non Resident Indians (Repatriate)   |                      | 4619                                    | 7583042                           | 0  | 7583042                   | 0.3792  | 7583042  | 0           | 7583042   | 0.3792   | 0  | 0.3792                     | 0       | 0  | NA      | NA  | 7583042                        |
|                                     | Clearing Member   |                      | 362                                     | 8510850                           | 0  | 8510850                   | 0.4256  | 8510850  | 0           | 8510850   | 0.4256   | 0  | 0.4256                     | 0       | 0  | NA      | NA  | 8510850                        |
|                                     | Bodies Corporate  |                      | 1519                                    | 88860532                          | 0  | 88860532                  | 4.4441  | 88860532   | 0           | 88860532  | 4.4441   | 0  | 4.4441                     | 0       | 0  | NA      | NA  | 88860532                       |
|                                     | Icici Prudential Life Insurance Company Limited   | AAAC17251P           | 1                                       | 60081652                          | 0  | 60081652                  | 3.0048  | 60081652   | 0           | 60081652  | 3.0048   | 0  | 3.0048                     | 0       | 0  | NA      | NA  | 60081652                       |
|                                     | Sub Total (B)(2)  |                      | 504346                                  | 451699339                         | 0  | 451699339                 | 22.5902   | 451699339  | 0           | 451699339 | 22.5902  | 0  | 22.5902                    | 0       | 0  | NA      | NA  | 451699339                      |
|                                     | Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)  |                      | 504486                                  | 722014657                         | 0  | 722014657                 | 36.1091   | 722014657  | 0           | 722014657 | 36.1091  | 0  | 36.1091                    | 0       | 0  | NA      | NA  | 722014657                      |

Details of the shareholders acting as person in concert including their shareholding (Number and %): NIL  
Details of shares which remain unclaimed may be given here along with details such as Number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.  
No. of shareholders : 6 No. of shares : 689 Voting rights frozen : 689

Note :  
(1) PAN would not be displayed on website of Stock Exchange(s).  
(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.  
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



## ANNEXURE J

### DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE ISSUER DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THIS IM AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION

#### Litigations involving Promoter

##### **A. Larsen & Toubro Limited**

Larsen & Toubro Limited (“**L&T**”) has taken the threshold of Rs. 10,000 lakhs for civil matters in accordance with the internal policy of L&T. Further, no threshold has been applied for other matters disclosed below.

##### **a. Civil Proceedings**

1. Northwest Redwater Partnership (“**NWR**”) and L&T had entered into contract where L&T was to provide carbon steel, stainless steel and alloy pipe spools, piping materials and other materials to NWR, Canada. In March 2017, NWR issued a notice to L&T under the Arbitration Act of Alberta, *inter-alia*, claiming an amount of CAD 121 million (₹ 62,550 lakhs) on account of damages due to breach of contract and negligence. Simultaneously, with issue of arbitration notice NWR also filed civil claim before Court of Queen’s Bench, Alberta. L&T filed its reply to claims before the Court of Queen’s Bench, Alberta and subsequently parties by consent agreed to withdraw the proceedings from the Court. NWR submitted an overview of claim to L&T in September 2017 revising claim to CAD 158 million (₹ 81,930 lakhs), L&T submitted its reply on December 22, 2017 reiterating its counterclaim of about CAD 16 million (₹ 8,300.8 lakhs). Subsequently, the parties met at Houston in February 2018 for engaging in negotiations without prejudice. Consequent to the meeting, parties signed the ADR Agreement in June 2018. The first stage of ADR process is information exchange, without prejudice meeting between parties and formal mediation. In the position papers exchanged for mediation NWR has revised its claim to CAD 148 million (₹ 76,740 lakhs). The mediation concluded in June 2019 without a resolution. The matter has now proceeded to arbitration. NWR has filed its Statement of Claim, L&T has to file its Statement of Defence and Counterclaim on September 23, 2019.
2. L&T had applied for de-notification from SEZ of certain units situated at Vadodara and accordingly was required to obtain no objection certificates (“**NOCs**”) from various authorities including the stamp duty department (the “**Department**”) of Gandhinagar. Accordingly, L&T had filed an application with the Department for obtaining a NOC. However, the Collector and Additional Superintendent of Stamps, Gandhinagar (the “**Collector**”) passed an order against L&T (the “**Order**”) demanding L&T to pay stamp duty aggregating to ₹ 3,350 lakhs. L&T then filed a writ petition before the Gujarat High Court against the Order. The writ petition was disposed of by the Gujarat High Court and L&T was directed to file an appeal before the Chief Controlling Revenue Authority



(“CCRA”). The Gujarat High Court directed CCRA to issue the NOC during the pendency of the appeal, subject to L&T depositing a percentage of stamp duty amount and furnishing a corporate guarantee. L&T filed a revision application before the CCRA pursuant to the Gujarat High Court order. CCRA rejected the revision application and ordered payment of stamp duty along with a penalty. L&T filed a special civil application bearing number 15654 of 2016 before the Gujarat High Court for, *inter-alia* setting aside the orders passed by the Collector and CCRA, stay on recovery of penalty and refund of amount deposited with Industries commissioner and CCRA. The Gujarat High Court has admitted the matter. The matter is currently pending.

3. The Additional Director of Mines, Kota, passed order against L&T for deposit of approximately ` 2,000 lakhs towards royalty payment in connection with a supercritical thermal power project executed for Rajasthan Rajya Vidyut Utpadan Nigam Limited (“RRVUNL”), which was thereafter confirmed by the Appellate Authority for Mining. RRVUNL withheld such deposit amount from L&T’s running bills. Thus, L&T filed a writ petition numbered CW 119 of 2017 before the Rajasthan High Court against the withholding of deposit amount. The Rajasthan High Court admitted the petition, directing 50% of the demanded amount to be released by RRVUNL in favour of L&T and Department of Mining. The matter is currently pending.
4. L&T initiated arbitration proceedings against Visa Power Limited (“**Visa Power**”) in relation to the disputes arising out of contract entered into between Visa Power and L&T. Visa Power had awarded a contract to L&T for balance of plant package for setting up of a 2x600 MW Visa Raigarh Super Thermal Power Project at Devari and Dumarपाली villages in the Raigarh District of Chhattisgarh. In terms of the contract, Visa Power was required to make payments to L&T and L&T was required to furnish a bank guarantee in favour of Visa Power. The alleged failure of Visa Power to make timely payments to L&T, resulted in termination of the contract. Subsequently, Visa Power invoked the bank guarantee furnished by L&T. Therefore, L&T initiated arbitration proceedings against Visa Power and filed a statement of claim seeking for a total claim amount of ₹ 60,297.5 lakhs along with interest of 18% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 18,298.7 lakhs consisting mainly consequential damages which was dismissed on December 5, 2017. An application before the National Company Law Tribunal (“**NCLT**”) was filed for initiation of corporate insolvency proceedings against Visa Power filed by Bank of Maharashtra as one of the creditors of Visa Power (the “**Proceedings**”). Pursuant to the Proceedings, a resolution professional was appointed and arbitration proceedings were suspended during the moratorium period. As the bank guarantee was encashed, L&T has filed applications before the NCLT, Kolkata for depositing the amount in a fixed deposit. This amount is already part of the statement of claims filed by L&T before the NCLT, Kolkata. NCLT, Kolkata vide order dated September 7, 2018 dismissed both the applications filed by L&T. L&T has preferred an appeal before NCLAT, New Delhi with respect to the dismissed applications. Further, *vide* an order dated December 3, 2018 passed by the Hon’ble NCLAT, Delhi, the appeal filed by L&T was dismissed against which L&T has preferred an appeal before the Supreme Court which was dismissed vide order dated March 15, 2019. The Corporate Insolvency resolution proceedings have come to an end and Visa Power has gone into liquidation. L&T has filed its claim before the Official Liquidator at present. Further, L&T had written to the arbitrators to revive the arbitration proceedings against Visa Power Limited which was

accepted by the Arbitral Tribunal and a meeting on April 8, 2019 had been scheduled. The matter is kept for final hearing from 12<sup>th</sup> to 14<sup>th</sup> September, 2019.

5. IOCL has filed an appeal under Section 34 of the Arbitration and Conciliation Act, 1996, before the Delhi High Court against the award dated May 18, 2017, passed in favour of L&T for ` 17,200 lakhs. L&T has filed an execution application against IOCL for the aforesaid award which is heard along with the aforesaid appeal. The appeal under Section 34 of the Arbitration and Conciliation Act, 1996 was decided in L&T's favour *vide* an order dated June 1, 2018. IOCL has filed a second appeal number F.A.O. (O.S.) (Comm) No. 171 of 2018, before the division bench of Delhi High Court. The matter is currently pending.
6. L&T has filed an arbitration against NTPC to the tune of Rs. 116 Crore (approx) before the Arbitral Tribunal for reimbursement of minimum wages which have been revised pursuant to notification of January 2017. All pleadings were filed and matter was finally heard. L&T has filed an application for leading expert evidence which is admitted by the Arbitral Tribunal. L&T has been directed to file expert witness's evidence by 10th September, 2019 and thereafter NTPC has to file its reply by 20th September, 2019. Matter is listed for cross-examination of expert witness on 2nd October, 2019 and 3<sup>rd</sup> October, 2019.
7. L&T has filed Writ Petition No. 1541/2017 challenging, *inter-alia*, property tax levied from April 1, 2010 till date, on the open and scattered lands within the property in Powai (West) and the incorrect method of computation of the Capital Value ("CV") on the undeveloped and open land, which was not assessed under the Rateable Value method. L&T, *inter-alia*, prayed that (i) notices issued by Municipal Corporation of Greater Mumbai ("MCGM") be quashed and set aside; (ii) restrain Respondents from passing any order in respect of fixing rateable value without following statutory procedure of MCGM Act & MMRDA Act; (iii) call for records from MCGM; and (iv) restrain Respondents from passing any order unless instructions have been given by State of Maharashtra. The matter has been admitted before the Bombay High Court. The Court passed an order dated April 11, 2017 directing L&T to pay 50% differential property tax demanded in the property tax bills amounting to ` 3,230 lakhs. The matter is currently pending for hearing and final disposal.
8. L&T has filed Writ Petition No.1742 of 2002 before the Bombay High Court against the action taken by the Municipal Corporation of Greater Mumbai ("MCGM") of preventing L&T's trucks from entering the municipal limits of Mumbai. L&T had entered into an agreement with Systems Application and Products in Data Processing Private Limited ("SAP India") for obtaining license to use proprietary software (the "Software") of SAP India. The MCGM had required L&T to furnish certain documents for the purposes of investigating the use of the Software in Mumbai. Subsequently, the MCGM demanded an octroi of ` 23.6 lakhs from L&T. L&T raised objection to the same and paid an amount of ₹ 4.5 lakhs under protest. Due to non-payment of the entire octroi amount, MCGM had prevented L&T's trucks containing ready-mix cement from entering the municipal limits of Mumbai. Due to the short life of ready-mix cement, the consignment of cement had to be returned. The amount involved in the matter is ₹ 23.6 lakhs. The Bombay High Court *vide* an order dated June 28, 2002 directed MCGM to permit the trucks, which were detained on June 25, 2002 and all subsequent trucks and

goods of L&T to enter into the municipal limit of greater Mumbai subject to payment of ` 19 lakhs, which was deposited by L&T on June 28, 2002. The writ petition was admitted on November 18, 2002. The matter is currently pending.

9. Municipal Corporation of Greater Mumbai (“**MCGM**”) had issued notices to L&T under the Mumbai Municipal Corporation Act, 1888 for fixation of the ratable value of amenity with respect to a parcel of land held by L&T. The Small Causes Court passed an order in favour of L&T. MCGM then filed First Appeal No. 270 of 2006, First Appeal No. 287 of 2006 and First Appeal No. 269 of 2006, before the Bombay High Court against the order passed by the Small Causes Court, Mumbai against the ratable value fixed by MCGM. The amount involved in the matter is ₹ 11.2 lakhs. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The matter is currently pending.
10. Municipal Corporation of Greater Mumbai (“**MCGM**”) has filed First Appeal No. 2207 of 2006 before the Bombay High Court against the order passed by the Small Causes Court, Mumbai tax in favour of L&T pertaining to assessment of property. The first appeal has been admitted by the Bombay High Court and will come up for final hearing in due course. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The amount involved in the matter is ` 365.7 lakhs. The matter is currently pending.
11. L&T had filed several applications before Municipal Corporation of Greater Mumbai (“**MCGM**”) seeking their approval for commencement of various construction works. L&T had paid an amount of ₹ 30.7 lakhs under protest as directed by MCGM and thereafter filed a claim before it for refund of certain charges. MCGM rejected the claim of L&T. For refund of these sewerage charges, a Writ Petition No. 1601 of 2005 has been filed which is admitted and pending hearing and final disposal.
12. EMTA Coals Limited (“**EMTA**”) had purchased a total of 128 Komatsu HD785 Dump Trucks and other mining equipment from L&T for which EMTA had entered into 18 Full Maintenance Contracts (“**FMC**”) with L&T between January 2006 and August 2013. The FMCs were renewed from time to time. L&T approached EMTA for release of payments under FMC but the same was consistently delayed. A winding up notice bearing no. VBT/RDB/ADK 1049 dated March 4, 2015 was issued by L&T to EMTA under Sections 433 and 434 of the Companies Act, 1956 calling upon EMTA to pay a sum of ` 8,930 lakhs together with interest at the rate of 20% per annum and other charges. Despite receipt of the notice, no payment was made accordingly after subsequent correspondence exchanged between the parties. A total sum of ` 13,000 lakhs is due from EMTA for which a winding up petition numbered AP 476 of 2016 is filed before the Kolkata High Court. EMTA has filed a petition under Sections 11, 14 and 15 of the Arbitration and Conciliation Act, 1996 for ` 14,200 lakhs. The aggregate amount involved in this matter is ` 12,956.97 lakhs as on March 31, 2015 plus interest at the rate of 20% per annum till realization. The matter is pending.
13. G V Bapat, a food inspector filed a complaint against L&T, the supplier and buyer of food items used in the canteen of L&T, before the Additional Chief Metropolitan Magistrate, Mazgaon under Section 2 of the Prevention of Food Adulteration Act, 1954

in relation to adulterated food being supplied. An exemption application numbered CC No. 465/S of 2003 has been filed, which was allowed by the Additional Chief Metropolitan Magistrate, Mazgaon. The matter is currently pending for framing of charges.

14. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot - 1. Disputes have arisen pertaining to the works under different heads with claims being made for various additional works. The arbitration hearings have been concluded and the parties have filed their written submissions, in compliance with the order of the Arbitral Tribunal. The amount involved is ` 25,100 lakhs. The Arbitrators (by majority) have published an award for ` 62.88 crores which would be payable by NTPC. Further, future interest at the rate of 18% per annum, shall be payable on the awarded sum from the date of the said award till the date of payment.
15. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot-2. The arbitration is in progress and is posted for further proceedings between April 15, 2019 to April 17, 2019.
16. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (“NTPC”) Project Lot -2. There have been claims for declaration regarding impossibility of performance due to adverse geological conditions at the project site. By way of an amendment to the Statement of Claim, L&T has included monetary claim of ` 86,700 lakhs towards reimbursement of costs, payment of balance amounts and claims. NTPC has raised counter claim of ` 3,15,070 lakhs. The arbitration is in progress and the next hearing has been fixed on different dates between July 5- July 30, 2019.
17. L&T has raised claims of `16,567 lakhs in an arbitration against Rail Vikas Nigam Limited (“RVNL”) pertaining to the Kolkata Metro Railway Line Project (ANV IV Package) due to various delays of RVNL, revision of the rate on account of change in quantity of pile, execution of works outside the original scope of work and seeking for the declaration of entitlement of taking over certificate. The arbitration is in progress and has been posted for further hearing between April 9, 2019 to April 12, 2019.
18. L&T-SCOMI Engg. Bhd Consortium initiated two arbitration proceedings against Mumbai Metropolitan Region Development Authority (“MMRDA”), one with respect to claims of interest on delayed payment of the certified bills amounting to ` 10,855 lakhs and ` 5,200 lakhs, on escalation on uncovered price adjustment during extended period. With respect to first dispute, the arbitral tribunal on January 31, 2019 the tribunal has passed an award in favour of LTSE for an amount of ` 37.48 crores (as interest for delayed payment) against the total claim amounting to ` 69 Crores. The hearing at the arbitral tribunal with respect to the second dispute was held on February 12, 2019. Subsequent hearings are now posted for April 4, 2019 and April 12, 2019 respectively.

19. L&T had referred its disputes to arbitration against National Hydroelectric Power Corporation Limited (“**NHPCL**”) pertaining to Subansiri Lower Hydro Electric Project. L&T has raised contractual claims under various head to the tune of ` 1,90,883 lakhs. NHPCL has made a counter claim of ` 5,459 lakhs plus 14% interest. L&T filed its defence to the counter claim pursuant to which the parties were directed to file admission-denial of documents and issues were framed. The next date of hearing is on April 10, 2019.
20. L&T has initiated arbitration and filed a claim of ` 22,125 lakhs against Bhabha Atomic Research Centre, Trombay (“**BARC**”) towards pending final bills, claims and other charges. BARC has filed their counter claim of ` 249.76 crores and L&T has filed its reply to the defence cum counter claim and is further in the process of finalising further documents for filing. The next date of hearing is on April 10, 2019 for submission of affidavit of evidence.
21. L&T has a claim of ` 4,050 lakhs against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) pertaining to Reach 3A project. In respect of certain variation claims that fructified into a dispute, L&T has invoked additionally as a second reference in the same package, R3A package. BMRCL has made a counter claim of ` 2,050 lakhs. The submissions have been concluded and the matter has been reserved for passing of award.
22. L&T invoked arbitration with a claim of ` 5,297 lakhs against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) with respect to certain disputes arising out of the Reach 4P2 project. The claim is towards, *inter-alia*, extended stay costs and costs incurred towards variations. BMRCL has made a counter claim of ` 1,668 lakhs. The matter had been posted for reply from L&T and for arguments between February 18 and February 19, 2019 on which date the arguments were concluded and the matter has been posted for passing of award.
23. In respect of prolongation cost claims and variation, L&T has invoked arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) for a claim amount of ` 11,950 Lakhs. BMRCL made a counter claim of ` 2,857 lakhs. The arbitral tribunal in its Award on April 30, 2018 order for payment of ` 3,651 lakhs plus the arbitrator’s fee of ` 15.12 lakhs in favour of L&T and the bank guarantees of L&T were released. BMRCL have challenged the award (“**Award**”) vide Suit No. A.S. No. 141/2018 before the City Civil Court, Bengaluru and has filed an interim application seeking interim relief of stay of operation of the Award. The matter is posted to April 10, 2019 for further hearing.
24. In respect of certain claims relating to Viaduct and Elevated stations - Reach 3 package, L&T had initiated arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”). L&T had also filed their counter claim of ` 16,283 lakhs. On August 4, 2018, the arbitral tribunal awarded an amount of ` 1,743.94 lakhs to L&T and allowed BMRCL’s Counter Claim to an extent of ` 31.21 lakhs. L&T filed an arbitration suit no AA 221/2018 before the City Civil Court, Bengaluru challenging the arbitral award wherein certain claims of L&T on the extended stay cost and others were rejected. On BMRCL’s request, an adjournment was granted to file objections to L&T’s application

under Section 34 of the Arbitration and Conciliation Act, 1996. On March 15, 2019, BMRCL sought further adjournment from the Hon'ble Court, which was rejected and the matter was posted to April 18, 2019 for hearing on the said application. BMRCL has also filed an arbitration suit no. AA 222/2018 before the City Civil Court, Bengaluru challenging the arbitral award passed in the arbitration proceedings between L&T and BMRCL.

25. The Collector and District Registrar, Hyderabad, issued a show cause notice No. G3/Sec-73/2013 dated March 3, 2013 ("**Notice**") to L&T Metro Rail (Hyderabad) Ltd. ("**LTHMRL**") and L&T alleging that in respect of an EPC contract executed between LTHMRL and L&T, L&T had paid less stamp duty. L&T had challenged the Notice vide a writ petition before the High Court, Andhra Pradesh ("**Court**"), wherein the Notice was suspended by the interim order of the Court dated April 7, 2014. The matter is pending, and interim stay has been extended until further orders. The amount involved in the matter is ` 61,975 lakhs.
26. The Joint Commissioner of Labour and Assessing officer, Government of Telengana, Ranga Reddy Zone, Hyderabad ("**Authority**") issued a demand notice No. A/BOCW-27/2014 dated September 29, 2014 directing L&T Metro Rail (Hyderabad) Limited ("**LTHMRL**") to pay cess of 1% under the Building & Other Construction Workers Act, 1996 ("**BOCW**") on the cost of construction carried out up to end of February 2014, failing which the Authority has stated that he will assess the amount of cess and recover the arrears along with one time penalty. LTHMRL filed a case numbered W.P. No. 35582 of 2014 against the Authority before the High Court, Hyderabad. The court granted interim stay on the demand of 1% on cost of construction on November 24, 2014 for a period of 3 weeks. The High Court on December 09, 2014 extended the stay until further orders and directed the Respondents to file their counter. The date of next date of hearing has not been notified. The amount involved in the matter is ` 14,000 lakhs.
27. Sugruha, an association, had filed a complaint before the District Consumer Forum, Bangalore, alleging deficiency in services in respect of the South City Project but the same was dismissed. Sugruha then filed an appeal before the State Consumer Forum which was later on withdrawn by Sugruha with a liberty to approach the National Consumer Disputes Redressal Commission, New Delhi ("**NCDRC**"). Sugruha has now filed a complaint numbered 386 of 2014 before the NCDRC seeking the transfer of management and supervision of south city complex to Sugruha and to provide amenities like club house, restaurant, cycle track, library, jogging track, restaurant etc. detailed in the development agreement, brochures, sale deed, agreement to sell and have claimed a sum of ` 44,200 lakhs on various accounts. The matter is fixed for hearing on April 3, 2019.
28. L&T invoked arbitration against Dedicated Freight Corridor Corporation of India Ltd., ("**DFCCIL**") with respect to two separate disputes under ICC Arbitration Rules for CTP 1 and 2 packages for ` 13500 lakhs and ` 25400 lakhs. The first dispute is with regard to stage payment issues wherein pleadings are to be completed by April, 2019. The dates of hearing have been fixed in between May 15, 2019 and May 22, 2019. The second dispute is for the cost associated with extended stay during achievement of milestone 1 for the project, wherein we have received the terms of reference dated March 25, 2019.



29. L&T invoked arbitration against Department of Atomic Energy, Mumbai in relation to construction of academic township, sports complex and residential township along with necessary infrastructural facilities for National Institute of Science Education and Research at Jatni, Khurda, raising claims towards outstanding payments, final bill, release of bank guarantee to the tune of `13,379 lakhs with an interest of `7,709 lakhs. The arbitration has begun and the matter is currently pending.
30. A consortium comprising of M/s. Patel Engineering and L&T (“Patel-L&T Consortium”) initiated arbitration against NHPC Limited in relation to Parbati Hydroelectric Project, Stage III-520 MW at Himachal Pradesh towards claims raised by Patel-L&T Consortium for outstanding payments, final bill, release of bank guarantee to the tune of `49211 lakhs. NHPC filed an Application under section 13 read with section 12 of Arbitration Act before the Tribunal praying for setting aside the appointment of Presiding Arbitrator which was set aside by the Tribunal. NHPC further filed another application seeking for stay of the proceedings before the Tribunal which was also rejected. Presently, NHPC has approached the District Court, Faridabad filing an application under section 14 of the Arbitration Act challenging the appointment of the Presiding Arbitrator. During the pendency of the said application, the court has directed stay of the arbitral proceedings.
31. Mr. Uday Dixit (“**Petitioner 1**”), who retired on April 30, 2016, had challenged his transfer from Mahape to Mysore in 2012. Mr. Dinesh H. Sawant (“**Petitioner 2**”) was terminated on May 19, 2010 as he had failed to report to duty from May 5, 2010 continuously, till terminated. Both Petitioners have been filing series of complaints against L&T before various authorities on the ground that L&T is illegally developing its land in Powai but their complaints have been consistently dismissed. Finally, the Petitioners filed a writ petition bearing Writ Petition No. 1578 of 2016 against, *inter-alia*, L&T before the Bombay High Court. The Petitioners have prayed for, *inter-alia*, confiscation of the land in Powai; appointment of a receiver for the land and withdrawal or change the user permission. L&T is yet to reply to the draft amendment made to the petition. The Petitioners have withdrawn the petition and filed a fresh petition on the same grounds has been filed by Loyal Tigers Welfare Association. Loyal Tigers Welfare Association is a registered society whose Secretary is Mr. Uday Dixit. The matter is at pre-admission stage.
32. Mr. Surendra Sharma (“**Petitioner**”) filed a suit bearing Suit No. 2755/ 2011 before the Bombay High Court. The suit arises from a family dispute with respect to non-payment of money as agreed in a settlement deed executed between the Petitioner and Smit Properties Pvt. Ltd. (“**Smit Properties**”), being L&T’s predecessor regarding the property. The property was bought by L&T from Lt. Durgadevi Sharma who had made a will and all defendants in the matter are family members and beneficiaries to the will. L&T was made defendant no. 20 since one of the prayers in the suit challenges the conveyance between L&T and Smit Properties. The chamber application was filed by Smit Properties to bring on record its written statement after a delay of 5 years. The next date is yet to be notified.
33. Mr. Rajendra Sharma filed an identical suit bearing Suit No. 2593 /2012 before the Bombay High Court against his family members, Smit Properties & L&T in 2012 for non- receipt of the amount due to him from Smit Properties thereby praying for the

cancellation of the deed of conveyance between Chittaranjan Sharma & Smit Properties and the further sale between Smit Properties & L&T. The matter is listed for framing of issues on April 2, 2019.

34. L&T had leased plot no. 4D and 4E of the Marve Bungalow which is situated on a composite piece of land comprising of three sub plots bearing Nos.4C, 4D and 4E at Aksa Village, Madh Marve Road, Malad West, Mumbai. The lease of Plot no. 4D expired on January 31, 2016. The legal heirs of the lessors have filed a T.E.R Suit for eviction against L&T in the Bandra Small Causes Court. L&T filed an application to deposit rent for the period subsequent to April 1, 2017. As per the order dated November 10, 2017, the rent for the period between April 01, 2017 to March 31, 2018 has been deposited in the Court. The matter has been posted to April 12, 2019 for the reply of the Plaintiff and is currently pending.
35. A Criminal Complaint numbered 359/18 has been filed against L&T Ltd. and Mr. S.C. Bhargava, before the Presiding Officer & Judicial Magistrate First Class, Labour Court, Surat, for the alleged breach of provisions under Inter State Migrant Workmen (Regulation of Employment and condition of Service) Act 1979 and the Interstate Migrant Workmen (Regulation of Employment and condition of Service) Central Rule, 1980. The matter is currently pending.
36. A criminal complaint u/s 420 of IPC, has been filed by L&T through its Electrical and Systems Equipment Division ('Company'), before the Police Station, Delhi Cantt. against Ravindra Brothers, a Proprietorship Firm. Ravindra Brothers had raised a Purchase Order No. RB/L&T/01 dated June 15, 2016 on the Company for "Supply of HT 11 KV VCB Panel Board as per specifications A/C MES Vasco Work with relay Numerical Type Siemens (7SJ62) / Schneider (P127)" ("Material") for a sum of Rs. 22,75,000/- Ex-works, exclusive of taxes and duties. The said Material was duly delivered to MES, Goa and accordingly, the Company raised an Invoice dated October 07, 2016 on Ravindra Brothers for a sum of Rs. 23,90,563/-, being the amount payable to the Company. However, Ravindra Brothers failed to make the said payment. Since no effort was taken by the IO, the issue has been raised before the DCP, office. The matter is pending.

#### **b. Criminal Proceedings**

1. Central Bureau of Investigation ("CBI") has registered a FIR with Case No. RC. 8A/2017-D on September 8, 2017 in Dhanbad, Jharkhand against certain officials of Bharat Coking Coal Limited, L&T Ltd and unknown others in relation to alleged criminal conspiracy, cheating and criminal misconduct with regard to award of contract to L&T Ltd against notice inviting tender dated March 25, 2013 for supply of 100 numbers of 35 Te Tippers with Maintenance & Annual Repair Contract (MARC) for 6 years for estimated cost of ` 38,392 lakhs. Investigation is pending.
2. Manoj Mendon was an employee of a clearing house agent appointed by L&T for clearing pay-orders and customs duties for goods and components imported by L&T. While performing his duties, Manoj Mendon fraudulently claimed ` 29 lakhs from L&T's bank account in 2004. To recover this amount, L&T filed a criminal complaint numbered CC NO. 2269 / PW / 2005 in 2005 against Manoj Mendon and others. The

case is pending in the Additional Chief Metropolitan Magistrate, Ballard Pier Court, Mumbai at the stage of hearing. Next date of hearing is on October 03, 2019.

3. Ramesh Bhatt (“**Accused**”) was working with L&T in accounts department at Powai Works. He was handling and was familiar with procedure for passing bills and releasing payments to the vendors. He indulged in preparing forged documents during the period of June 9, 1986 to June 16, 1992. He duped L&T to the tune of `125 lakhs by following different modus operandi. A criminal complaint numbered CC NO.PW / 2201897 / 1994 was filed to recover the amount from the Accused and now the matter is still pending in Magistrate Court, Andheri, Mumbai at the stage of hearing. Next date of hearing is on November 11, 2019.
4. Kamaljeet Singh Shekhawat, a customer of L&T, filed a criminal case numbered CRLMP/2388/2014 against L&T and Komatsu India Private Limited before the Thana Mandan, District Alwar, Rajasthan alleging that Komatsu failed to return the equipment belonging to the Complainant. The matter is currently pending.
5. Mr. Uday Dixit is a disgruntled ex-employee of L&T Ltd. He had circulated various defamatory messages against L&T and its senior management in its Kolkata office. In relation to the same, criminal complaint numbered CS/0045822/2017 has been filed before the Court of 18th Metropolitan Magistrate, Calcutta under relevant provisions of Indian Penal Code, 1860 (“**IPC**”) for defamation and extortion. Summons have been issued on the basis of police report. Further criminal complaints numbered 2473/2017 and 2126/2017 have been filed before the judicial magistrate, Patna under the relevant provisions of the IPC and the Information Technology Act for defamation and criminal intimidation. Since accused did not appear before Court on issue of summons and warrant, non bailable warrants were issued and accused was arrested and produced before the Hon’ble Court. Bail has been granted to accused and matter is proceeding as per due-course.
6. A Criminal Complaint being No. CS No. 4291 of 2019 u/s 138 of Negotiable Instruments Act, has been filed before the Learned 14<sup>th</sup> Metropolitan Magistrate, Kolkata by L&T through its E&A Division against Messrs Arun Electricals acting through its Proprietor Mr. Avinash Singh in relation to the cheque issued by Messrs Arun Electrical towards its partial discharge of legal debt. The balance outstanding amount of ` Rs. 21,16,000/- is still due and payable by Messrs Arun Electricals. The matter is currently pending. Similarly, criminal complaint being Case No. 17235/19 u/s 138 of the Negotiable Instruments Act has been filed by L&T before the Learned 14<sup>th</sup> Metropolitan Magistrate, against M/s. Arun Electricals for Rs. 20,00,000/- which is also pending.
7. A criminal case No. TR No.153/2015 had been initiated by Labour Enforcement Officer (Central) before the Sub-Divisional Judicial Magistrate, Sherghati against the L&T and Mr. M.P. Sharma for alleged non-compliance under Building & Other Construction Workers (RE &CS) Act, 1996 (“**BOCW**”) read with the rules. A criminal revision application No. 52 of 2018 arising out of G.O. Case No.07/2005 is pending before District Judge, Gaya. The last date of hearing was March 06, 2019.
8. A criminal case numbered Special Case No. 28/ 2004 has been initiated by the Central

Bureau of Investigation (“**CBI**”) before the Court of Special Judge CBI Court No. 2, South Bihar Patna against S.K. Soni, Project Director of National Highway Authority of India (“**NHAI**”), Brig Kapoor, Engineer appointed by NHAI, J. Ganguly, EVP, L&T under Sections 420 and 120B of Indian Penal Code, 1860 and Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act due to the execution of Golden Quadrilateral project in Delhi - Kolkata leg which was awarded by NHAI to L&T-HCC JV. The case relates to the alleged sub-contracting of more than 10% of the total value of the project in contravention of the contract conditions and causing alleged pecuniary loss of ` 2,200 lakhs to NHAI. While the case is pending before the special court, the same dispute was raised by NHAI before the Dispute Review Board (“**DRB**”) as well as the arbitral tribunal. Both DRB and the arbitral tribunal have totally dismissed the claims of NHAI and held that there was no subcontracting of more than 10% as alleged by NHAI and there was no pecuniary loss as alleged by NHAI. No appeal was filed and NHAI entered in to a settlement as well. L&T filed a criminal revision petition seeking quashing of the criminal case and the High Court of Patna was pleased to hold that CBI had to conduct a fresh investigation in light of the DRB and arbitral awards rendered in favour of L&T. As per the direction of the Patna High Court, CBI had investigated the issue again and submitted the final report before them. The discharge petition would be filed as and when the matter is taken up for framing of charges. The last hearing was held on March 14, 2019.

9. The matter with FIR No.RC0042010 A0003 where L&T is a party has been filed before Special Judge, Anti-corruption, Jammu and is pertaining to alleged irregularities in execution of the contract for executing the rural electrification works in Udhampur district and contract for supply of materials. The allegations are for procuring material from unapproved vendors. The last date of hearing was on March 20, 2019 and the matter is pending.
10. There has been prosecution with suit numbered CC No.10 FI/2014 against L&T for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) at the DLF Capital Green Project site. The directors of L&T on behalf of L&T filed a quash petition which was disposed of with an observation to seek relief before the lower court where such discharge petition is pending. The matter has been posted for July 2, 2019.
11. Central Bureau of Investigation (“**CBI**”) has filed a criminal case CC No.70/2004 against the officials of L&T alleging conspiracy with the officials of Oriental Insurance in respect of NTPC Simhadri job claims settled by them. Separate appeals have been filed for the convicted individuals and our Company. The matter has been posted for appearance on June 03, 2019.
12. There has been prosecution with suit numbered CC No.55F1/2014 before Karkardooma Court, Delhi for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) at the DLF Capital Green Project site. L&T filed quash petitions in the High Court against the criminal complaint, which has been allowed in respect of all save and except for two petitioners for which necessary action is being taken up. The lower court proceedings have been adjourned to April 24, 2019.
13. A complaint has been filed by Labour Enforcement Officer against L&T before

Metropolitan Magistrate, Patiala House, New Delhi for alleged violation of certain provisions of Contract Labour (Regulation and Abolition) Act at the construction site for elevated viaduct and ramp at Punjabi Bagh, ESI Hospital and Mayapuri, New Delhi. The cross-examination of the defendant's witness No.3 was held on March 15, 2019.

14. During the execution of a bridge project (minor bridge location CH 429), a police head constable travelling on a motor cycle passing through L&T's construction site met with a fatal accident on March 24, 2016. His brother, Mr. Govind Bapurao Gaikwad, filed a FIR against L&T and its employees before the Manwath police station under Sections 304A, 279 and 34 of the Indian Penal Code, 1860. Subsequently, an anticipatory bail with suit No. SCC 99 of 2016 had been granted to the staff members of L&T against whom the FIR was filed. The matter is posted for next hearing on June 14, 2019 for plea and particulars.
15. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa ("**Complainant**") has alleged that L&T had commenced its contract works from March 18, 2014 by engaging about 395 contract workmen without obtaining the requisite license and violating Section 12(1) of Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971. Two criminal petitions have been filed by the Complainant against L&T and its officials before the Judicial Magistrate First Class, Panaji, Goa pertaining to non-compliance of the provisions of Inter-state Migrant Workmen Act and Contract Labour Act, relating to Goa-Mandovi Bridge project. The last hearing for the purpose of reporting was held on December 7, 2018 and has now been posted next on February 08, 2019. for reporting of Accuse No.1 and 2. The matter has been adjourned to June 10, 2019.
16. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa ("**Complainant**") has alleged L&T had employed Inter State Migrant Workmen numbering 395 workmen without obtaining the requisite license thus violating Section 8(1) (b) of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and non-maintenance of Register of Migrant Workmen in Form XIII, thus breaching Rule 49 of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) & Central Rules, 1980. The matter is before Judicial Magistrate First Class, Panaji, Goa and the last hearing was held on December 7, 2018 for the purpose of reporting. The next hearing has now been posted on February 08, 2019. The matter has been adjourned to June 10, 2019.
17. The Municipal Corporation of Greater Mumbai ("**Complainant**") filed complaints against an official of Scomi Engineering Berhad, an official of L&T and an incorporated consortium consisting of L&T and Scomi ("**LTSE**") (collectively the "**Accused**"), before the Metropolitan Magistrate under Sections 478, 478-1A and 478-1B of the Mumbai Municipal Corporation Act, 1888. The complaint bearing C.C. No. 4200058/Misc/15 was filed for fabrication of receipts of Octroi duty of ` 113.6 lakhs and complaint bearing C.C. No. 4200003/Misc/16 was filed for evasion of Octroi duty of ` 6.7 lakhs. The last hearing was held on March 25, 2019 and the matter is currently pending.
18. Sandhya engineering, a sub-contractor in Techno park project filed a criminal complaint bearing C.C. No.124/2017 in J.M.F.C. Paravur, Kollam before Judicial Magistrate,

Paravur, Kerala alleging cheating and criminal breach of trust relating to his sub contract payments and under the Orders of the Court, police conducted investigation and filed final report. L&T filed a quash petition before the High Court and secured stay of proceedings. L&T has filed a discharge petition before the lower court. The matter was posted on February 27, 2019 for further arguments and the next date is yet to be notified.

19. A complaint has been filed by a sub-contractor alleging the offences of cheating, forgery against the officials of L&T, in respect of work done at Perto Project. L&T preferred a petition bearing Miscellaneous Petition No. 6702/2017 under Section 482 of Code of Criminal Procedure, 1973 before the Judicial Magistrate, Jaipur which stayed the investigation of the FIR registered at P.S. Vaishali Nagar, Jaipur (West). The matter is pending. The court had referred the matter to the High Court mediation Centre to explore settlement. However, the mediation failed. The matter came up for final arguments on March 11, 2019 and is currently pending.
20. A complaint bearing Suit No. CC No. 161/2L/16 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition) Act. The appearance has been entered and the matter has been posted on May 3, 2019.
21. A complaint bearing No. CC No. 109/2L/18 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition Act). The appearance has been entered and the matter was posted on February 28, 2019. The next date is yet to be notified.
22. A complaint bearing case No. 3060/04 was filed before the 11th Chief Metropolitan Magistrate, Kolkata under Section 420 of the Indian Penal Code, 1860 by S. K. Poddar of Kiran Properties against L&T alleging non-payment of brokerage relating to leasing out of office space on the 5th floor to British Airways. A summons was issued and subsequently Sadhana Mishra was produced in Court on October 14, 2004 and released on bail on a surety of ` 0.10 lakhs. L&T filed an application under Section 205 which has been allowed. The last hearing was held on December 31, 2018. The matter has been posted for hearing on June 15, 2019 and is currently pending.
23. On September 02, 2015, Anil Baxla who was working in Fabrication shop sustained minor injuries. This was reported to the Factory Inspector, Rourkela. The Factory Inspector filed this case bearing Case No. 2 (C) CC 96/15 in the court of JMFC, Rajgangpur against SNS (the then occupier) and Mr. Sandip Choudhuri (the then manager) of the factory on the allegation of the lacuna on the part of the management. The matter was not taken up for hearing on February 11, 2019 and was adjourned to May 15, 2019.
24. A complaint bearing CC No.3308662 has been filed against L&T by the Labour Enforcement Officer, BOCW, before the Lucknow Magistrate Court regarding non-compliance of provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) pertaining to River View Apartment Project at Lucknow for the Lucknow Development Authority. The last hearing was on December 17, 2018 and the next date is yet to be notified.



25. A criminal complaint bearing A.B.A No. 4663 of 2018 and A.B.P. No. 367 of 2018 was filed by one of L&T's vendors Shama Construction Services in connection with non-payment of dues for the services provided by them at L&T's Bokaro Steel City Project. The summons was received from the Court of SDJM, Bokaro against L&T's staff, Mr. Tanmoy Boxi and Mr. Srinivas Pabolu under Section 323, 385, 379 and 34, Indian Penal Code, 1860. Anticipatory bail was applied for both the employees before the High Court of Jharkhand at Ranchi. The Hon'ble Court was pleased to stay the proceedings until further orders. The last hearing was held on January 16, 2019. The matter was adjourned on the said date and the next date for hearing is yet to be notified.
26. In connection with non-compliance of labour laws and series of variation, Deputy Director of Factories, Kancheepuram, issued a show cause notice and initiated criminal proceedings bearing CC Nos. 137 to 142 of 2018 before the Chief Judicial Magistrate, Chenglepet against the Occupier (MVS) and the Factory Manager, Mr. P Dinesh Kumar. However, fresh notice was issued against MVS and the matter was posted on January 8, 2019 for the next hearing on which date, the matter was closed.

**c. Regulatory Proceedings**

1. The Regional Officer, of Gujarat Pollution Control Board (the "**GPCB**") filed a criminal complaint numbered 73507 of 2014 on behalf of GPCB, against L&T and seven officers of L&T, before the Chief Judicial Magistrate First Class, Surat under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is currently pending.
2. The Regional Officer, of Gujarat Pollution Control Board (the "**GPCB**") filed a criminal complaint with criminal case number 4897 of 2012, on behalf of GPCB, against L&T and the directors of L&T, including A. M. Naik and S. N. Subrahmanyam, before the Chief Judicial Magistrate First Class, Vadodara under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter was disposed of vide Order dated 9th March 2019 wherein L&T was directed to pay a total penalty of Rs. 2,00,000/-.
3. Mr. Mayank Agrawal ("**Complainant**") has filed a complaint bearing Complaint No. CC006000000056800 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 403 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ` 404 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal being No.AT006000000021232 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.

4. Mr. Ankesh Agrawal (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000056809 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 503 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ` 406 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021231 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.
5. Mr. Mittal Anil Padia (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000056757 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 601 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to ` 504 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021230 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.
6. Mr. Banmali Tandon (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000057215 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 305 in Tower T04, Emerald Isle and had withdrawn his complaint *vide* order dated October 24, 2017. The Complainant has again filed this complaint alleging non-refund of TDS amount, service tax, and MVAT and interest due on the prepayment of the advance money. The next date of hearing has been fixed on April 9, 2019.
7. Mr. Suresh Swamy (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000057656 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked a flat bearing number 301 in Tower T08, Emerald Isle. The Complainant wants to proceed with the project but is seeking compensation for delay in handing over of possession of his flat. The next date of hearing is April 16, 2019.
8. Mr. Reny Varghese (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000057669 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1401 in Tower T08, Emerald Isle. The Complainant wants to continue with the project but is seeking compensation for delay in handing over of possession of his flat. The next date of hearing is April 03, 2019.
9. Mr. Vishal Singhal & Ors. (“**Complainant**”) has filed a complaint bearing Complaint No. CC006000000057747 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1302 in Tower T08, Emerald Isle. The

Complainants wants to continue with the project but are seeking compensation for delay in handing over of possession of flat. The next date of hearing is April 03, 2019.

10. Mrs. Rekha Sinha (“Complainant”) had filed a complaint before MahaRERA bearing Complaint No. 23296. The Complainant after taking possession of her flat filed complaint seeking compensation for delay in hand over of possession of her Flat. The said complaint was disposed of as dismissed vide order dated May 3, 2018. The Complainant had challenged the said order dated May 3, 2018 before the Maharashtra Real Estate Appellate Tribunal. The appeal has been disposed off vide order dated March 14, 2019 wherein the Appellate Tribunal has set aside the order dated May 03, 2018 passed by the Learned Member and Adjudicating Officer of RERA. It has further directed the Promoter to pay interest on delayed possession of six months on the amount of `1,65,88,062 to the allottee at the prescribed rate.

**d. Proceedings pertaining to Tax**

1. L&T has filed this appeal vide Case No. 7223/M/13 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ` 8,044 lakhs.
2. L&T has filed this appeal vide Case No. 9076/M/10 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ` 5,176 lakhs.
3. L&T has filed this appeal vide Case No. 8783/M/11 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in - progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ` 12,862 lakhs.
4. L&T has filed this appeal vide Case No. 609/Mum-2013 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in-progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ` 21,359 lakhs.
5. L&T has filed this appeal vide Case No. 856/Mum/2014 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in-progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA

deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ` 20,002 lakhs.

6. L&T has filed this appeal vide Case No. 2315/Mum-2015 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in-progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for warranty, TP adjustment, etc. The amount involved in this matter is ` 23,007 lakhs.
7. L&T has filed this appeal vide Case No. 1855/Mum- 2016 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in-progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ` 31,354 lakhs.
8. L&T has filed this appeal vide Case No. 2112/M/2017 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ` 18,085 lakhs.
9. L&T has filed this appeal against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, TP adjustment, etc. The amount involved in this matter is ` 3,273 lakhs.
10. L&T has filed this appeal vide Case No.297/2014-15 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in-progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, TP adjustment, etc. The amount involved in this matter is ` 1,320 lakhs.
11. L&T has filed a Special Leave Petition bearing numbers SLP-11038 of 2018 and SLP-11039 of 2018 dated April 23, 2018 in the Supreme Court of India against orders given by the Punjab & Haryana High Court for the period 2011-12 and 2012-13 pertaining to, *inter-alia*, disallowance of exemption of interstate sale in transit, levy of tax on high sea sales, exemptions claimed for labour and like charges, input tax credit not allowed in full, consequential interest and penalty levied. The Supreme Court has issued notice to the tax department and the tax department has submitted the counter affidavit. The matter has been adjourned and the next date of hearing is awaited. The amount involved in this matter is ` 35,845 lakhs and ` 28,524 lakhs.

12. L&T has filed an appeal bearing CEXA/91/2016 in the Bombay High Court against an order bearing reference V (84/87)1575/2011/Adj/2012/C/3654 dated August 9, 2012 demanding excise duty on parts of the construction equipment for the period 2007 to 2012. The amount involved in the matter is ` 32,322 lakhs.
13. L&T has filed objections under matter number 150082267484/5757 dated March 28, 2017 against an order of the Special Commissioner, Appeals, Delhi, VAT, for the period 2008-09 disallowing exemption on sub-contractor turnover and on labour & like charges. The matter is pending with the objection hearing authority. The amount involved in the matter is ` 15,291 lakhs.
14. L&T has filed an appeal bearing reference JC/App-5/VAT/831/2015-16 dated January 29, 2016 against VAT assessment order for the period 2009-10 disallowing hire charges of plant & machinery, offshore services rendered to ONGC, tax on material portion on which VAT has been paid, ITC reversal. The appeal is pending for hearing. The amount of matter involved is ` 12,764 lakhs.
15. L&T has filed an appeal bearing number C/852009, 852010, 852011-2014 before the CESTAT, Mumbai against an order passed by the Commissioner of Central Excise, Maharashtra demanding duty on difference between transaction value and duty on MRP (less abatement) on ESP Imported products (CETH 8536). The matter is pending for adjudication. The amount involved is ` 11,274 lakhs.
16. L&T has filed a writ petition bearing reference number WPST/34360/2018 in the Bombay High Court against a demand of pre-deposit for the period 2007-08 by disallowing the sale in the course of imports - ONGC, high sea sales, sale in transit under section 6(2) disallowed. The matter was heard and the court has directed not to take any coercive measures till the matter is heard. The next hearing is scheduled on January 24, 2019. The amount involved is ` 18,487 lakhs.
17. L&T has filed an appeal bearing CA-//11-12 with the Joint Commissioner (Appeal-I) for the period 2003-04 against an order disallowing the non-submission of declarations, high sea sales, non- taxable charges, sales occasioning imports, purchases effected under Form H, insurance charges on material component of ONGC, import purchases of other states treated as branch transfers. The matter is at pending for hearing. The amount involved in the matter is ` 10,145 lakhs.
18. L&T has filed ten appeals before the Income Tax Appellate Tribunal (“ITAT”) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding section 80-IA deduction on infrastructure projects. The deduction claimed by L&T under section 80-IA of the Income Tax Act, 1961 has been denied by the tax authorities treating L&T as the works contractor instead of the developer. L&T has contended that the conditions of section 80-IA (4) have been fulfilled. L&T has submitted that the nature of activity performed by them is a development activity pursuant to an agreement with the central government, state government, local authority, statutory body. The jobs have not been received by L&T as sub-contracts from third parties. L&T itself has made the investment and executed the development work to carry out civil construction work as against just execution of work. L&T has submitted

extracts of the development agreements for various projects for which they have claimed deductions under section 80-IA. The matter will have a tax effect of ` 44,091 lakhs. The matter is currently pending.

19. L&T is in the process of filing an appeal before the Commissioner of Income Tax- Appeals (**CIT(A)**) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding short-term capital loss on sale of JM Arbitrage Fund units treated as business loss, disallowance of expenses due to failure of parties to provide transaction confirmations, disallowance of R&D expense (not reported by DSIR), imputed charge for use of L&T brand, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, etc. The amount involved in this matter is ` 52,100 lakhs.
20. L&T has filed ten appeals before the Income Tax Appellate Tribunal ("**ITAT**") against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding ESOP Expenses. ESOP discount has been treated as a contingent or notional in nature and therefore disallowed by the income tax authorities. The income tax authorities have regarded ESOP discount as capital in nature while L&T has contended that ESOP discount represents employee remuneration and thus, is a revenue expenditure which is not contingent in nature. The Commissioner of Income Tax (Appeals) has granted L&T relief for the ESOP expenses on the basis of actual exercise of options by employees in Assessment Year 2013-14. The matter will have a tax effect of ` 35,241.6 lakhs. The matter is currently pending.
21. L&T has filed ten appeals before the Income Tax Appellate Tribunal ("**ITAT**") against the Deputy Commissioner of Income Tax at Mumbai, in relation to direct tax matters regarding taxing notional profit on construction work- in- progress valued at cost. In accordance to the accounting standards (AS), L&T does not recognise profit for projects until it reaches 25% completion. However, the income tax authorities have added notional profit in case of contracts below 25% stage of completion. The matter will have a tax effect of ` 28,805.7 lakhs. The matter is currently pending.

**ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES.**

1. L&T Finance Limited ("**LTFL**"), a subsidiary of the Company has filed an intervention application in the National Company Law Appellate Tribunal ("**NCLAT**") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("**UOI**") pending before the NCLAT, in its capacity as the financial creditor of Moradabad Bareilly Expressway Limited ("**MBEL**"), a subsidiary of IL&FS Transportation Networks Limited ("**ITNL**"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("**IL&FS**"). The said intervention



application also seeks a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTFL.

L&T Infrastructure Finance Limited (“**LTIFL**”), a subsidiary of the Company has filed intervention applications in the NCLAT under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the UOI and pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited (“**WGEL**”) and **MBEL**, all being subsidiaries of ITNL, which in turn is a subsidiary of IL&FS. The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIFL.

L&T Infra Debt Fund Limited (“**LTIDFL**”), a subsidiary of the Company has filed intervention application in the NCLAT under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the UOI and Company Appeal (AT) No. 347 of 2018 filed by IL&FS, pending before the NCLAT, in its capacity as the financial creditor of WGEL, MBEL, Hazaribagh Ranchi Expressway Limited (“**HREL**”) and Jharkhand Road Projects Implementation Company Limited (“**JRPICL**”), all being subsidiaries of ITNL, which in turn is a subsidiary of IL&FS. The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIDFL.

**LTFL, LTIFL and LTIDFL are hereinafter collectively referred to as the “LTFH subsidiaries”**

LTFH subsidiaries have also preferred civil appeals bearing reference number 2397-98 of 2019 before the Hon’ble Supreme Court of India under Section 423 of the Companies Act, 2013, inter alia assailing the order dated February 11, 2019, passed by the NCLAT and civil appeals bearing reference number 4497-4506 of 2019 assailing the common impugned orders dated March 12, 2019, March 19, 2019, March 29, 2019, April 08, 2019 and April 16, 2019. The next dates for the above set of appeals are posted in October & November, 2019 respectively.

IL&FS submitted Resolution Framework Report(s) to the National Company Law Appellate Tribunal (“**NCLAT**”) in Company Appeal (AT) No. 346 of 2018 filed by the UOI and Company Appeal (AT) No. 347 of 2018, where WGEL, HREL, JRPICL and MBEL were classified as 'amber', but as per order dated July 12, 2019 passed by the NCLAT, WGEL, JRPICL and MBEL are to be classified as 'green' upon agreeing to revised terms. The classification of IL&FS subsidiaries as per the Resolution Framework Report(s) is on the basis of their ability to service all their debt, where ‘amber’ companies can only service senior secured lenders, ‘green’ companies can service all their debt and fulfill all their financial obligations.

Required steps as directed by the courts have been undertaken, and WGEL, JRPICL and MBEL have executed binding agreements permitting debt servicing. WGEL and MBEL have paid secured due amounts to the concerned LTFH subsidiaries and JRPICL is operationalizing the payments to the concerned LTFH subsidiaries.

2. The Director General of GST Investigation (“**DGGI**”) has issued a show cause notice (“**SCN**”) dated October 18, 2018 to L&T Finance Limited (“**LTFL**”), inter-alia, alleging that additional interest, penal interest and default interest charged to customers is liable to service tax and goods and services tax (“**GST**”) as applicable. The SCN will be adjudicated in due course before the Principal Commissioner of CGST.

The amount of tax involved in the SCN is Rs 197.29 Crores for the period starting from April 2013 to June 2017. Based on the tax opinions, LTFL is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994.