L&T INFRA DEBT FUND LIMITED

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Seventh Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY 2019-20 as compared to the previous FY 2018-19 is given below:

(₹ in Crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Income	902.97	754.82
Total Expenses	689.99	623.16
Profit before Tax	**212.98**	**131.66**
Provision for Tax	--	--
Profit after Tax	**212.98**	**131.66**
Other Comprehensive Income	(0.16)	(0.05)
Total Comprehensive Income for the Year	**212.82**	**131.61**
Add: Balance brought forward from previous year	344.50	239.22
Balance available for appropriation	557.32	370.83
Appropriations:		
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	42.60	26.33
Impairment Reserve	11.47	--
Surplus in the Statement of Profit and Loss	**503.25**	**344.50**

APPROPRIATIONS

The Company proposes to transfer ₹ 42.60 Crore (previous year: ₹ 26.33 Crore) to Special Reserve created u/s 45 – IC of Reserve Bank of India Act, 1934, transfer ₹ 11.47 Crore (previous year: ₹ Nil) to Impairment Reserve created as per the RBI circular No. RBI/2019-20/170 and retain ₹ 503.25 Crore (previous year: ₹ 344.50 Crore) in the Statement of Profit and Loss of the Company.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

PERFORMANCE OF BUSINESS

The policy and regulatory framework for Infrastructure Debt Funds ("IDF") announced by the Government of India ("GoI") and the Reserve Bank of India ("RBI") respectively, were targeted at providing an innovative solution to the asset-liability mismatch and group exposure issues faced by the banking system in India. It was also intended that IDFs would help channelize domestic and foreign pension/ insurance funds to infrastructure as well as play a role in deepening the bond market in India.

In FY 2019-20, the sixth full year of operations, the Company has been able to make significant progress towards achieving all the objectives indicated by GoI & RBI, as well as improve the viability of projects by providing long-tenor and low-cost structured refinance solutions. The Company's aggregate disbursement to over 100 infrastructure projects during the six full years of operations was ~ ₹12,500 Crore. The Company's loans & advances (net of repayments) stand at ~ ₹9,000 Crore. With a significant incremental market share and 0% impaired assets, the Company continues to be one of the leaders in refinancing of operational road & renewable energy projects in India.

In furtherance of the objective of deepening the bond market and channelizing pension/ insurance funds to infrastructure projects in India, the Company has raised long term funds aggregating ~ ₹8,500 Crore through the issue of AAA rated listed bonds/ debentures primarily to insurance, pension & provident funds. The Return on Equity (RoE) during the year under review has been ~ 17%.

During Q1 FY 2020, the Company had entered into definitive agreements with Apis Growth Fund II, a financial service focused private equity fund managed by Apis Partners LLP for up to 25.1% equity stake for USD 110 million. Consequent to the noting by the Board of L&T Finance Holdings Limited of the amalgamation of L&T Housing Finance Limited (LTHFL) and L&T Infrastructure Finance Company Limited (LTIF) with L&T Finance Limited (LTF), the aforesaid agreements with Apis Growth Fund II stand terminated on expiry of the long stop date.

In the last 6 years, the Company has focused on 4 sectors - solar power, roads & highways, wind energy and transmission. Going forward, the Company expects to provide refinance solutions to projects in new sectors, geographies, promoter groups and business models as well as further diversify its sources of funding and optimize leverage & returns.

FINANCIAL PERFORMANCE OF THE COMPANY

During the year under review, the Company has earned a profit (including Other comprehensive income) of ₹ 212.82 Crore on loans of ₹ 8,760.68 Crore as on March 31, 2020, diversified across multiple sectors including transportation (roads), renewable energy (solar & wind power) and power transmission.

The Company has sourced funds through the issue of long-term bonds of tenors ranging from 5 to 20 years from over 290 high quality institutional investors, principally insurers and pension/ provident funds. The net worth of the Company as on March 31, 2020 was ₹ 1,272.51 Crore as compared to ₹1059.66 Crore on March 31, 2019.

MATERIAL CHANGES AND COMMITMENTS

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

DIVIDEND

During the year under review, the Board of Directors declared and paid interim dividend @ 5% p.a. per share in respect of 50 and 1003 Cumulative Redeemable Non-Convertible Preference Shares ("CRPS") of the face value of ₹10,00,000 each of the Company for FY 2019-20, entailing an outflow of ₹ 0.25 Crore and ₹5.02 Crore (excluding dividend distribution tax), respectively.

No final dividend on equity shares of the Company has been recommended for the financial year ended March 31, 2020 as the Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company.

CREDIT RATING

During the period under review, CRISIL Limited ("CRISIL"), CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA") had reviewed the ratings on various issues of Non-Convertible Debentures and reaffirmed these at AAA [Triple A] with Stable Outlook. CRISIL's rating of preference shares was also reaffirmed at "CRISIL AAA/Stable" [Triple A; Outlook: Stable by CRISIL]. All these ratings carry a stable outlook. The rating on the Long-term Principal Protected Market Linked Debentures were reaffirmed by CRISIL at 'CRISIL PP-MLD AAA/Stable' and by ICRA at "PP-MLD ICRA AAA/Stable". The short-term rating on commercial papers has been reaffirmed at "CRISIL A1+" (A One Plus by CRISIL), "ICRA A1+" (A One Plus by ICRA) and "CARE A1+" (A One Plus by CARE). CARE has also reaffirmed its rating assigned on short term bank facilities at "CARE A1+".

The instruments with rating of AAA carry the highest degree of safety regarding timely servicing of financial obligations and carry the lowest credit risk.

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

RESOURCES

During the year under review, the Company met its funding requirements primarily through issue of NCDs.

During the year under review, the Company's net borrowing was ₹1,042.27 Crore in FY 2019-20 as against ₹ 1,256.97 Crore in the corresponding period of the previous year.

The aggregate debt outstanding as on March 31, 2020 was ₹ 8,574.89 Crore.

SHARE CAPITAL

During the year under review, the Company had allotted 2,148 CRPS of face value of ₹ 10,00,000 each aggregating to ₹ 2,14,80,00,000 (Rupees Two Hundred Fourteen Crore Eighty Lakhs). Consequent upon the issue of CRPS, the paid-up share capital of the Company as on March 31, 2020, was ₹ 8,10,28,02,140 (Rupees Eight Hundred and Ten Crore Twenty-Eight Lakh Two Thousand One Hundred and Forty Only) divided into 49,01,80,214 equity shares of face value of ₹ 10 each, aggregating to ₹ 4,90,18,02,140

(Rupees Four Hundred and Ninety Crore Eighteen Lakh Two Thousand One Hundred and Forty Only) and 3,201 CRPS of ₹ 10,00,000 each, aggregating to ₹3,20,10,00,000 (Rupees Three Hundred Twenty Crore Ten Lakh Only).

FIXED DEPOSITS

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

DIRECTORS

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

During the year under review, the Company appointed Mr. Sunil Prabhune was appointed as a Non-Executive Director in accordance with the provisions of Sections 152, 160 and 161 of the Act, with effect from April 24, 2019, pursuant to approval of the Members at the Sixth Annual General Meeting ("AGM") held on June 28, 2019.

Mr. Thomas Mathew T. was appointed as Independent Director of the Company at the Extra Ordinary General Meeting ("EGM") held on December 30, 2014 for a term of 5 consecutive years upto December 20, 2019. Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an Independent Director can hold the office for a term of upto 5 consecutive years on the Board of a company, but is eligible for reappointment on passing of a special resolution by the company, based on the report of evaluation of their performance, for another term of upto 5 years. No independent director can hold office for more than two consecutive terms. Further to the aforesaid and based on the recommendation of the Nomination and Remuneration Committee of the Company, Mr. Thomas Mathew T. was re-appointed as an Independent Director for a second term of upto 5 consecutive years with effect from December 20, 2019 to December 19, 2024 pursuant to the approval of the Board at its meeting held on October 18, 2019 and approval of the Members by way of a Special Resolution at the EGM of the Company held on November 4, 2019.

During the year under review, the Company appointed Mr. Shiva Rajaraman as the Whole-time Director in accordance with the provisions of Section 152, 160, 161, 196, 197, 198, 203 and Schedule V of the Act with effect from February 27, 2020 to hold office for a term of 5 years i.e. from February 27, 2020 to February 26, 2025 and the said appointment was approved by the Members at the EGM held on March 20, 2020 and he will be liable to retire by rotation.

As on March 31, 2020, the Board comprises the following Directors:

Name of the Director	Designation
Mr. Dinanath Dubhashi	Non- Executive Director & Chairperson
Mr. Thomas Mathew T.	Independent Director
Ms. Nishi Vasudeva	Independent Director
Mr. Sunil Prabhune	Non-Executive Director
Mr. Shiva Rajaraman	Whole-time Director
Dr. Rupa Rege Nitsure	Non-Executive Director

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

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

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FIT AND PROPER CRITERIA & CODE OF CONDUCT

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

KEY MANAGERIAL PERSONNEL (“KMPs”)

During the year under review, Mr. Amol Joshi resigned as Head-Accounts (discharging functions of the Chief Financial Officer) and Mr. Jaykumar Shah was appointed as Head-Accounts (discharging functions of the Chief Financial Officer) with effect from April 28, 2019.

Mr. Shiva Rajaraman was appointment as an additional Director (Whole-time Director) on the Board of the Company with effect from February 27, 2020 to hold office for a term of 5 years and consequently, he ceased to be the Manager of the Company.

As on March 31, 2020 the Company had the following KMPs:

1) Mr. Shiva Rajaraman - Whole-time Director
2) Ms. Apurva Rathod - Company Secretary
3) Mr. Jaykumar Shah - Head-Accounts (discharging functions of the Chief Financial Officer)

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

A) Background and Objectives

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

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

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

B) Brief framework of the Policy

The objective of this Policy is

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

C) Appointment of Director(s)–Criteria Identification

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

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

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

The Appointment of Managing Director and Whole-time Director is subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules made thereunder. The NRC ensures that a person does not occupy the position as a Managing Director/Whole- time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the

Company in a general meeting. No re-appointment is made earlier than one year before the expiry of term.

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

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

  The NRC carries out evaluation of performance of Independent Directors/ Non-Executive Directors every year ending March 31 on the basis of the following criteria:
  - Membership & Attendance-Committee and Board Meetings;
  - Contribution during such meetings;
  - Active participation in strategic decision making;
  - Inputs to executive management on matters of strategic importance; and
  - Such other matters, as the NRC/ Board may determine from time to time.

- **Executive Directors**

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

- **Senior Management/KMPs/Employees**

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

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

A) Criteria for Remuneration

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

- the level and composition of remuneration is reasonable and sufficient to attract,

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

During the year under review, no changes were carried out to the Policy.

PERFORMANCE EVALUATION

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

Manner of Evaluation

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

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

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

1. **Board and Committee Evaluation:**

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

2. **Independent/Non-Executive Directors' Evaluation:**

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

3. **Chairperson / Whole-time Director Evaluation:**

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

CORPORATE GOVERNANCE

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. The report on Corporate Governance for FY 2019-20 is appended as **Annexure A** to this Report.

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

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 (2) of the Act and the rules made thereunder, the Members at their Sixth AGM held on June 28, 2019, had appointed M/s. Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of Sixth AGM till the conclusion of the Eleventh AGM.

AUDITORS' REPORT

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Naina R. Desai, Practicing Company Secretary (Membership No.: F1351; Certificate of Practice No.: 13365) to undertake the secretarial audit of the Company for FY 2019-20. The Secretarial Audit Report is appended herewith as **Annexure B** to this Report.

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

PARTICULARS OF EMPLOYEES

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

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

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

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

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

During the year under review, there were no foreign exchange earnings. The expenditure in foreign currency was ₹ 0.06 Crore (previous year: ₹ 0.78 Crore) for professional fees and other charges.

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

The Company is a subsidiary of L&T Finance Holdings Limited. During the year under review, the Company did not have any subsidiary, joint venture or associates as defined under the Act.

Accordingly, disclosures under Rule 8(1) and Rule 8(5)(iv) of Companies (Accounts) Rules, 2014 relating to subsidiary, joint venture and associate companies are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

BOARD MEETINGS

The details of the Board Meetings held by the Company during FY 2019-20 are disclosed in the Corporate Governance Report appended to this Report.

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

COMPOSITION OF THE AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

The Company has also formulated a CSR Policy ("Policy") in accordance with the requirements of the Act and containing details specified therein which is available on the website of the Company at www.ltfs.com.

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

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

- included the additional thrust areas i.e. disaster relief and road safety;
- linkage to SDGs added for thrust areas and added additional SDGs - 'Sustainable Cities and Communities' (SDG 11) and 'Climate Action' (SDG 13); and
- updated the CSR projects within the already approved thrust areas.

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

VIGIL MECHANISM

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

The Chief Internal Auditor of LTFS acts as an Ombudsman. The role of Ombudsman is to review the grievance at the initial stage and in case the grievance is material, the same is investigated through appropriate delegation. After investigation, the complaint with the investigation report is forwarded to the Audit committee/Managing Director/Whole-time Director/ Whistle Blower Investigation Committee as the case may be. At the Audit Committee, a brief update is presented to the members for their review. The Committee takes necessary actions of maintaining confidentiality within the organization on matters brought to its attention.

During the year under review, the Company has not received any complaints in this regard.

The mechanism framed by the Company is in compliance with requirements of Companies Act, 2013 and available on the website viz. www.ltfs.com.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties ("RPT Policy") pursuant the recommendation of the Audit Committee ("AC"). The RPT Policy is also available on the website viz. www.ltfs.com. The RPT Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") are referred to the AC of the Company for approval, irrespective of its materiality. The AC also approves any subsequent modification in the RPTs. All RPTs irrespective of whether they are in the ordinary course of business or at an arm's length basis requires approval of AC. The process of approval of RPTs by the Board and Shareholders is as under:

  a) **Board**

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

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

b) **Shareholders**

All Material RPTs require prior approval of the shareholders, based on recommendation of the Board, through ordinary resolution passed at the general meeting. Where any contract or arrangement is entered into by a Director or any other employee without obtaining the consent of the Board or approval by a ordinary resolution in the general meeting, it is to be ratified by the Board or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into.

All RPTs that were entered into during FY 2019-20 were on an arm’s length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to Notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has in place a Risk Management Policy covering identification, assessment, measurement, mitigation and monitoring of all the key risks faced by the Company. This policy has been approved by the Board and is subjected to its review at an annual frequency at the minimum. The Risk Management Committee assists the Board in providing oversight on the implementation of risk management framework laid down in the policy.

The Risk Management framework is also covered in more detail in Management Discussion & Analysis report.

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

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

During the year under review, the Company has not received any complaints in this regard.

ANNUAL RETURN AS REQUIRED UNDER THE ACT AND RULES MADE THEREUNDER

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI / any other Regulators during the year under review.

RBI REGULATIONS

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

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: June 30, 2020

ANNUAL REPORT 2019-20 - ANNEXURE A TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

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

As on the date of this Report, the Board comprises of 6 (six) Directors viz. Mr. Dinanath Dubhashi, Mr. Thomas Mathew T, Ms. Nishi Vasudeva, Mr. Shiva Rajaraman, Mr. Sunil Prabhune and Dr. Rupa Rege Nitsure. Mr. Dinanath Dubhashi is the Non-Executive Chairperson, Mr. Thomas Mathew T. and Ms. Nishi Vasudeva are the Independent Directors, Mr. Shiva Rajaraman is the Whole-time Director and Mr. Sunil Prabhune and Dr. Rupa Rege Nitsure are the Non-Executive Directors on the Board.

During the year under review, the Company appointed Mr. Sunil Prabhune was appointed as a Non-Executive Director in accordance with the provisions of Sections 152, 160 and 161 of the Act, with effect from April 24, 2019, pursuant to approval of the Members at the Sixth Annual General Meeting ("AGM") held on June 28, 2019.

The Board at its meeting held on October 18, 2019 approved the re-appointment of Mr. Thomas Mathew T., whose first term as an Independent Director expired on December 20, 2019, as an Independent Director for a second term of upto 5 consecutive years from December 20, 2019 to December 19, 2024, in accordance with provisions of Sections 149 of the Act. The said re-appointment is based on the performance evaluation and the recommendation of Nomination and Remuneration Committee of the Company. Further, the Members approved the said appointment by a special resolution at the Extra-Ordinary General Meeting ("EGM") held on November 4, 2019.

During the year under review, the Company appointed Mr. Shiva Rajaraman as the Whole-time Director in accordance with the provisions of Section 152, 160, 161, 196, 197, 198, 203 and Schedule V of the Act with effect from February 27, 2020 to hold office for a term of 5 years i.e. from February 27, 2020 to February 26, 2025 and the said appointment was approved by the Members at the EGM held on March 20, 2020 and he will be liable to retire by rotation.

During the period under review, 6 (six) meetings of the Board of Directors were held on April 24, 2019, April 28, 2019, July 19, 2019, October 18, 2019, January 17, 2020 and March 20, 2020.

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

Name of the Director	DIN	Nature of Directorship	No. of Board Meetings held/conducted during the tenure of the Director / year	No. of Board Meetings attended
Mr. Dinanath Dubhashi	03545900	C – NED	6	6
Mr. Thomas Mathew T.	00130282	ID	6	6
Ms. Nishi Vasudeva	03016991	ID	6	5
Mr. Sunil Prabhune(1)	07517824	NED	6	6

Name of the Director	DIN	Nature of Directorship	No. of Board Meetings held/conducted during the tenure of the Director / year	No. of Board Meetings attended
Dr. Rupa Rege Nitsure	07503719	NED	6	6
Mr. Shiva Rajaraman[2]	07570408	WTD	1	1

Notes:
[1] *Appointed as the Non-Executive Director with effect from April 24, 2019*
[2] *Appointed as the Whole-time Director with effect from February 27, 2020*
C - *Chairperson* ID -*Independent Director* *NED - Non-Executive Director WTD – Whole-time Director*

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

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

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

The details of various Committees of the Company and their composition are as under:

1) Audit Committee (“AC”)

Terms of reference:

The role of the AC includes the following:

i. Recommend to the Board appointment, remuneration and terms of appointment of auditors of the company;
ii. Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
iii. Examine the financial statement and the auditors’ report thereon;
iv. Approval or any subsequent modification of transactions of the company with related parties;
v. Scrutiny of inter-corporate loans and investments;
vi. Valuation of undertakings or assets of the company, wherever it is necessary;
vii. Evaluation of internal financial controls and risk management systems;
viii. Monitoring the end use of funds raised through public offers and other related matters;
ix. Functioning of the Vigil Mechanism Framework of the Company;
x. Ensure Information System Audit of the internal systems and processes to assess operational risks faced by the Company in accordance with the requirements stipulated by RBI;
xi. Investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the company; and
xii. Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the company.

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

Composition:

The AC has been set up pursuant to the provisions of Section 177 of the Act as well as RBI directions for non – banking financial companies. The AC as on March 31, 2020 comprises of the following:

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

Meetings and Attendance:

The AC met 4 (four) times during the year on April 26, 2019, July 18, 2019, October 18, 2019, and January 17, 2020. The details of attendance of members at the meetings were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Director / year	No. of Meetings attended
Mr. Thomas Mathew T	4	4
Ms. Nishi Vasudeva	4	3
Mr. Dinanath Dubhashi	4	4

2) Nomination and Remuneration Committee (“NRC”)

Terms of reference:

The role of the NRC includes the following:

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

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii. Ensure that:

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

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

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

Composition:

The Company has constituted the NRC in accordance with the requirements of the Act read with the rules made thereunder. The Committee has formulated a policy on fit & proper criteria for Directors' appointment and policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. The NRC as on March 31, 2020 comprises of the following:

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

Meetings and Attendance:

The NRC met 3 (three) times during the year on April 24, 2019, October 18, 2019 and January 17, 2020. The details of attendance of members at the meetings were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Director / year	No. of Meetings attended
Mr. Thomas Mathew T	3	3
Ms. Nishi Vasudeva	3	2
Mr. Dinanath Dubhashi	3	3

3) Corporate Social Responsibility Committee ("CSR")

The role of CSR includes the following:

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

Composition:

The CSR as on March 31, 2020 comprises of the following:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Dinanath Dubhashi	Chairperson	NED
Mr. Thomas Mathew T.	Member	ID
Ms. Nishi Vasudeva	Member	ID

Meetings and Attendance:

The Committee met once during the year on April 26, 2019. The details of attendance of members at the meeting were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Director / year	No. of Meetings attended
Mr. Dinanath Dubhashi	1	1
Mr. Thomas Mathew T	1	1
Ms. Nishi Vasudeva	1	1

4) Committee of Directors ("COD"):

Terms of reference:

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

Composition:

The COD as on March 31, 2020 comprises of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Dinanath Dubhashi	Chairperson	NED
Dr. Rupa Rege Nitsure	Member	NED
Mr. Sunil Prabhune	Member	NED

Meetings and Attendance:

The Committee met 4 (four) times during the year on May 23, 2019, May 23, 2019, July 18, 2019 and January 17, 2020. The details of attendance of members at the meeting were as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of Directors / year	No. of Meetings attended
Mr. Dinanath Dubhashi	4	4
Dr. Rupa Rege Nitsure	4	4
Mr. Sunil Prabhune(1)	-	-

Notes:
(1) *Appointed as a Member with effect from January 18, 2020*

MEETING OF INDEPENDENT DIRECTORS:

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met once on April 28, 2019, pursuant to the provisions of the Act.

REMUNERATION OF DIRECTORS

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

REMUNERATION TABLE

The details of remuneration paid to the Directors for the year ended March 31, 2020 are as follows:

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings/Independent Director Meetings	Sitting Fees for Committee Meetings	Commission	Total
Mr. Thomas Mathew T.	2,80,000	3,00,000	8,48,000	14,28,000
Ms. Nishi Vasudeva	2,40,000	2,60,000	10,08,000	15,08,000

NUMBER OF COMPANIES IN WHICH AN INDIVIDUAL MAY BECOME A DIRECTOR

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

RESPONSIBILITIES OF THE BOARD

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

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

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

DISCLOSURES

During the financial year ended March 31, 2020:

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

DEBENTURE TRUSTEE

The debenture trustees of the Company is:

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

MEANS OF COMMUNICATION

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

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN:03545900

Place: Mumbai
Date: June 30, 2020

ANNUAL REPORT 2019-20 - ANNEXURE B TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2020

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

To,

The Members,
L&T INFRA DEBT FUND LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T INFRA DEBT FUND LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanismin place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

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

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

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

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **presently, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **presently the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018**;

(vi) Other specific business/industry related laws are applicable to the company, viz.:

- **NBFC-Infrastructure Debt Fund – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Guidelines, Notifications, etc.**

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

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

- **Non Convertible Debentures listed on BSE Limited and National Stock Exchange of India Limited (NSE);**

- **Cumulative Compulsorily Redeemable Non-Convertible Preference Shares listed on BSE Limited.**

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

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

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

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

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

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

- **Issue of Non-Convertible Debentures, Series 'A' FY 19-20 to Series 'E' FY 19-20 aggregating to ₹ 1,027.60 Crore on a private placement basis.**

- **Issue of 2148 Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of face value ₹ 10 lakh each aggregating ₹ 214.80 crores on private placement basis.**

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

- **Non-Convertible Debentures redeemed during FY 2019-20 is ₹ 75 Crore.**

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

- **Revision in overall Borrowing powers of the Company not exceeding ₹ 14,000 Crore, at the Extraordinary General Meeting held on April 3, 2019, pursuant to Section 180(1) (c) and creation of charge thereon, pursuant to Section 180(1)(a), respectively, of Companies Act, 2013.**

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

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

NAINA R DESAI
Practising Company Secretary
Membership No. 1351
Certificate of Practice No.13365
Peer Review Certificate No: 590/2019
UDIN: **F001351B000186778**

Place: Mumbai
Date: April 29, 2020

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

‘Annexure A’

To,

The Members
L&T INFRA DEBT FUND LIMITED

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

NAINA R DESAI
Practising Company Secretary
Membership No. 1351
Certificate of Practice No.13365
Peer Review Certificate No: 590/2019
UDIN: **F001351B000186778**

Place: Mumbai
Date: April 29, 2020

PARTICULARS OF EMPLOYEES

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

Sr. No.	Particulars	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year. (1)	N. A. (2)	
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. (1)	Manager – N. A. (3) Whole time Director – N. A. (2) Company Secretary - 20% Chief Financial Officer (Head Accounts) – 5% (4)	
3	The percentage increase in the median remuneration of employees in the financial year.	7%	
4	The number of permanent employees on the rolls of Company.	24 employees	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel	Managerial personnel
		10%	N. A.
6	Affirmation that the remuneration is as per remuneration policy of the Company.	We affirm that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.	

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

(2) *Mr. Shiva Rajaraman was appointed as the Whole-Time Director of the Company and ceased to be the Manager with effect from February 27, 2020, i.e. Mr. Rajaraman was the executive director only for the part of the year and therefore a disclosure of the ratio for FY2019-20 would not be a correct representation.*

(3) *Until July 31, 2019 drew remuneration from another Company within L&T Financial Services.*

(4) *Mr. Jaykumar Shah was appointed as CFO effective from April 28, 2019.*

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: June 30, 2020

ANNUAL REPORT 2019-20 - ANNEXURE D TO BOARDS' REPORT

Annual Report on Corporate Social Responsibility ("CSR")
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

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

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

2) Composition of the CSR Committee:

The composition of CSR Committee is disclosed in the Corporate Governance Report.

3) Average Net Profit of the Company for the last three financial years is ₹124.98 Crore.

4) Prescribed CSR expenditure and details of CSR spend during the financial year:

Particulars	Amount (in ₹ Crore)
Prescribed CSR Expenditure	2.50
Amount spent as CSR	2.50
Amount unspent	Nil

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

Amount (in ₹ Crore)

Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or Program Coverage	Amount Outlay (budget) project or Programs wise	Amount Spent on the Projects or Programs. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
1	**Integrated Water Resource Management (IWRM)** Improve the crop yield for the marginalized farmers in the semi-arid regions through	(i) eradicating extreme hunger and poverty; (iv) ensuring environmental sustainability (x) Rural Development project	State: Maharashtra Districts: Solapur, Latur and Osmanabad	1.71	(a) 1.64 (b) 0.07	1.71	Indirect**

Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or Program Coverage	Amount Outlay (budget) project or Programs wise	Amount Spent on the Projects or Programs. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
	Integrated Water Resource Management, reaching to 15,000 farmers from 30 villages of Solapur, Latur and Osmanabad						
2	**Disaster Relief project**	(i) eradicating extreme hunger and poverty;	State: Assam, Bihar, Maharashtra, Karnataka, Kerala, Odisha	0.30	(a) 0.22 (b) 0.08	0.30	Indirect*
3	**Road safety – Mumbai Traffic Police** Promotion of Road Safety among municipal school children & larger eco system; training and deployment of community youth as traffic wardens	ii) Promotion of Education	State: Maharashtra District: Mumbai	0.12	(a) 0.11 (b) 0.01	0.12	Indirect**
4	**Integrated Water Resource Management (IWRM)** Improve the crop yield for the marginalized farmers in the semi-arid regions through Integrated Water Resource Management, reaching to 30,000 farmers from 60 villages of Aurangabad, Jalna and Buldhana	(i) eradicating extreme hunger and poverty; (iv) ensuring environmental sustainability x) Rural Development project	State: Maharashtra Districts: Aurangabad, Jalna and Buldhana	0.37	(a) 0.36 (b) 0.01	0.37	Indirect**

Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or Program Coverage	Amount Outlay (budget) project or Programs wise	Amount Spent on the Projects or Programs. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
Total CSR Spend in FY 19-20				2.50	2.50	2.50	

Note:
Direct* = CSR projects/ initiatives directly implemented by the Company.
Indirect** = CSR activities/ projects have been carried out by partnering with several Non-Governmental Organizations/ Charitable Institutions

6) Responsibility Statement:

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

Dinanath Dubhashi
Chairperson CSR Committee
DIN: 03545900

Thomas Mathew T.
Director
DIN: 00130282

Place: Mumbai
Date: June 30, 2020

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS

i.	**CIN**	L67100MH2013PLC241104
ii.	**Registration Date**	March 19, 2013
iii.	**Name of the Company**	L&T Infra Debt Fund Limited
iv.	**Category/Sub-category of the Company**	Company limited by shares / Indian Non – Government Company
v.	**Address of the Registered office & contact details**	Plot No 177, CTS No.6970,6971, Vidyanagari Marg, CST Road, Kalina, Santacruz (East), Mumbai - 400 098 Phone: +91 22 6212 5300 Fax: +91 22 6212 5553 E-mail: idf@ltfs.com Website: www.ltfs.com
vi.	**Whether listed company**	Yes (Debt & Preference Shares Listed)
vii.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**M/s. Link Intime India Pvt. Ltd.** C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra Tel: +91 22 4918 6262 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name & Description of main product / service	NIC Code of the product/ service	% to total turnover of the Company
1	Non-Banking Finance Company – Infra Debt Fund (IDF-NBFC)	64990	100

III. PARTICUALRS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	**L&T Finance Holdings Limited** Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai- 400 098	L67120MH2008PLC181833	Holding Company	100*	2(46)

**Along with its wholly owned subsidiaries.*

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % OF TOTAL EQUITY)

(i) Category – wise Share Holding: -

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF.	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	4,90,180,210	4*	4,90,180,214	100	4,90,180,210	4*	4,90,180,214	100	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total: (A) (1)	4,90,180,210	4*	4,90,180,214	100	4,90,180,210	4*	4,90,180,214	100	**-**
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other– Individuals	-	-	-	-	-	-	-	-	-
c) Bodies d) Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**-**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Non - Institutions									
(a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital up to ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**4,90,180,210**	**4***	**4,90,180,214**	**100**	**-**

* *For the purpose of complying with the provisions regarding minimum number of Members, 4 shares are held by 4 members jointly with L&T Infrastructure Finance Company Limited*

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	L&T Finance Holdings Limited	4,90,180,214*	100*	-	4,90,180,214*	100*	-	-
	Total	**4,90,180,214***	**100***	**-**	**4,90,180,214***	**100***	**-**	**-**

**Along with its wholly owned subsidiaries.*

(iii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**L&T Finance Holdings Limited**					
	At the beginning of the year	April 1, 2019	4,90,180,214*	100*	-	-
	At the end of the year	March 31, 2020	-	-	4,90,180,214*	100*

**Along with its wholly owned subsidiaries.*

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

Sr. No.	Name of the Shareholders	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	-	-	-	-	-
	Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	-	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-	-

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

Sr. No.	Name of Director/KMP	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dinanath Dubhashi					
	At the beginning of the year	April 1, 2019	1*	-	-	-
	At the end of the year	March 31, 2020	-	-	1*	-
2	Sunil Prabhune[#]					
	At the beginning of the year	April 1, 2019	1*	-	-	-
	At the end of the year	March 31, 2020	-	-	1*	-

** For the purpose of complying with the provision regarding minimum number of members, shares held jointly with L&T Infrastructure Finance Company Limited.*
[#] Appointed with effect from April 24, 2019.

V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,974.90	147.61	-	7,122.51
ii) Interest due but not paid	-	-	-	-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
iii) Interest accrued but not due	291.95	-	-	291.95
Total (i+ii+iii)	**7,266.85**	**147.61**	**-**	**7,414.46**
Change in Indebtedness during the financial year				
• Additions	1,027.15	450.00	-	1,477.15
• Reduction	75.00	597.61	-	672.61
• Interest occurred but not due	7.37	-	-	7.37
Net Change	**959.52**	**(147.61)**	**-**	**811.91**
Indebtedness at the end of the financial year				
i) Principal Amount	7,927.05	-	-	7,927.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	299.32	-	-	299.32
Total (i+ii+iii)	**8,226.37**	**-**	**-**	**8,226.37**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
		Mr. Shiva Rajaraman [1]
1	**Gross salary:**	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18,691,140
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others (specify)	-
5	Others, please specify	-
	Total (A)	18,691,140
Ceiling as per the Act		**₹ 10.46 Crore (being 5% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)**

[1] Mr. Shiva Rajaraman ceased to be the Manager of the Company with effect from February 27, 2020 and was appointed as the Whole-time Director of the Company with effect from February 27, 2020.

B. Remuneration to other directors

(Amount in ₹)

Particulars of Remuneration	Name of the Directors		Total Amount
	Mr. Thomas Mathew T.	Ms. Nishi Vasudeva	
(a) Fee for attending Board and Committee meetings / Independent Directors' Meeting	5,80,000	5,00,000	10,80,000
(b) Commission	8,48,000	10,08,000	18,56,000
(a) Others, please specify	-	-	-
Total (B)	**14,28,000**	**15,08,000**	**29,36,000**
Total Managerial Remuneration = (A) + (B)	-	**-**	**2,16,27,140**
Overall Ceiling as per the Act	**₹ 23.01 Crore (being 11% of Net Profits of the Company calculated as per Section 198 of Companies Act, 2013)**		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel			Total Amount
		Mr. Amol Joshi (CFO)*	**Mr. Jaykumar Shah (CFO)***	**Apurva Rathod (CS)**	
1	**Gross Salary**				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	14,723,547	10,908,279	25,631,826
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	663,300	663,300
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option (Number of options)	-	-	2,00,000	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		**14,723,547**	**11,571,579**	**26,295,126**

**Mr. Amol Joshi drew remuneration from another Company within LTFS and has resigned as Chief Financial Officer (Head Accounts) and Mr. Jaykumar Shah was appointed as Chief Financial Officer (Head Accounts) effective from April 28, 2019.*

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under Companies Act, 2013): NONE

For and on behalf of the Board of Directors

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date: June 30, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC REVIEW

India's GDP growth in FY20 continued on a downward growth trajectory which had begun in Q1FY19. The nation has been facing several structural stresses such as, sluggish private investment for more than six years, significant decline in savings rate for more than seven years and highest unemployment rate in the past 45 years. A broad-based consumption breakdown further accentuated the slowdown. The COVID-19 induced lockdown/social distancing measures started in March 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4FY20 to 3.1%. For FY20, India's GDP growth declined to 4.2% as compared to 6.1% in FY19.

On the sectoral front, deceleration in industrial and services activities contributed to the slowdown in GDP while growth in agriculture & allied activities accelerated during the year on the back of bountiful monsoon rainfall. While the rains were disruptive for Kharif crops, the healthy water reservoirs augured well for Rabi crops.

The slowdown in GDP growth had an adverse impact on Government revenue collections and the COVID-19 induced lockdown further exacerbated the situation. While revenues have suffered, the government expenditures rose significantly on account of additional costs arising from the virus containment efforts and enforcing the lockdown. Thus, actual fiscal deficit of the central government widened to 4.6% of GDP in FY20 which was significantly higher than its revised fiscal deficit target of 3.8% of GDP.

Financial markets remained jittery in FY20 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also put pressure on business growth of lenders including NBFCs. The spread of COVID-19 in March 2020, further heightened uncertainties for Q4FY20. However, triple A-rated, large-sized NBFCs were relatively better placed with liquidity, comprising liquid assets, undrawn lines from banks, and in some cases funding lines from group companies.

OUTLOOK FOR FY21

As the pandemic has spread across the globe, the adverse impact of COVID-19 has overshadowed global macroeconomic outlook. Several multilateral agencies have projected recession for the global economy in the calendar year 2020 with the IMF (International Monetary Fund) warning of the worst global recession in almost a century.

The RBI estimates real GDP growth of India to remain in negative territory in FY21. Rating agencies and economic think-tanks have significantly reduced India's growth projections for FY21 to -2% to -5% on the back of extended lockdown, factory shutdowns, supply chain disruptions, travel restrictions, reduced discretionary spending and recessionary outlook for the global economy.

To avert steeper decline in economic growth, major countries have used a mix of monetary and fiscal tools to ensure liquidity and credit flow to their economies. In India, while the RBI has been doing the heavy lifting, various policy measures announced by the Government in its Economic Package are perceived to be more useful in the medium to long term.

The nature of lockdown observed in India is amongst the strictest in the world, considering the domestic policy space to control its negative impact is limited. The consequent steeper decline in economic activities could adversely affect credit intermediaries and financial markets. Moreover, the broad-based economic slowdown will put pressure on the asset quality of lenders.

Outlook on inflation remains subdued during FY21 due to adequate buffer stocks in cereals, good rabi harvest, record decline in global commodity prices including the crude oil prices, reduced pricing power of firms due to demand contraction and expectations of normal monsoon rains in FY21.

The COVID-19 led disruptions have severely affected the fiscal arithmetic of both Union and State Governments. It is already reflected in the large additional borrowings envisaged by both Union and State Governments along with expenditure rationalisation measures including reduction in capital expenditure. Such steep rise in government market borrowings will have hardening bias on yields and put pressure on the cost of borrowings of companies and NBFCs.

POSSIBLE THREATS

Phasing out of lockdown/social distancing measures at a slower pace coupled with relatively tepid policy response could result in deeper recession in FY21 as compared to all 'recessions' India has ever experienced.

Such deep recession will increase the perception of credit risk and the consequent risk aversion could clog the credit channels. Rating agencies expect microfinance, unsecured loans and MSME borrowers (including the loans against property segment) will continue to be severely impacted for a prolonged period due to weak credit profile of borrowers amid a gradual economic recovery.

Sharp decline in government revenue receipts due to the extended lockdown and growth slowdown coupled with rising need for fiscal support will throw a spanner in the works of both Union and State Government finances. The combined fiscal deficit of the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

BUSINESS PERFORMANCE

The policy and regulatory framework for Infrastructure Debt Funds (IDF) announced by the Government of India (GoI) and the Reserve Bank of India (RBI) respectively, were targeted at providing an innovative solution to the asset-liability mismatch and group exposure issues faced by the banking system in India. It was also intended that IDFs would help channelize domestic and foreign pension/ insurance funds to infrastructure as well as play a role in deepening the bond market in India.

In FY 2019-20, the sixth full year of operations, the Company has been able to make significant progress towards achieving all the objectives indicated by GoI & RBI, as well as improve the viability of projects by providing long-tenor and low-cost structured refinance solutions. The Company's aggregate disbursement to over 100 infrastructure projects during the six full years of operations was ~ ₹12,500 Crore. The Company's loans & advances (net of repayments) stand at ~ ₹9,000 Crore. With a significant incremental market share and 0% impaired assets, the Company continues to be one of the leaders in refinancing of operational road & renewable energy projects in India.

In furtherance of the objective of deepening the bond market and channelizing pension/ insurance funds to infrastructure projects in India, the Company has raised long term funds aggregating ~ ₹8,500 Crore through the issue of AAA rated listed bonds/ debentures primarily to insurance, pension & provident funds. The Return on Equity (RoE) during the year under review has been ~ 17%.

During Q1 FY 2020, the Company had entered into definitive agreements with Apis Growth Fund II, a financial service focused private equity fund managed by Apis Partners LLP for up to 25.1% equity stake for USD 110 million. Consequent to the noting by the Board of L&T Finance Holdings Limited of the amalgamation of L&T Housing Finance Limited (LTHFL) and L&T Infrastructure Finance Company Limited (LTIF) with L&T Finance Limited (LTF), the aforesaid agreements with Apis Growth Fund II stand terminated on expiry of the long stop date.

In the last 6 years, the Company has focused on 4 sectors - solar power, roads & highways, wind energy and transmission. Going forward, the Company expects to provide refinance solutions to projects in new sectors, geographies, promoter groups and business models as well as further diversify its sources of funding and optimize leverage & returns.

In FY20, the sixth full year of operations, through the subsidiary IDF, your Company was able to make significant progress towards achieving all the objectives indicated by GoI & RBI. Your Company also improved the viability of projects by providing long-tenor and low-cost structured refinance solutions. With a significant incremental market share and 0% impaired assets, your Company continues to be one of the leaders in refinancing of operational road and renewable energy projects in India.

Strategy

- Continue to focus on 4 sectors - solar power, roads & highways, wind energy and transmission.
- Provide refinance solutions to projects in new sectors, geographies, promoter groups and business models
- Further diversify sources of funding and optimize leverage and returns

During the year under review, the Company has earned a profit (including Other comprehensive income) of ₹ 212.82 Crore on loans of ₹ 8,760.68 Crore as on March 31, 2020, diversified across multiple sectors including transportation (roads), renewable energy (solar & wind power) and power transmission.

The Company has sourced funds through the issue of long-term bonds of tenors ranging from 5 to 20 years from over 290 high quality institutional investors, principally insurers and pension/ provident funds. The net worth of the Company as on March 31, 2020 was ₹ 1,272.51 Crore as compared to ₹1059.66 Crore on March 31, 2019.

RISK MANAGEMENT

Your Company, in pursuit of its business objectives, is exposed to certain risks such as credit risk, market risk, liquidity risk and operational risk. These risks have the potential of impacting the financial strength, operations and reputation of your Company. Keeping this in mind, your Company has a Board-approved Risk Management Framework in place. The effectiveness of this framework is supervised periodically by the Risk Management Committee (RMC). The hallmark of your Company's Risk Management function can be attributed to its independence from the business units with the convergence only at the MD & CEO level, to provide guidance during challenges, underscore oversight and balance the risk/reward decisions.

Your Company employs an Enterprise Risk Management Framework across the organisation and in all risk types underpinned by risk culture. The Risk Management framework includes Risk Appetite Statement, Risk Limits framework, Risk Dashboards and Early Warning Signals.

Your Company's risk appetite sets out the desired forward looking risk profile and provides an objective base to guide strategic decision-making. This helps ensure that planned business activities provide an optimised balance of return for the risk assumed, while remaining within acceptable risk level. The RMC reviews your Company's risk appetite on a quarterly basis to make sure it remains fit for purpose.

Your Company conducts stress tests to assess the resilience of Balance Sheet. This also helps provide insights to the Management to understand the nature and extent of any vulnerabilities, quantify the impact and develop plausible business-as-usual mitigating actions. The market witnessed substantial turbulence in the previous year, stemming from multiple sources impacting the industry. However, as your Company fundamentally has been built on the principle of sound risk management practices, it has successfully weathered the market turbulence and continues to remain resilient.

On a periodic basis, your Company's Risk Management function commissions an external independent firm to review the Company's approach to risk appetite which helps ensure that we remain in line with market best practices. Your Company is currently in the process of further upgrading its risk framework with the help of an external firm. The key objective of this review exercise is to enhance the effectiveness of stress testing program for assessment of capital strength and earning volatility. This is done through a rigorous examination of your Company's resilience to external macroeconomic shocks. The focused strategy of building an effective risk culture and framework has helped your Company stay ahead as one of the leading NBFCs with highest credit rating of AAA. With the objective of growing sustainably, your Company has put in place an effective Risk Management framework comprising:

- Risk Management strategies and policies: A well-defined risk appetite statement covering company-wide overall risk limits, dovetailed with detailed individual/sector/ group limits, covering multiple risk dimensions
- Effective Risk Management processes and procedures
- Robust internal control systems supported by continual information gathering.
- Appropriate and independent Risk Management structures with clearly defined risk metrics for continuous monitoring by RMC

Credit Risk

Your Company implemented a comprehensive underwriting framework to guide individual businesses to optimum credit decisions. This is backed by clearly defined risk limits across various parameters including products, sector, geography and counterparty. Further, effective review mechanism with state-of-the-art early warning signals are in place to promptly identify potentially weak credit with a high emphasis on maintaining “Zero DPD”. Your Company has been able to ensure stable asset quality through volatile times in the difficult lending environment further exacerbated by COVID-19 pandemic, by stringently adhering to the aforementioned prudent risk norms and institutionalised processes.

Your Company has a conservative and prudent provisioning policy. As per the recent RBI notification on acceptance of IND AS for regulatory reporting, it computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). If the impairment allowance in aggregate, under Ind AS 109, is lower than the provisioning required under IRACP (including standard asset provisioning), the difference is appropriated from net profit or loss after tax to a separate ‘Impairment Reserve’. Your Company has taken incremental provisions to strengthen the balance sheet against the after effect of the pandemic.

Operational Risk

Your Company has an effective and proactive Operational Risk framework which is overseen by the Operational Risk Management Committee. The team monitors operational risks and incidents to ensure that each process and system continues to be robust. Periodic process walk-throughs are conducted to check controls. They also help identify redundancies in processes which can be weeded out to enable your Company to stay competitive in a fast-moving digital environment.

Market/Liquidity Risk

Your Company is safeguarded against any market or liquidity risk owing to prudent approach of continuously maintaining a positive liquidity gap on a cumulative basis in all the time-buckets up to 1 year. Along with this, maintaining an adequate liquidity buffer at consolidated and at each lending entity level further safeguards your Company. Such conservative and prudent liquidity risk management measures and practices adopted by your Company’s Management demonstrates the robustness of our assetliability management during the COVID-19 related stress. Your Company continues to maintain a positive interest rate sensitivity gap over a one-year horizon, as a mitigant against interest rate risk in balance sheet. Regular liquidity and interest rate stress testing, which takes into account various stress scenarios, has helped your Company’s management to calibrate its response to the evolving market conditions related to liquidity and interest rate changes.

IT Security Risk

Your Company has laid out processes to identify, monitor and mitigate IT Security Risks. Pursuant to the security gap and vulnerability assessments carried out on a continuous basis, your Company has established a secure IT platform to run the business safely. Cyber Security is integrated in the IT Security policies and procedures to mitigate the risk.

In addition to the IT Infrastructure with multiple layers of security and in-depth defense by design, your Company has defined Early Warning Signals to detect and respond to cyber threats. There is a process for regular review of access to protect from insider threats and frauds. Employee education programs are also conducted on dealing with security risks and cyber threats. The office IT security protocols have been further upgraded with secure access from outside to systems through a regularly monitored VPN access, as a result of the work-from home environment during the lockdown.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details on internal control systems and their adequacy, refer Board's Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

HUMAN RESOURCES

Business landscape across the world is marked by fast evolving dynamics. These demand agile responses while keeping the long term focus intact. Your Company is led by highly experienced and successful business leaders with proven track record of delivering sustainable growth in demanding business environment.

As of March 31, 2020, your Company had a headcount of 24.

Culture Based on Values

Competing on the strength of our people, all of us are bonded together by core values of Pride, Integrity, Discipline and Ambition. We thrive in this climate of ‘Right People for Right Culture’. Your Company has consciously built an entrepreneurial and empowering culture of ‘Results, Not Reasons’. Our culture emphasises on having a workforce that is diverse, agile, eager to learn and driven to succeed. We have modeled ourselves as a learning organisation by focusing on ‘Stretch - Learn and Grow’.

Capability Building

Consistent with our ambition, our talent strategy is performance-oriented and in alignment with our organisational goals. Your Company encourages employees who have demonstrated the right capability, attitude, and the desire to ‘Step Up’. As a part of our strategy to groom future-ready talent, we encourage cross-functional movements and up-skill them through ‘Education, Exposure and Experience’

Performance Management

Your Company believes that performance management is an ongoing and continuous communication/interaction process between supervisors/managers and employees, carried out throughout the year. Our performance management process aligns to the goals of each employee with that of the organisation. In addition to the goal setting process, your Company believes that managers and senior leaders play an immensely important role in ensuring sustained high performance of their respective teams. This conscious way of managing performance is built into our ‘Leading Performance Program’. The Program helps in realignment of understanding about key performance drivers, performance management at different levels and the cultural anchors on which sustainable performance is based.

Another critical aspect of performance management that our organisation focuses on is the linkage between performance and rewards which is clearly communicated to all employees on an ongoing basis. All employees have a clarity about how a certain level of performance would result in both monetary and non-monetary rewards. The hard work and success of our people regarding performance are rewarded by a structured forward-looking and market competitive compensation management. This compensation management also rewards value creation for our various stakeholders.

Employee Benefits and Welfare

We strongly believe that taking care of our employees is of utmost importance. In line with our policy of Employee Care, we keep assessing the evolving needs of our employees and work towards offering the best-in-class benefit programs. Your Company provides all full-time employees with a wide range of benefits. These include gratuity, health care coverage, insurance (medical, accident and life), parental leave, leave encashment, ESOPs, pensions and provident fund. All employees are eligible to participate in the Matching Grant Scheme (MGS). This is a wealth creation opportunity in which the organisation matches (subject to limits) the investment made by the employee in any of the L&T Mutual Fund schemes. Your Company places great significance on safety and well-being of its employees. We ensure ergonomic workplace design, proper sanitation facility and regular health check-ups.

Your Company is an equal opportunity employer. We have adapted meritocracy as the norm which helps us build a forward-looking organisation that can deal with the everchanging business landscape.

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of L&T Infra Debt Fund Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **L&T Infra Debt Fund Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 43 to the Standalone Financial Statements in which the Company describes the information used by the Company to estimate the expected credit loss allowance on loans, and embed therein the anticipated adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Allowances for Expected Credit Losses:** (Refer Note 1, 5, 38(j), 38(k) and 38(l) to the financial statements) As at March 31, 2020, loan assets aggregated Rs. 8,795.71 crore measured at amortised cost, constituting 89% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. • Basis used for estimating Probabilities of Default ("PD"), • Basis used for estimating Loss Given Default ("LGD") • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions. Adjustments to model driven ECL results to address emerging	**Principal audit procedures:** We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models (including policies for sale out of amortised cost business model). We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors Our audit procedures related to the allowance for ECL included the following, among others: • Testing the design and effectiveness of internal controls over the: – completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. – Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and

	trends.	– computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model. • Also, for a sample of ECL on loan assets tested: – we tested the input data such as ratings and period of default and other related information used in estimating the PD; – we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD. – we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We also tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.

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, Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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)
(UDIN: 20039826AAAACV2231)

Mumbai, May 29, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **L&T Infra Debt Finance Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
(UDIN:20039826AAAACV2231)

Mumbai, May 29, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) The Company does not have any property, plant and equipment and hence reporting under clause (i) 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the Order is not applicable to the Company.

(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 and 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, 2020 for a period of more than six months from the due date of payment / the date they became payable, as applicable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax as on March 31, 2020 on account of dispute.

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

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any funds by way of initial public offer/ further public offer (including debt instruments) or term loans during the year. Thus reporting under Clause 3(ix) of the Order is not applicable to the Company

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

(xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, as amended.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
(UDIN: 20039826AAAACV2231)

Mumbai, May 29, 2020

L&T Infra Debt Fund Limited
Balance Sheet as at March 31, 2020

(₹ in crore)

	Particulars	Note No	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial assets**			
	(a) Cash and cash equivalents	2	337.30	176.94
	(b) Bank balance other than (a) above	3	25.85	-
	(c) Receivables	4		
	(i) Trade receivables		0.25	2.09
	(ii) Other receivables		0.24	0.68
	(d) Loans	5	8,760.68	8,167.95
	(e) Investments	6	635.31	167.04
	(f) Other financial assets	7	0.46	0.40
2	**Non-financial assets**			
	(a) Current tax assets (net)	8	106.22	89.64
	(b) Intangible assets under development	9	0.01	0.05
	(c) Other intangible assets	10	0.06	0.01
	(d) Other non-financial assets	11	1.85	1.59
	Total Assets		**9,868.23**	**8,606.39**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
	(a) Payables - Trade payables	12		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		12.12	7.57
	(b) Payables - Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.38
	(c) Debt securities	13	8,218.72	7,404.43
	(d) Subordinated liabilities	14	356.17	128.19
	(e) Other financial liabilities	15	5.05	2.61
2	**Non-financial liabilities**			
	(a) Provisions	16	1.39	0.79
	(b) Other non-financial liabilities	17	0.73	1.18
3	**Equity**			
	(a) Equity share capital	18	490.18	490.18
	(b) Other equity	19	783.87	571.06
	Total Liabilities and Equity		**9,868.23**	**8,606.39**
	Significant accounting policies	1		
	See accompanying notes forming part of the financial statements	2-45		

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

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Sanjiv V. Pilgaonkar
Partner

Dinanath Dubhashi
Chairperson
(DIN 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 29, 2020

Place : Mumbai
Date : May 13, 2020

L&T Infra Debt Fund Limited
Statement of Profit and Loss for the year ended March 31, 2020

(₹ in crore)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	20	871.53	705.79
(ii)	Fees and commission income	21	10.75	22.76
(iii)	Net gain on fair value changes	22	19.54	26.26
(I)	**Total revenue from operations**		**901.82**	**754.81**
(II)	**Other income**	23	1.15	0.01
(III)	**Total income (I + II)**		**902.97**	**754.82**
	Expenses			
(i)	Finance costs	24	651.73	582.10
(ii)	Impairment on financial instruments	25	2.18	20.27
(iii)	Employee benefits expenses	26	10.89	5.95
(iv)	Depreciation, amortization and impairment	27	0.02	0.01
(v)	Other expenses	28	25.16	14.83
(IV)	**Total expenses**		**689.99**	**623.16**
(V)	**Profit before tax (III - IV)**		**212.98**	**131.66**
(VI)	**Tax expense**			
	Current tax		-	-
	Deferred tax		-	-
(VII)	**Profit after tax (V - VI)**		**212.98**	**131.66**
	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		(0.16)	(0.05)
(VIII)	**Other comprehensive income for the year**		**(0.16)**	**(0.05)**
(IX)	**Total comprehensive income for the year (VII + VIII)**		**212.82**	**131.61**
(X)	**Earnings per equity share**			
	(1) Basic (₹)	34	4.34	2.69
	(2) Diluted (₹)	34	4.34	2.69
	Significant accounting policies	1		
	See accompanying notes forming part of the financial statements	2-45		

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

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Sanjiv V. Pilgaonkar
Partner

Dinanath Dubhashi
Chairperson
(DIN 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 29, 2020

Place : Mumbai
Date : May 13, 2020

L&T Infra Debt Fund Limited

Cash flow statement for the year ended March 31, 2020

(₹ in crore)

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities:**		
	Profit before tax	**212.98**	**131.66**
	Adjustments for :		
	Add -		
	Depreciation and amortisation expense	0.02	0.01
	Impairment on financial instruments	2.18	20.27
	Provision for gratuity	0.09	0.06
	Provision for compensated absences	0.07	0.08
	Net gain on fair value changes of financial instruments	(19.54)	(26.26)
	Operating profit before working capital changes	**195.80**	**125.82**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets-		
	Other financial assets	(0.06)	(0.38)
	Other non financial assets	(0.26)	0.32
	Trade & Other receivables	2.28	(2.77)
	Adjustments for increase / (decrease) in operating liabilties-		
	Trade & Other payables	4.17	(0.83)
	Other financial liabilities	24.77	54.96
	Provision	0.28	0.28
	Other non financial liabilities	(0.45)	1.05
	Cash generated from operations	**226.53**	**178.45**
	Net income tax paid	(16.58)	(41.84)
	Loans disbursed (net of repayments)	(594.92)	(1,211.48)
	Net cash used in from operating activities (A)	**(384.97)**	**(1,074.86)**
B	**Cash flow from investing activities**		
	Purchase from investments	(448.72)	(140.78)
	Proceeds/(Expenditure) on Intangible assets under development	(0.03)	(0.05)
	(Increase) /Decrease in other bank balances	(25.85)	-
	Net cash (used in) / generated from investing activities (B)	**(474.60)**	**(140.83)**
C.	**Cash flow from financing activities**		
	Proceeds from borrowings	1,242.54	1,202.03
	Repayment of borrowings	(222.61)	-
	Net cash generated from financing activities (C)	**1,019.93**	**1,202.03**
	Net decrease / (increase) in cash and cash equivalents (A+B+C)	**160.36**	**(13.66)**
	Cash and cash equivalents at beginning of the year	176.94	190.60
	Cash and cash equivalents at end of the year	337.30	176.94
	Net decrease / (increase) in cash and cash equivalents	**160.36**	**(13.66)**

Significant accounting policies 1

See accompanying notes forming part of the financial statements 2-45

Note:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2. Net cash used in operating activity is determined after adjusting the following :

Interest received	826.31	722.37
Interest / Dividend paid	628.12	517.72

3. Previous year's figures have been regrouped/reclassified wherever applicable.

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

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Sanjiv V. Pilgaonkar
Partner

Dinanath Dubhashi
Chairperson
(DIN 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 29, 2020

Place : Mumbai
Date : May 13, 2020

L&T Infra Debt Fund Limited
Statement of changes in equity for the year ended March 31, 2020

A. Equity share capital (₹ in crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and fully paid up equity shares outstanding at April 1, 2019	49,01,80,214	490.18	49,01,80,214	490.18
Add: Shares issued during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year March 31, 2020	**49,01,80,214**	**490.18**	**49,01,80,214**	**490.18**

B. Other Equity (₹ in crore)

Particulars	Reserves and Surplus				Total
	Reserve u/s 45 IC of RBI Act	Securities premium reserve	Retained earnings	Impairement reserve	
Balance as at April 01, 2018	66.39	133.83	239.22	-	439.44
Profit for the period	-	-	131.66	-	131.66
Other comprehensive income for the year, net of income tax	-	-	(0.05)	-	(0.05)
Total comprehensive income for the year	-	-	131.61	-	131.61
Transfer from retained earnings	26.33	-	-26.33	-	-
Balance as at March 31, 2019	**92.72**	**133.83**	**344.50**	**-**	**571.06**
Balance as at April 01, 2019	92.72	133.83	344.50	-	571.06
Profit for the period	-	-	212.98	-	212.98
Other comprehensive income for the period, net of income tax	-	-	(0.16)	-	(0.16)
Total comprehensive income for the year	-	-	212.82	-	212.82
Transfer from retained earnings (refer Note 44(24))	42.60	-	(54.07)	11.47	-
Balance as at March 31, 2020	**135.32**	**133.83**	**503.25**	**11.47**	**783.87**

Significant accounting policies 1
See accompanying notes forming part of the financial statements 2-45

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

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 29, 2020

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 13, 2020

Brief Profile:

L&T Infra Debt Fund Limited (the "Company") has been incorporated under the Companies Act, 1956 on March 19, 2013 to carry out the business of a specialised financial institution classified as an Infrastructure Debt Fund – Non Banking Financial Company (IDF-NBFC) under the Infrastructure Debt Fund – Non Banking Financial Companies (Reserve Bank) Directions, 2011 of the Reserve Bank of India ("RBI"). The Company received the certificate of registration ("CoR") from RBI as an IDF-NBFC on October 21, 2013. The Company falls under the overall categorisation as a systemically important non deposit taking NBFC (NBFC-ND-SI) and operates under RBI's Master Directions for NBFC-ND-SIs, as applicable to IDF NBFCs, updated from time to time.

1. Significant accounting policies:

1.1. Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the applicable regulations of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

1.2. Basis of preparation:

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

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

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

1.3. Presentation of financial statements:

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

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.4. Financial instruments:

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

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

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

(i) Financial assets

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset. For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

The Company has business model(s) (as may be permitted by RBI from time to time) for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

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

The Company also considers 3 Scenarios – Pessimistic, Base Case and Optimistic Scenarios during such assessment. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets.

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

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

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

(a) Financial assets at amortised cost

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

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

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

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

(d) Debt instruments at amortised cost or at fair value through other comprehensive income (FVTOCI)

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(e) De-recognition

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

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

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

(ii) Financial liabilities

All financial liabilities including borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.5. Impairment:

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets:

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

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

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

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

Definition of default:

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

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

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

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

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial assets unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial asset.

ECLs are required to be measured through a loss allowance at an amount equal to:

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

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

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

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

Significant increase in credit risk:

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

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

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

In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

1.6. Write off:

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

1.7. Modification and derecognition of financial assets:

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

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

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

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

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

a.) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

b.) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with the remaining lifetime PD at the reporting date based on the modified terms.

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

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

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

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

1.8. Presentation of allowance for ECL in the Balance Sheet:

Loss allowances for ECL are presented in the Balance sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance sheet as the carrying amount is at fair value.

1.9. Derivative financial instruments:

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

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

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

1.10. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of being received.

(i) Interest income

Interest income for all financial instruments is recognised as 'interest income' in the Statement of Profit and Loss using the effective interest rate method (EIR).

The calculation of the EIR includes fee income paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

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

(ii) Fee and commission income

Fee income is recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based the requirement of Ind AS 115 unless included in the EIR. The fees included in this part of the statement of profit and loss include other fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and advisory fee.

(iii) Net gain or fair value change

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

(iv) Income from financial instruments at FVTPL:

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

(v) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.11. Finance costs:

Finance costs include interest expense calculated using the effective interest method and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

1.12. Property, plant and equipment (PPE):

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

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

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

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

1.13. Intangible assets:

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

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

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

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

1.14. Impairment of tangible and intangible assets:

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

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit’s net selling price and the value in use.

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

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

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

1.15. Employee benefits:

(i) Short term employee benefits:

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

(ii) Post-employment benefits:

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

(b) Defined benefit plans: The Company offers its employees defined benefits plans in the form of a gratuity scheme. Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees and the gratuity scheme is not funded. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

(iii) Long term employee benefits:

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

(iv) Termination benefits:

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

1.16. Lease:

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

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

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

Lease payments associated with following leases are recognised as expense on straight-line basis:
- Low value leases; and
- Leases which are short-term.

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

1.17. Cash and bank balances:

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

1.18. Securities premium account:

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of equity shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.19. Share-based payment arrangements:

The Employee Stock Option Scheme has been established by the holding company (i.e. L&T Finance Holdings Limited). The stock options granted to employees pursuant to the holding company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest.

1.20. Accounting and reporting of information for operating segments:

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

1.21. Foreign currencies:

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

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

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

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

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

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

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

1.22. Taxation:

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

Any income of an Infrastructure Debt Fund is exempt under section 10(47) is exempt. Consequently, no deferred tax assets / liabilities has been recognised.

1.23. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

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

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

1.24. Commitment:

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

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

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

1.25. Statement of cash flows:

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

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

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

1.26. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the

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

1.27. Key source of estimation:

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

1.28. Operating cycle for current and non-current classification:

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

Note 2 : Cash and cash equivalents (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with schedule banks	37.24	2.14
Fixed deposits with banks (maturity less than 3 months)	300.06	174.80
Total	**337.30**	**176.94**

Note 3 : Bank balance other than above (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with banks maturity more than 3 months but less than 12 months	25.85	-
Total	**25.85**	**-**

Note 4 : Receivables (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
(i) Receivables considered good - unsecured	0.25	2.09
Other receivables		
(ii) Receivables from related parties	0.24	0.68
Total	**0.49**	**2.77**

Note 5 : Loans (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Term loans		
At amortised cost		
- Term loans	4,736.02	4,369.49
- Debenture	4,059.69	3,831.30
Less: Impairment loss allowance	(35.03)	(32.84)
Total	**8,760.68**	**8,167.95**
(B) Loans in India		
At amortised cost		
-Secured by tangible assets	8,795.71	8,200.80
-Unsecured	-	-
Less: Impairment loss allowance	(35.03)	(32.84)
Total	**8,760.68**	**8,167.95**

Note 6 : Investments (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in India		
At fair value through profit and loss account		
Mutual funds	635.31	167.04
Total	**635.31**	**167.04**

Note 6 (i)
Details of Mutual Fund Investment:

	As at 31-03-2020		As at 31-03-2019	
Scheme Name	**No. of Units**	**₹ in crore**	**No. of Units**	**₹ in crore**
ICICI Prudential Liquid Fund - DP- Growth	70,90,295	208.30	18,10,758	50.05
Nipoon India Liquid Fund - DP Growth Plan - Growth Option	3,11,541	151.12	-	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	36,08,641	115.32	-	-
L&T Liquid Fund - DP-Growth	4,05,393	110.33	1,95,325	50.05
SBI premier Liquid Fund -Direct Plan Growth	-	-	2,28,555	66.94
IDFC Cash Fund -DP-Growth	2,09,158	50.24	-	-
Total		**635.31**		**167.04**

Note 7 : Other financials assets (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposit	0.46	0.40
Total	**0.46**	**0.40**

Note 8 :Current tax assets (net) (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision)	106.22	89.64
Total	**106.22**	**89.64**

Note 9 :Intangible assets under development (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Intangible assets under development	0.01	0.05
Total	**0.01**	**0.05**

L&T Infra Debt Fund
Notes forming part of financial statements

Note 10 : Other intangible assets

(₹ in crore)

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	Opening as at	Additions	Disposal	Closing as at	Up to	Charge	Disposal	Up to	As at	
	01.04.2019	during the year/period		31.03.2020	01.04.2019	during the year/period		31.03.2020	31.03.2020	31.03.2019
Intangible										
Computer Software	0.03	0.07	-	0.10	0.02	0.02	-	0.04	0.06	0.01
Total intangible assets	**0.03**	**0.07**	**-**	**0.10**	**0.02**	**0.02**	**-**	**0.04**	**0.06**	**0.01**
Total	**0.03**	**0.07**	**-**	**0.10**	**0.02**	**0.02**	**-**	**0.04**	**0.06**	**0.01**

(₹ in crore)

Description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	Opening as at	Additions	Disposal	Closing as at	Up to	Charge	Disposal	Up to	As at	
	01.04.2018	during the year/period		31.03.2019	01.04.2018	during the year/period		31.03.2019	31.03.2019	31.03.2018
Intangible										
Computer Software	0.03	-	-	0.03	0.01	0.01	-	0.02	0.01	0.02
Total intangible assets	**0.03**	**-**	**-**	**0.03**	**0.01**	**0.01**	**-**	**0.02**	**0.01**	**0.02**
Total	**0.03**	**-**	**-**	**0.03**	**0.01**	**0.01**	**-**	**0.02**	**0.01**	**0.02**

Note 11 : Other non-financials assets (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	1.54	1.58
Input tax credit on GST	0.31	-
Others	-	0.01
Total	**1.85**	**1.59**

Note 12: Payables (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
Micro enterprises and small enterprises	-	-
Due to others	0.20	0.01
Due to related parties	11.92	7.56
Total trade payables	**12.12**	**7.57**
Other payables		
Micro enterprises and small enterprises	-	-
Due to related parties	-	0.38
Total trade payables	**-**	**0.38**

Note 13: Debt securities (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Redeemable non-convertible debentures (Secured) (refer Note 13(i))	8,218.72	7,256.82
Commercial paper (unsecured) (Refer note 1 below)	-	147.61
Total	**8,218.72**	**7,404.43**
Debt securities in India	8,218.72	7,404.43
Total	**8,218.72**	**7,404.43**

Notes:

1. Commercial papers are net of unexpired discount Nil (March 31, 2019 ₹ 2.39 crore)

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2020

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series E FY 15-16 Opt 5	₹ 25 Lakh each	24-02-16	5.00	8.73%	22-02-36	Redeemable at the end of 7303 days from the date of allotment
Series D FY 15-16 Opt 5	₹ 25 Lakh each	07-01-16	10.18	8.63%	07-01-36	Redeemable at the end of 7305 days from the date of allotment
Series I FY 2018-19	₹ 10 Lakh each	20-02-19	20.21	9.22%	20-02-34	Redeemable at the end of 5479 days from the date of allotment
Series G FY 17-18 Option II	₹ 25 Lakh each	31-05-17	112.06	8.20%	31-05-32	Redeemable at the end of 5479 days from the date of allotment
Series K FY 16-17 OPT 2-	₹ 25 Lakh each	03-10-16	26.01	8.43%	03-10-31	Redeemable at the end of 5478 days from the date of allotment
Series E FY 15-16 Opt 4	₹ 25 Lakh each	24-02-16	5.01	8.73%	24-02-31	Redeemable at the end of 5479 days from the date of allotment
Series D FY 15-16 Opt 4-	₹ 25 Lakh each	07-01-16	15.28	8.63%	07-01-31	Redeemable at the end of 5479 days from the date of allotment
Series B FY 14-15 Opt II	₹ 25 Lakh each	28-01-15	101.22	8.51%	28-01-30	Redeemable at the end of 5479 days from the date of allotment
NCDSR B(19-20)	₹ 10 Lakh each	25-10-19	12.40	8.80%	25-10-29	Redeemable at the end of 3653 days from the date of allotment
NCDSR A(19-20)	₹ 10 Lakh each	24-09-19	701.29	8.42%	24-09-29	Redeemable at the end of 3653 days from the date of allotment
SR C 19-20	₹ 10 Lakh each	08-01-20	15.91	8.75%	08-01-27	Redeemable at the end of 2557 days from the date of allotment
Series P FY 16-17	₹ 25 Lakh each	15-11-16	25.76	8.15%	13-11-26	Redeemable at the end of 3650 days from the date of allotment
Series N FY 16-17-	₹ 25 Lakh each	20-10-16	134.70	8.30%	20-10-26	Redeemable at the end of 3652 days from the date of allotment
Series M FY 16-17 OPT 2-	₹ 25 Lakh each	13-10-16	77.83	8.30%	13-10-26	Redeemable at the end of 3652 days from the date of allotment
Series K FY 16-17 OPT 1-	₹ 25 Lakh each	03-10-16	106.44	8.43%	01-10-26	Redeemable at the end of 3650 days from the date of allotment
Series J FY 16-17-	₹ 25 Lakh each	28-09-16	75.77	8.43%	28-09-26	Redeemable at the end of 3652 days from the date of allotment
Series G FY 16-17	₹ 25 Lakh each	13-07-16	15.94	8.77%	13-07-26	Redeemable at the end of 3652 days from the date of allotment
Series F FY 16-17 OPT 2-	₹ 25 Lakh each	23-06-16	112.01	8.80%	23-06-26	Redeemable at the end of 3652 days from the date of allotment
Series E FY 16-17 OPT 2-	₹ 25 Lakh each	17-06-16	53.44	8.80%	17-06-26	Redeemable at the end of 3652 days from the date of allotment
Series D FY 16-17 OPT 3-	₹ 25 Lakh each	10-06-16	10.71	8.75%	10-06-26	Redeemable at the end of 3652 days from the date of allotment
Series B FY 16-17 OPT 3-	₹ 25 Lakh each	06-05-16	21.56	8.67%	06-05-26	Redeemable at the end of 3652 days from the date of allotment
Series H FY 15-16	₹ 25 Lakh each	29-03-16	297.35	8.72%	27-03-26	Redeemable at the end of 3650 days from the date of allotment
Series G FY 15-16 OPT 3-	₹ 25 Lakh each	22-03-16	89.84	8.75%	20-03-26	Redeemable at the end of 3650 days from the date of allotment
Series E FY 15-16 Opt 3-	₹ 25 Lakh each	24-02-16	135.58	8.73%	24-02-26	Redeemable at the end of 3653 days from the date of allotment
Series D FY 15-16 Opt 3-	₹ 25 Lakh each	07-01-16	155.99	8.63%	07-01-26	Redeemable at the end of 3653 days from the date of allotment
Series C FY 15-16 Opt 3	₹ 25 Lakh each	04-12-15	15.42	8.55%	04-12-25	Redeemable at the end of 3653 days from the date of allotment
Series E FY 2018-19	₹ 10 Lakh each	23-07-18	15.93	9.05%	23-07-25	Redeemable at the end of 2557 days from the date of allotment
MLD SR E 19-20	₹ 10 Lakh each	25-02-20	252.14	8.70%	25-03-25	Redeemable at the end of 1855 days from the date of allotment
MLD SR D 19-20	₹ 10 Lakh each	31-01-20	50.68	8.17%	28-02-25	Redeemable at the end of 1855 days from the date of allotment
Series B FY 14-15 Opt I	₹ 25 Lakh each	28-01-15	101.42	8.49%	28-01-25	Redeemable at the end of 3653 days from the date of allotment
Series D FY 2018-19	₹ 10 Lakh each	06-07-18	170.92	9.30%	05-07-24	Redeemable at the end of 2191 days from the date of allotment
Series C FY 2018-19 Option II	₹ 10 Lakh each	26-06-18	265.27	9.30%	26-06-24	Redeemable at the end of 2192 days from the date of allotment
Series I FY 17-18 Option II	₹ 25 Lakh each	14-06-17	26.60	8.07%	14-06-24	Redeemable at the end of 2557 days from the date of allotment
Series J FY 17-18 Option II	₹ 25 Lakh each	16-06-17	53.17	8.07%	14-06-24	Redeemable at the end of 2555 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	5.00	9.70%	10-06-24	Redeemable at the end of 3653 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	97.47	9.70%	10-06-24	Redeemable at the end of 3653 days from the date of allotment
Series H FY 17-18 Option II	₹ 25 Lakh each	08-06-17	106.58	8.08%	10-06-24	Redeemable at the end of 2559 days from the date of allotment

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2020

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series G FY 17-18 Option I	₹ 25 Lakh each	31-05-17	37.34	8.07%	31-05-24	Redeemable at the end of 2557 days from the date of allotment
Series E FY 17-18	₹ 25 Lakh each	16-05-17	42.83	8.08%	16-05-24	Redeemable at the end of 2557 days from the date of allotment
Series C FY 17-18	₹ 25 Lakh each	04-05-17	134.13	8.08%	03-05-24	Redeemable at the end of 2556 days from the date of allotment
Series H FY 2018-19	₹ 10 Lakh each	01-02-19	25.36	9.15%	11-03-24	Redeemable at the end of 1865 days from the date of allotment
Series S FY 16-17	₹ 25 Lakh each	15-12-16	25.58	8.05%	15-12-23	Redeemable at the end of 2556 days from the date of allotment
Series G FY 2018-19 -MLD	₹ 10 Lakh each	21-09-18	39.24	8.49%	21-11-23	Redeemable at the end of 1887 days from the date of allotment
Series F FY 2018-19 - MLD	₹ 10 Lakh each	18-09-18	55.89	8.39%	18-10-23	Redeemable at the end of 1856 days from the date of allotment
Series M FY 16-17 OPT 1-	₹ 25 Lakh each	13-10-16	77.85	8.25%	13-10-23	Redeemable at the end of 2556 days from the date of allotment
Series L FY 16-17-	₹ 25 Lakh each	10-10-16	155.90	8.36%	10-10-23	Redeemable at the end of 2556 days from the date of allotment
Series H FY 16-17	₹ 25 Lakh each	01-09-16	26.22	8.45%	01-09-23	Redeemable at the end of 2556 days from the date of allotment
Series C FY 2018-19 Option I	₹ 10 Lakh each	26-06-18	248.65	9.30%	25-08-23	Redeemable at the end of 1886 days from the date of allotment
Series B FY 2018-19	₹ 10 Lakh each	19-06-18	330.39	9.30%	18-08-23	Redeemable at the end of 1886 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	09-05-18	62.39	8.45%	23-06-23	Redeemable at the end of 1871 days from the date of allotment
Series N FY 17-18	₹ 25 Lakh each	30-01-18	83.11	8.19%	30-05-23	Redeemable at the end of 1946 days from the date of allotment
Series N FY 17-18 Reissuance 1	₹ 25 Lakh each	26-02-18	58.50	8.19%	30-05-23	Redeemable at the end of 1919 days from the date of allotment
Series N FY 17-18 Reissuance 2	₹ 25 Lakh each	27-03-18	25.21	8.19%	30-05-23	Redeemable at the end of 1890 days from the date of allotment
Series N FY 17-18 Reissuance 3	₹ 25 Lakh each	28-03-18	23.26	8.19%	30-05-23	Redeemable at the end of 1889 days from the date of allotment
Series B FY 16-17 OPT 2-	₹ 25 Lakh each	06-05-16	1.08	8.67%	05-05-23	Redeemable at the end of 2555 days from the date of allotment
Series G FY 15-16 OPT 2-	₹ 25 Lakh each	22-03-16	20.00	8.75%	22-03-23	Redeemable at the end of 2556 days from the date of allotment
Series M FY 17-18 Option II	₹ 25 Lakh each	28-12-17	188.90	8.15%	10-03-23	Redeemable at the end of 1898 days from the date of allotment
Series E FY 15-16 Opt 2-	₹ 25 Lakh each	24-02-16	55.30	8.70%	24-02-23	Redeemable at the end of 2557 days from the date of allotment
Series L FY 17-18	₹ 25 Lakh each	21-12-17	399.77	8.15%	16-01-23	Redeemable at the end of 1852 days from the date of allotment
Series D FY 15-16 Opt 2-	₹ 25 Lakh each	07-01-16	47.93	8.60%	06-01-23	Redeemable at the end of 2556 days from the date of allotment
Series M FY 17-18 Option I	₹ 25 Lakh each	21-12-17	515.68	8.15%	28-12-22	Redeemable at the end of 1833 days from the date of allotment
Series B FY 15-16	₹ 25 Lakh each	10-11-15	155.03	8.65%	09-11-22	Redeemable at the end of 2556 days from the date of allotment
Series K FY 17-18	₹ 25 Lakh each	06-11-17	216.47	7.85%	07-11-22	Redeemable at the end of 1827 days from the date of allotment
Series A FY 15-16	₹ 25 Lakh each	11-09-15	26.20	8.67%	09-09-22	Redeemable at the end of 2555 days from the date of allotment
Series J FY 17-18 Option I	₹ 25 Lakh each	16-06-17	106.31	8.00%	16-06-22	Redeemable at the end of 1826 days from the date of allotment
Series I FY 17-18 Option I	₹ 25 Lakh each	14-06-17	37.22	8.00%	14-06-22	Redeemable at the end of 1826 days from the date of allotment
Series H FY 17-18 Option I	₹ 25 Lakh each	08-06-17	95.87	8.01%	08-06-22	Redeemable at the end of 1826 days from the date of allotment
Series F FY 17-18	₹ 25 Lakh each	22-05-17	26.71	8.00%	01-06-22	Redeemable at the end of 1836 days from the date of allotment
Series B FY 17-18 Option II	₹ 25 Lakh each	24-04-17	43.00	8.00%	24-05-22	Redeemable at the end of 1856 days from the date of allotment
Series A FY 17-18 Option II	₹ 25 Lakh each	13-04-17	80.80	8.02%	13-05-22	Redeemable at the end of 1856 days from the date of allotment
Series D FY 17-18	₹ 25 Lakh each	11-05-17	58.92	8.00%	11-05-22	Redeemable at the end of 1826 days from the date of allotment
Series U FY 16-17	₹ 25 Lakh each	17-01-17	14.22	7.95%	17-02-22	Redeemable at the end of 1857 days from the date of allotment
Series T FY 16-17	₹ 25 Lakh each	13-01-17	15.25	7.95%	11-02-22	Redeemable at the end of 1855 days from the date of allotment
Series V FY 16-17	₹ 25 Lakh each	10-02-17	36.39	7.89%	10-02-22	Redeemable at the end of 1826 days from the date of allotment
Series R FY 16-17	₹ 25 Lakh each	29-11-16	51.32	7.85%	29-12-21	Redeemable at the end of 1856 days from the date of allotment

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2020

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series Q FY 16-17	₹ 25 Lakh each	28-11-16	51.33	7.85%	28-12-21	Redeemable at the end of 1856 days from the date of allotment
Series O FY 16-17	₹ 25 Lakh each	08-11-16	128.98	8.05%	08-12-21	Redeemable at the end of 1856 days from the date of allotment
Series I FY 16-17-Wipro Ltd	₹ 25 Lakh each	14-09-16	38.68	8.39%	14-09-21	Redeemable at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	35.00	9.70%	10-06-21	Redeemable at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	30.00	9.70%	10-06-21	Redeemable at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	5.00	9.70%	10-06-21	Redeemable at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	16.29	9.70%	10-06-21	Redeemable at the end of 2557 days from the date of allotment
Series D FY 16-17 OPT 1-	₹ 25 Lakh each	10-06-16	133.77	8.70%	10-06-21	Redeemable at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT 1	₹ 25 Lakh each	12-05-16	5.38	8.65%	12-05-21	Redeemable at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 1-	₹ 25 Lakh each	06-05-16	34.50	8.65%	06-05-21	Redeemable at the end of 1826 days from the date of allotment
Series G FY 15-16 OPT 1-	₹ 25 Lakh each	22-03-16	40.04	8.75%	22-04-21	Redeemable at the end of 1857 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	12-04-16	27.11	8.70%	12-04-21	Redeemable at the end of 1826 days from the date of allotment
Series F FY 15-16	₹ 25 Lakh each	26-02-16	50.36	8.70%	26-02-21	Redeemable at the end of 1827 days from the date of allotment
Series E FY 15-16 Opt 1-	₹ 25 Lakh each	24-02-16	100.76	8.70%	24-02-21	Redeemable at the end of 1827 days from the date of allotment
Series D FY 15-16 Opt 1	₹ 25 Lakh each	07-01-16	30.59	8.55%	07-01-21	Redeemable at the end of 1827 days from the date of allotment
Series C FY 15-16 Opt 1	₹ 25 Lakh each	04-12-15	138.75	8.55%	04-12-20	Redeemable at the end of 1827 days from the date of allotment
Series A FY 17-18 Option I	₹ 25 Lakh each	13-04-17	204.52	7.90%	13-05-20	Redeemable at the end of 1126 days from the date of allotment
Series B FY 17-18 Option I	₹ 25 Lakh each	24-04-17	5.37	7.90%	29-04-20	Redeemable at the end of 1101 days from the date of allotment
Total			**8,218.72**			

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

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2019

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	date of redemption	Redeemable Terms
Series E FY 15-16 Opt 5	₹ 25 Lakh each	24-02-16	4.99	8.73%	22-02-36	Redeemable at par at the end of 7303 days from the date of allotment
Series D FY 15-16 Opt 5	₹ 25 Lakh each	07-01-16	10.16	8.63%	07-01-36	Redeemable at par at the end of 7305 days from the date of allotment
Series I FY 2018-19	₹ 10 Lakh each	20-02-19	20.20	9.22%	20-02-34	Redeemable at par at the end of 5479 days from the date of allotment
Series G FY 17-18 Option II	₹ 25 Lakh each	31-05-17	112.04	8.20%	31-05-32	Redeemable at par at the end of 5479 days from the date of allotment
Series K FY 16-17 OPT 2	₹ 25 Lakh each	03-10-16	26.01	8.43%	03-10-31	Redeemable at par at the end of 5478 days from the date of allotment
Series E FY 15-16 Opt 4	₹ 25 Lakh each	24-02-16	5.00	8.73%	24-02-31	Redeemable at par at the end of 5479 days from the date of allotment
Series D FY 15-16 Opt 4	₹ 25 Lakh each	07-01-16	15.21	8.63%	07-01-31	Redeemable at par at the end of 5479 days from the date of allotment
Series B FY 14-15 Opt II	₹ 25 Lakh each	28-01-15	101.47	8.51%	28-01-30	Redeemable at par at the end of 5479 days from the date of allotment
Series P FY 16-17	₹ 25 Lakh each	15-11-16	25.75	8.15%	13-11-26	Redeemable at par at the end of 3650 days from the date of allotment
Series N FY 16-17	₹ 25 Lakh each	20-10-16	134.64	8.30%	20-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 16-17 OPT 2	₹ 25 Lakh each	13-10-16	77.80	8.30%	13-10-26	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 16-17 OPT 1	₹ 25 Lakh each	03-10-16	106.41	8.43%	01-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series J FY 16-17	₹ 25 Lakh each	28-09-16	75.79	8.43%	28-09-26	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 16-17	₹ 25 Lakh each	13-07-16	15.94	8.77%	13-07-26	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 16-17 OPT 2	₹ 25 Lakh each	23-06-16	111.96	8.80%	23-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 16-17 OPT 2	₹ 25 Lakh each	17-06-16	53.44	8.80%	17-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series D FY 16-17 OPT 3	₹ 25 Lakh each	10-06-16	10.67	8.75%	10-06-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 16-17 OPT 3	₹ 25 Lakh each	06-05-16	21.54	8.67%	06-05-26	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 15-16	₹ 25 Lakh each	29-03-16	296.98	8.72%	27-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series G FY 15-16 OPT 3	₹ 25 Lakh each	22-03-16	89.81	8.75%	20-03-26	Redeemable at par at the end of 3650 days from the date of allotment
Series E FY 15-16 Opt 3	₹ 25 Lakh each	24-02-16	135.42	8.73%	24-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 15-16 Opt 3	₹ 25 Lakh each	07-01-16	156.02	8.63%	07-01-26	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 15-16 Opt 3	₹ 25 Lakh each	04-12-15	15.41	8.55%	04-12-25	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2018-19	₹ 10 Lakh each	23-07-18	15.94	9.05%	23-07-25	Redeemable at par at the end of 2557 days from the date of allotment
Series B FY 14-15 Opt I	₹ 25 Lakh each	28-01-15	100.93	8.49%	28-01-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2018-19	₹ 10 Lakh each	06-07-18	170.89	9.30%	05-07-24	Redeemable at par at the end of 2191 days from the date of allotment
Series C FY 2018-19 Option II	₹ 10 Lakh each	26-06-18	265.31	9.30%	26-06-24	Redeemable at par at the end of 2192 days from the date of allotment
Series I FY 17-18 Option II	₹ 25 Lakh each	14-06-17	26.59	8.07%	14-06-24	Redeemable at par at the end of 2557 days from the date of allotment
Series J FY 17-18 Option II	₹ 25 Lakh each	16-06-17	53.16	8.07%	14-06-24	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 14-15 Opt III	₹ 25 Lakh each	10-06-14	97.03	9.70%	10-06-24	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 17-18 Option II	₹ 25 Lakh each	08-06-17	106.57	8.08%	10-06-24	Redeemable at par at the end of 2559 days from the date of allotment
Series G FY 17-18 Option I	₹ 25 Lakh each	31-05-17	37.34	8.07%	31-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series E FY 17-18	₹ 25 Lakh each	16-05-17	42.83	8.08%	16-05-24	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 17-18	₹ 25 Lakh each	04-05-17	134.11	8.08%	03-05-24	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 2018-19	₹ 10 Lakh each	01-02-19	25.36	9.15%	11-03-24	Redeemable at par at the end of 1865 days from the date of allotment
Series S FY 16-17	₹ 25 Lakh each	15-12-16	25.57	8.05%	15-12-23	Redeemable at par at the end of 2556 days from the date of allotment

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2019

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	date of redemption	Redeemable Terms
Series G FY 2018-19 -MLD	₹ 10 Lakh each	21-09-18	36.02	8.49%	21-11-23	Redeemable at par at the end of 1887 days from the date of allotment
Series F FY 2018-19 MLD	₹ 10 Lakh each	18-09-18	51.29	8.39%	18-10-23	Redeemable at par at the end of 1856 days from the date of allotment
Series M FY 16-17 OPT 1	₹ 25 Lakh each	13-10-16	77.81	8.25%	13-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series L FY 16-17	₹ 25 Lakh each	10-10-16	155.86	8.36%	10-10-23	Redeemable at par at the end of 2556 days from the date of allotment
Series H FY 16-17	₹ 25 Lakh each	01-09-16	26.21	8.45%	01-09-23	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2018-19 Option I	₹ 10 Lakh each	26-06-18	248.62	9.30%	25-08-23	Redeemable at par at the end of 1886 days from the date of allotment
Series B FY 2018-19	₹ 10 Lakh each	19-06-18	330.35	9.30%	18-08-23	Redeemable at par at the end of 1886 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	09-05-18	62.38	8.45%	23-06-23	Redeemable at par at the end of 1871 days from the date of allotment
Series N FY 17-18	₹ 25 Lakh each	30-01-18	83.08	8.19%	30-05-23	Redeemable at par at the end of 1946 days from the date of allotment
Series N FY 17-18 Reissuance 1	₹ 25 Lakh each	26-02-18	58.39	8.19%	30-05-23	Redeemable at par at the end of 1919 days from the date of allotment
Series N FY 17-18 Reissuance 2	₹ 25 Lakh each	27-03-18	25.16	8.19%	30-05-23	Redeemable at par at the end of 1890 days from the date of allotment
Series N FY 17-18 Reissuance 3	₹ 25 Lakh each	28-03-18	23.23	8.19%	30-05-23	Redeemable at par at the end of 1889 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	06-05-16	1.08	8.67%	05-05-23	Redeemable at par at the end of 2555 days from the date of allotment
Series G FY 15-16 OPT 2	₹ 25 Lakh each	22-03-16	19.99	8.75%	22-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option II	₹ 25 Lakh each	28-12-17	188.86	8.15%	10-03-23	Redeemable at par at the end of 1898 days from the date of allotment
Series E FY 15-16 Opt 2	₹ 25 Lakh each	24-02-16	55.21	8.70%	24-02-23	Redeemable at par at the end of 2557 days from the date of allotment
Series L FY 17-18	₹ 25 Lakh each	21-12-17	399.67	8.15%	16-01-23	Redeemable at par at the end of 1852 days from the date of allotment
Series D FY 15-16 Opt 2	₹ 25 Lakh each	07-01-16	47.92	8.60%	06-01-23	Redeemable at par at the end of 2556 days from the date of allotment
Series M FY 17-18 Option I	₹ 25 Lakh each	21-12-17	515.59	8.15%	28-12-22	Redeemable at par at the end of 1833 days from the date of allotment
Series B FY 15-16	₹ 25 Lakh each	10-11-15	155.08	8.65%	09-11-22	Redeemable at par at the end of 2556 days from the date of allotment
Series K FY 17-18	₹ 25 Lakh each	06-11-17	216.38	7.85%	07-11-22	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 15-16	₹ 25 Lakh each	11-09-15	26.20	8.67%	09-09-22	Redeemable at par at the end of 2555 days from the date of allotment
Series J FY 17-18 Option I	₹ 25 Lakh each	16-06-17	106.30	8.00%	16-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 17-18 Option I	₹ 25 Lakh each	14-06-17	37.22	8.00%	14-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 17-18 Option I	₹ 25 Lakh each	08-06-17	95.86	8.01%	08-06-22	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 17-18	₹ 25 Lakh each	22-05-17	26.71	8.00%	01-06-22	Redeemable at par at the end of 1836 days from the date of allotment
Series B FY 17-18 Option II	₹ 25 Lakh each	24-04-17	42.99	8.00%	24-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series A FY 17-18 Option II	₹ 25 Lakh each	13-04-17	80.79	8.02%	13-05-22	Redeemable at par at the end of 1856 days from the date of allotment
Series D FY 17-18	₹ 25 Lakh each	11-05-17	58.91	8.00%	11-05-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 16-17	₹ 25 Lakh each	17-01-17	14.22	7.95%	17-02-22	Redeemable at par at the end of 1857 days from the date of allotment
Series T FY 16-17	₹ 25 Lakh each	13-01-17	15.25	7.95%	11-02-22	Redeemable at par at the end of 1855 days from the date of allotment
Series V FY 16-17	₹ 25 Lakh each	10-02-17	36.37	7.89%	10-02-22	Redeemable at par at the end of 1826 days from the date of allotment
Series R FY 16-17	₹ 25 Lakh each	29-11-16	51.31	7.85%	29-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series Q FY 16-17	₹ 25 Lakh each	28-11-16	51.32	7.85%	28-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series O FY 16-17	₹ 25 Lakh each	08-11-16	128.96	8.05%	08-12-21	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 16-17-Wipro Ltd	₹ 25 Lakh each	14-09-16	38.68	8.39%	14-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	37.73	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 13(i): Secured Redeemable Non Convertible Debentures (privately placed) as at March 31,2019

Series Details	Face Value per Debenture	Date of Allotment	Amount (₹ in crore)	Interest Rate %p.a.	date of redemption	Redeemable Terms
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	32.34	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	5.39	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series A FY 14-15 Opt II	₹ 25 Lakh each	10-06-14	10.78	9.70%	10-06-21	Redeemable at par at the end of 2557 days from the date of allotment
Series D FY 16-17 OPT 1	₹ 25 Lakh each	10-06-16	133.71	8.70%	10-06-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT 1	₹ 25 Lakh each	12-05-16	5.38	8.65%	12-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	06-05-16	34.49	8.65%	06-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 15-16 OPT 1	₹ 25 Lakh each	22-03-16	40.04	8.75%	22-04-21	Redeemable at par at the end of 1857 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	12-04-16	27.11	8.70%	12-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series F FY 15-16	₹ 25 Lakh each	26-02-16	50.29	8.70%	26-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series E FY 15-16 Opt 1	₹ 25 Lakh each	24-02-16	100.60	8.70%	24-02-21	Redeemable at par at the end of 1827 days from the date of allotment
Series D FY 15-16 Opt 1	₹ 25 Lakh each	07-01-16	30.59	8.55%	07-01-21	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 15-16 Opt 1	₹ 25 Lakh each	04-12-15	138.73	8.55%	04-12-20	Redeemable at par at the end of 1827 days from the date of allotment
Series A FY 17-18 Option I	₹ 25 Lakh each	13-04-17	204.49	7.90%	13-05-20	Redeemable at par at the end of 1126 days from the date of allotment
Series B FY 17-18 Option I	₹ 25 Lakh each	24-04-17	5.37	7.90%	29-04-20	Redeemable at par at the end of 1101 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	16.16	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	53.85	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 14-15 Opt I	₹ 25 Lakh each	10-06-14	10.77	9.60%	10-06-19	Redeemable at par at the end of 1826 days from the date of allotment
Total			**7,256.82**			

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

Note 14: Subordinated liabilities (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At Amortised Cost		
Cumulative Non Convertible Redeemable Preference share (CRPS)	356.17	128.19
Total	**356.17**	**128.19**
Subordinated liabilities in India	356.17	128.19
Total	**356.17**	**128.19**

i. Terms/rights attached to shares
Cumulative Non Convertible Redeemable Preference Shares ("CRPS")

The CRPS do not have voting rights other than in respect of matters directly affecting the rights attached to the CRPS. In the event any due and payable dividends remain unpaid for an aggregate period of at least 2 years prior to the start of any general meeting of the equity shareholders, CRPS holders shall have voting rights in line with the voting rights of the equity shareholders. On winding up or redemption, CRPS holders enjoy preferential rights vis-à-vis equity shareholders, for redemption of capital paid up and shall include any unpaid Dividends and any fixed premium (if applicable).

ii. During the year ended March 31, 2020, the Company has paid a dividend of ₹ 20.54 crore on CRPS of ₹ 100 each fully paid (previous year ₹ 10.01 crore).

iii. Details for CRPS:

a. Details relating to ISIN INE235P04024:

The face value of the Preference Shares is Rs. 10 lakhs each, and the date of allotment was August 29, 2016. The CRPS are redeemable in three annual tranches beginning from 29-August-2022 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be redeemed in annual tranches of Rs. 1.65 crore for tranches 1 & 2 and Rs. 1.70 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

b. Details relating to ISIN INE235P04040:

The CRPS are redeemable in three annual tranches beginning from 29-August-2022 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be redeemed in annual tranches of Rs. 1.65 crore for tranches 1 & 2 and Rs. 1.70 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

c. Details relating to ISIN INE235P04057:

The face value of the Preference Shares is Rs. 10 lakhs each, and the date of allotment was May 23, 2019. The CRPS are redeemable in three annual tranches beginning from 23-May-2025 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be redeemed in annual tranches of Rs. 21.38 crore for tranches 1 & 2 and Rs. 22.03 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

d. Details relating to ISIN INE235P04065:

The face value of the Preference Shares is Rs. 10 lakhs each, and the date of allotment was December 27, 2019. The CRPS are redeemable in three annual tranches beginning from 27-December-2025 and the payment of dividend and redemption premium would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be redeemed in annual tranches of Rs. 49.50 crore for tranches 1 & 2 and Rs. 51.00 crore for tranche 3. The holders of CRPS will be entitled to an annual dividend of 5.25% subject to the provisions of the applicable laws and regulations.

Note 15: Other financial liabilities (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for expenses	5.05	2.61
Total	**5.05**	**2.61**

Note 16 : Provisions (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Compensated absences	0.34	0.32
Gratuity	1.05	0.47
Total	**1.39**	**0.79**

Note 17: Other non-financial liabilities (₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Others		
Statutory liabilities	0.73	1.18
Total	**0.73**	**1.18**

Note 18: Equity share capital

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Authorised				
Equity shares of Rs. ₹ 10 each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	1,00,00,00,000	**1,000.00**	**1,00,00,00,000**	**1,000.00**
Issued, Subscribed and Paid up				
Equity shares of Rs. ₹ 10 each fully paid	49,01,80,214	490.18	49,01,80,214	490.18
	49,01,80,214	**490.18**	**49,01,80,214**	**490.18**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity shares at the beginning of the year	49,01,80,214	490.18	49,01,80,214	490.18
Add: Shares issued during the year	-	-	-	-
Equity shares at the end of the year	**49,01,80,214**	**490.18**	**49,01,80,214**	**490.18**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	49,01,80,214	490.18	49,01,80,214	490.18

(d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid held by				
L&T Infrastructure Finance Company Limited	23,70,36,157	48.36	23,70,36,157	48.36
L&T Finance Limited	13,86,52,953	28.28	13,86,52,953	28.28
L&T Finance Holdings Limited	11,44,91,100	23.36	11,44,91,100	23.36

Terms/rights attached to shares

Equity Shares

The Company has equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees.

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

Note: 19: Other equity

(₹ in crore)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Securities premium account	133.83	133.83
Reserve u/s 45 1C of RBI Act 1934	135.32	92.72
Retained earnings	503.26	344.50
Impairment reserve	11.47	-
Total	**783.87**	**571.06**

(₹ in crore)

Note 19.1 Securities premium account	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	133.83	133.83
Addition during the year	-	-
Balance at end of year	**133.83**	**133.83**

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued. The securities premium is eligible to utilised in accordance with the provision of the companies Act, 2013.

(₹ in crore)

Note 19.2 Reserve u/s 45 IC of RBI Act	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	92.72	66.39
Addition during the year	42.60	26.33
Balance at end of year	**135.32**	**92.72**

Reserve u/s 45-IC of Reserve Bank of India Act, 1934: The Company created a reserve pursuant to the Reserve Bank of India Act, 1934 by transfer a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(₹ in crore)

Note 19.3 Retained earnings	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	344.50	239.22
Addition during the year	212.98	131.66
Remeasurement of defined benefit plan	(0.16)	(0.05)
Transfer to impairment reserve	(11.47)	-
Transfer to reserve u s 45 IC of RBI Act	(42.60)	(26.33)
Balance at end of year	**503.26**	**344.50**

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

(₹ in crore)

Note 19.4 Impairment reserve	**As at March 31, 2020**	**As at March 31, 2019**
Balance at beginning of year	-	-
Addition during the year	11.47	-
Balance at end of year	**11.47**	**-**

As per RBI circular RBI/2019-20/170 dated 13th March, 2020, NBFCs are required to hold expected credit loss allowances in accordance with the provisions of IndAS 109. In parallel NBFCs are required to compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where the expected credit loss allowance computed under IndAS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the shortfall from their retained earnings to a separate 'Impairment Reserve', also refer Note 44(24).

Note 20: Interest income (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial assets measured at:		
Amortised cost		
a) Interest on loans	868.08	694.77
b) Interest on deposits with Bank	3.45	11.02
Total	**871.53**	**705.79**

Note 21: Fees and commission income (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advisory fees	10.75	22.76
Total	**10.75**	**22.76**

Note 22: Net gain on fair value changes (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on sale of financial instruments or fair valuation of investment on mutual fund	19.54	26.26
Total net gain on fair value changes	**19.54**	**26.26**
Fair value changes:		
-Realised	15.97	26.07
-Unrealised	3.57	0.19
Total net gain on fair value changes	**19.54**	**26.26**

Note 23: Other income (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on income tax refund	1.12	-
Others	0.03	0.01
Total	**1.15**	**0.01**

Note 24: Finance costs (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on debt securities	629.90	570.85
Interest on subordinated liabilities	20.54	10.01
Ancillary borrowing costs	1.23	1.21
Other interest expense		
Interest cost on gratuity	0.04	0.01
Interest cost on compensated absences	0.02	0.01
Total	**651.73**	**582.10**
		-

Note 25: Impairment on financial instruments (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loans		
On financial instruments measured at:		
Amortised cost	2.18	20.27
Total	**2.18**	**20.27**

Note 26: Employee benefits expenses (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	8.46	5.24
Contribution provident and pension fund	0.33	0.20
Contribution to gratuity fund	0.09	0.06
Expenses on employee stock option scheme	1.86	0.38
Staff welfare expenses	0.15	0.07
Total	**10.89**	**5.95**

Note 27: Depreciation, amortization and impairment (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amortisation	0.02	0.01
Total	**0.02**	**0.01**

Note 28: Other expenses (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent, rates & taxes	0.99	0.97
Property maintenance and other charges	0.38	0.36
Director’s fees	0.12	0.13
Auditors' remuneration (Refer note below)	0.17	0.14
Legal and professional charges	5.16	1.29
Guarantee fees	1.37	1.42
Travelling and conveyance	0.17	0.29
Corporate social responsibility expenses	2.50	1.88
Management fees	1.47	0.89
Commission to non executive directors	0.41	0.19
Brand license fee	11.92	7.12
Donations	0.02	0.03
Stamping charges	0.24	-
Miscellaneous expenses	0.25	0.12
Total	**25.16**	**14.83**

Note (i): Auditors' remuneration comprises the following (₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statuory audit fees	0.07	0.04
Limited review fees	0.06	0.04
Tax audit fees	0.01	0.01
Other service	0.03	0.05
Total	**0.17**	**0.14**

Note 29: Disclosure pursuant to Ind AS 108 Operating Segment

The Company's business is to provide finance for infrastructure projects. All other activities revolve around the Infrastructure business and are carried out within India. As such, there are no separate reportable segments as per the provisions of Ind As 108 operating segment.

Note 30: Contingent liabilities and commitments

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liabilities:		
a) Other money for which the Company is contingently liable;		
- Liability towards letter of comfort	153.15	140.56
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	0.02	-

Note 31 : Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows

Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

Note 32 : Disclosure pertaining to Corporate social responsibility (CSR) related activities

The amount recognised as expense in the statement of profit and loss on CSR related activities is ₹ 2.50 crore (previous year: ₹ 1.88 crore) is required under section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014, which comprises of;

(₹ in crore)

Sr No	CSR project or programme	for the year ended March 31, 2020	for the year ended March 31, 2019
1	Adoption of Climate Resilience Agriculture practices and Integrated Water Resource Management in Latur, Solapur & Osmanabad districts, Maharashtra	2.08	-
2	Interventions of Digital Financial Literacy & Entrepreneurship Development in Dhar & Bharwani districts in Madhya Pradesh (*)	-	0.00
3	Promotion of Road Safety among municipal school children in Mumbai, Maharashtra	-	0.34
4	Providing immediate relief and support to the communities affected by floods in Kerala	-	1.45
5	Contribution towards implementation of Road safety initiative in Mumbai	0.12	-
6	Vocational training of rural youths in livestock management in Bhadrak, Jaipur and Cuttack district in Odisha	-	0.05
7	Contribution towards Maharashtra and Karnataka Flood project 2019-20	0.30	-
8	Admin & Capacity building	-	0.04
	Total	**2.50**	**1.88**

* Amount less than ₹ 50,000/-

Note 33 : Disclosures pursuant to Ind AS 116 “Leases”

Reconciliation of lease commitments for lessees:

Reconciliation between operating lease commitments disclosed as per Ind AS 17 as on 31st March 19 and lease liabilities recognised in the balance sheet at the date of initial application i.e. 1st April 19:

(₹ in crore)

Total Operating Lease commitments disclosed as at 31st March 2019	0.07
Less: Recognition exemptions	
• Low Value Leases	-
• Short Term Leases	0.07
Less: Impact of discounting under Ind AS 116	-
Add: Extension and termination options reasonably certain to be exercised	-
Add: Commitments relating to leases previously classified as finance leases	-
Total Lease Liability recognized as at 1st April 2019	-

Note 34 : Basic and diluted Earnings per Share (EPS) computed in accordance with Ind AS 33 “Earnings per Share”

(₹ in crore)

Particulars	**for the year ended March 31, 2020**	**for the year ended March 31, 2019**
Basic earnings per share		
Profit after tax as per accounts (₹ Crore)	212.98	131.66
Net profit attributable to Equity share holders	212.98	131.66
Weighted average number of equity shares outstanding	49,01,80,214	49,01,80,214
Basic EPS per share (₹)	4.34	2.69
Diluted earnings per share		
Profit after tax as per accounts (₹ Crore)	212.98	131.66
Weighted average number of equity shares outstanding	49,01,80,214	49,01,80,214
Diluted EPS per share (₹)	4.34	2.69
Face value per share (₹)	10.00	10.00

Note 35 : Expenditure in foreign currencies

(₹ in crore)

Nature of expense	**for the year ended March 31, 2020**	**for the year ended March 31, 2019**
Legal and professional fees	-	0.77
Miscellaneous expenses	0.06	0.01

Note 36: Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(i) Defined Contribution plans :

The Company's state governed provident fund scheme is a defined contribution plan for its employees which is permitted under The employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated thereon are payable to the employee at the time of separation from company or retirement whichever is earlier .The benefit vests immediately on rendering of services by the employee.

The Company recognised charges of ₹ 0.33 Crores (previous year ₹ 0.20 Crores) for provident fund contribution in the Statement of Profit and Loss.

(ii) Defined benefits Gratuity Plan :

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

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

(₹ in crore)

Particulars	Gratuity Plan	
	As at March 31, 2020	**As at March 31, 2019**
A) Present Value of Defined Benefit Obligation		
- Wholly funded		
- Wholly unfunded	1.05	0.47
	1.05	0.47
Less : Fair Value of plan assets	-	-
Liabilities	1.05	0.47
Assets	-	-
Net liability/(asset)	1.05	0.47
Net liability/(asset) - current	0.02	0.02
Net liability/(asset) - non-current	1.03	0.45

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

(₹ in crore)

Particulars	**Gratuity Plan**	
	As at March 31, 2020	**As at March 31, 2019**
1 Current Service Cost	0.09	0.06
2 Interest Cost	0.04	0.01
3 Interest Income on Plan Assets	-	-
4 Actuarial losses/(gains) - others	0.16	0.05
5 Actuarial losses/(gains) - difference between actuarial return on plan assets	-	-
6 Past Service Cost	-	-
7 Actuarial gain/(loss) not recognised in Books	-	-
8 Translation adjustments	-	-
9 Amount capitalised out of the above/ recover from S&A	-	-
Total (1 to 9)	**0.29**	**0.12**
i Amount included in "employee benefits expenses"	0.09	0.06
ii Amount included in as part of "finance cost'	0.04	0.01
iii Amount included as part of "Other Comprehensive income"	0.16	0.05
Total (i + ii + iii)	**0.29**	**0.12**

(c)

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

(₹ in crore)

Particulars	**Gratuity Plan**	
	As at March 31, 2020	**As at March 31, 2019**
Opening balance of the present value of defined benefit obligation	0.47	0.16
Add : Current Service Cost	0.09	0.06
Add : Interest Cost	0.04	0.01
Add : Actuarial losses/(gains)	-	-
i) Actuarial (gains)/losses arising from changes in financial assumptions	0.13	0.00
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	0.00
ii) Actuarial (gains)/losses arising from changes in experience adjustments	0.03	0.04
Less : Benefits paid	(0.05)	-
Add : Past service cost	-	-
Add : Liability assumed/(settled)*	0.34	0.20
Add/(less) : Translation adjustments	-	-
Closing balance of the present value of defined benefit obligation	**1.05**	**0.47**

*On account of inter group transfer during the year

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

(₹ in crore)

Particulars	**Gratuity Plan**	
	As at March 31, 2020	**As at March 31, 2019**
Opening balance of the fair value of the plan assets	-	-
Add : interest income of plan assets	-	-
Add/(less) : Actuarial gains/(losses) (Difference between actual return on plan assets and interest income)	-	-
Add : Contribution by the employer	0.05	-
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(0.05)	-
Add: Assets acquired/(settled)	-	-
Closing balance of plan assets	**-**	**-**

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

(₹ in crore)

Particulars	**Gratuity Plan**	
	As at March 31, 2020	**As at March 31, 2019**
1 Government of India Securities	-	-
2 Corporate Bonds	-	-
3 Special Deposit Scheme	-	-
4 Insurer Managed Funds (Unquoted)	-	-
5 Others (quoted)	-	-
6 Others (unquoted)	-	-

(f) Principal actuarial assumptions at the valuation date:

Particulars	**Gratuity Plan**	
	As at March 31, 2020	**As at March 31, 2019**
1 Discount rate (per annum)	6.85%	7.80%
2 Salary escalation rate (per annum)	9.00%	9.00%

(A) Discount rate:

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

(B) Salary escalation rate:

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

(g) Attrition Rate:

The attrition rate varies from 0% to 10% (previous year: 0% to 25%) for various age groups.

(h) Mortality:

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

(i) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(j) Sensitivity Analysis:

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

(₹ in crore)

Particulars	**Gratuity Plan**			
	Effect of 1% increase		**Effect of 1% decrease**	
	2019-20	**2018-19**	**2019-20**	**2018-19**
1 Discount rate (per annum)	(0.14)	(0.07)	0.17	0.08
2 Salary escalation rate (per annum)	0.16	0.08	(0.14)	(0.07)

Note 37: Related party disclosures: Ind AS -24 "Related party transaction":

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

A. Ultimate Holding Company
1. Larsen & Toubro Limited

B. Holding Company
2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies
3 L&T Infrastructure Finance Company Limited
4 L&T Finance Limited
5 L&T Financial Consultants Limited
6 L&T Capital Market Limited

D. Key Management Personnel
7 Mr. Shiva Rajaraman (Appointed to be a Whole-time Director with effect from February 27, 2020)
8 Mr. Arun Ramanathan (Ceased to be a Director with effect from July 20, 2018)
9 Mr. Thomas Mathew T.
10 Ms. Nishi Vasudeva

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	2019-20	2018-19
1	**Purchase of loan accounts**		
	L&T Infrastructure Finance Company Limited	177.09	337.16
	L&T Finance Limited	39.86	248.03
2	**Rent paid**		
	L&T Financial Consultants Limited	0.91	1.22
3	**Brand license fees**		
	Larsen & Toubro Limited	11.24	6.94
4	**Management fee paid**		
	L&T Finance Holdings Limited	1.35	0.82
5	**Interest income on purchase of loan accounts**		
	L&T Infrastructure Finance Company Limited	0.81	-
	L&T Finance Limited	0.08	-
6	**Other expenses paid to**		
	Larsen & Toubro Limited	0.03	0.05
	L&T Financial Consultants Limited	0.35	0.01
7	**Security deposit given**		
	L&T Financial Consultants Limited	0.04	0.39
8	**Interest on security deposit**		
	L&T Financial Consultants Limited	-	0.01
9	**Commission & brokerage paid**		
	L&T Capital Market Limited	0.65	-
10	**ESOP cost**		
	L&T Finance Holdings Limited	1.86	0.38

11 Compensation paid to key managerial personnel

(₹ in crore)

Name of Key Management Personnel	2019-20			2018-19		
	Short-Term employee benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Total
Mr Shiva Rajaraman**	1.86	0.11	1.97	2.02	-	2.02
Mr. Arun Ramanathan	-	-	-	0.12	-	0.12
Mr. Thomas Mathew T.	0.16	-	0.16	0.16	-	0.16
Ms. Nishi Vasudeva	0.18	-	0.18	0.16	-	0.16

(c) Amount due to/from related parties:

(₹ in crore)

S. No.	Nature of transactions	As at March 31,2020	As at March 31,2019
1	**Accounts Payable**		
	Larsen & Toubro Limited ***	-	0.00
	L&T Finance Holdings Limited	-	0.20
	L&T Infrastructure Finance Company Limited	-	0.38
2	**Accounts Receivable**		
	L&T Finance Limited	-	0.35
	L&T Infrastructure Finance Company Limited	-	0.33
	Larsen & Toubro Limited	0.24	0.02
	L&T Financial Consultants Limited***	0.00	-
3	**Rent Deposits**		
	L&T Financial Consultants Limited	0.46	0.41
4	**Brand License Fees Payable**		
	Larsen & Toubro Limited	11.92	7.36

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

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

*** Amount is less than ₹ 50,000/-

Note 37.1: Financial risk management

Basis

Great importance is attached to the identification, measurement and control of risks. All employees of the Company are responsible for the management of risk, with the ultimate accountability residing with the Board of Directors. The Board of Directors and the Risk Management Committee (RMC) ensure that the management takes in to consideration all the relevant risk factors which could lead to unexpected fluctuations in results or to a loss of capital employed. Recommendations for risk control measures are derived from the evaluation of risk factors. Certain risks are also recognized as opportunities. The aim in such cases is to achieve an appropriate balance between the possible losses which might result and the potential gains. Risks which primarily represent loss potential are minimized. This helps in aligning the risk appetite to the Company's strategy to deliver sustainable, long term returns to its investors. The risks are reviewed periodically every quarter.

Types of risk

As a lending non-banking financial company, the most important risks are the following:

- Credit risk
- Market risk
- Capital Risk

Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers or counterparties fail to fulfil their contractual obligations to the Company.

As a lending non-banking financial company, providing loans and loan commitments to borrowers, credit risks arise if borrowers do not meet their obligations vis-à-vis the Company. Credit risks may also arise from active financial positions (Cash and Cash equivalents). Credit risk could also arise from credit enhancements provided.

Credit risk is the single largest risk for the Company's business. Management therefore carefully plans and manages credit risk. Credit-worthiness is assessed and documented prior to entering into any contracts relating to lending, based on information from the prospective borrower and independently obtained market information. Management continuously endeavors to improve its underwriting standards to reduce the credit risk the Company is exposed to, from time to time. Internal credit rating is used as an important tool to manage credit risk.

An independent risk management function oversees the risk management framework, which periodically presents an overview of credit risk of the portfolio to the RMC.

Loans and advances (incl. loan commitments and guarantees)

The estimation of credit risk is a complex process, as the risk varies with changes in market conditions, expected project cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD"). This is similar to the approach used for the purposes of measuring Expected Credit Loss ("ECL") under Ind AS 109.

Infrastructure Finance

The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties. Borrower and loan specific information collected at the time of application (such as past cash flows of borrower and its components, financial position of counterparties, regional economic trends etc.) and judgment based on market intelligence on the sector and the specific borrower is used in assigning the rating. Ratings provides a consistent and common scale for measurement of components of credit risk of a loan asset including the Probability of Default (PD) across products and sectors. The credit rating model takes into account critical success parameters relevant for each industry, competitive forces within the industry as well as regulatory issues while capturing financial parameters, management strengths, project parameters etc. of the borrower. These ratings are reviewed at least once annually.

The Company's internal ratings for borrowers were benchmarked against the last published cumulative default rates for 1 year and 3 year periods as published annually by CRISIL for Stage 1 and Stage 2 loan assets. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an AAA and A- rating grade is lower than the difference in the PD between a BBB and B- rating grade. Management also assesses the impact of economic developments in key markets on specific customers, customer segments or portfolios. If changes in credit conditions are foreseen, mitigation action, including the revision of risk appetites or limits and tenors, as appropriate, are taken.

Expected Credit Loss

The Company Prepare its financial statements in accordance with the IND AS framework.

As per recent RBI notification on acceptance of IND AS for regulatory reporting, the Company computes provision as per IND AS 109 as well as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). Where impairment allowance in aggregate for the Company under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning) for the Company, the difference is appropriated from net profit or loss after tax, to a separate 'Impairment Reserve'. Any withdrawals from this reserve shall be done only with prior permission from the RBI.

ECL allowances recognized in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgment and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" (the "Base Case" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). Probability weights are assigned to each scenario. The Base Case scenario is based on the Company outlook of inter alia GDP growth, inflation and interest rates for India and as relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical and other relevant changes and are updated during the year. Given the uncertainties arising from the COVID 19 pandemic, the ECL allowance as of March 31, 2020, is measured based on the Downside scenario.

Management oversees the estimation of ECL including:

i. setting requirements in policy, including key assumptions and the application of key judgments;
ii. the design and execution of models; and
iii. review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built, as summarized below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note 1.5 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, it is then moved to 'Stage 3'. (See note 1.5 for a description of how the Company defines credit-impaired and default).

PD was determined based on the internal credit rating assigned to the borrower as explained above. The Exposure at Default (EAD) is determined and the LGD estimated, at the borrower level. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements and verified market intelligence. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods as published annually by CRISIL. The Company, in determining its Loss Given Default ("LGD") estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realized on resolution of cases referred to the National Company Law Tribunal ("NCLT") under the Insolvency and Bankruptcy Code, 2016. The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 5 years.

Collateral / Security Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral/ security, where applicable. The collateral/security comes in various forms, such as charge on cash flows & receivables, charge on bank & escrow accounts, cash (or equivalent) collateral, charge on contracts & rights thereof, hypothecation of movable assets and mortgage of immovable assets, pledge of shares, guarantees, etc.

To the extent possible and relevant, the Company uses market data for valuing collateral/ security. Collateral/ security which do not have readily determinable market values are valued using suitable models/ methodologies based on market practices.

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities, have similar ownership/ decision makers or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at 31st March, 2020. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, group/borrower or revenue counterparty of the borrowers etc as are relevant to the respective product.

Market Risk Management

Liquidity Risk:
The risk that the Company is unable to service its contractual or contingent liabilities or that it does not have the adequate amount of funding and liquidity to support its committed disbursements.
Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets and also by setting up limits on relevant liquidity stock ratios. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee (ALCO) which provides oversight and strategic direction for the prudent asset liabilities management. As a prudent practice, the Company has been maintaining positive cumulative liquidity gaps in the current market scenario.

In line with broad regulatory direction, rating covenants and internal assessments, the Company continues to maintain liquidity buffer in the form of High Quality Liquidity Assets which provides adequate cushion. The Company also periodically undertakes liquidity stress testing under various liquidity stress scenarios. To effectively manage the fallout of the COVID-19 pandemic related RBI measures on its funding and liquidity, the Company has been continuously maintaining higher level of liquidity buffer as a safeguard against any likely disruption in fund-raising and market liquidity.

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly intervals. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

Foreign Exchange Rate Risk:
In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk.

Interest Rate Risk:
The Company generally borrows through the issue of fixed rate long term instruments and lends primarily through fixed rate bonds or loans. Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). Interest Rate Sensitivity Statement is prepared every month and put up to ALCO. The statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings at the Company level are also measured every month and captured in the Risk Dashboard.

Note 38 : Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures:"

(a) Category-wise classification for applicable financial assets: **(₹ in crore)**

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Investment in mutual funds	635.31	167.04
	Sub-total (I)	635.31	167.04
II	Measured at amortised cost:		
	(i) Loans	8,760.68	8,167.95
	(ii) Trade receivables	0.25	2.09
	(iii) Other receivables	0.24	0.68
	(iv) Cash and cash equivalents and other bank balances	363.15	176.94
	(v) Other financial assets	0.46	0.40
	Sub-total (II)	9,124.78	8,348.06
III	Measured at fair value through other comprehensive income (FVTOCI):	-	-
	Sub-total (III)	-	-
	Total (I+II+III)	**9,760.09**	**8,515.10**

(b) Category-wise classification for applicable financial liabilities: **(₹ in crore)**

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
I	Measured at fair value through Profit or Loss (FVTPL):		
	(i) Derivative Instruments not designated as cash flow hedges	-	-
	Sub-total (I)	-	-
II	Measured at amortised cost:		
	(i) Debt securities	8,218.72	7,404.43
	(ii) Subordinated Liabilities	356.17	128.19
	(iii) Trade & other payable	12.12	7.95
	(iv) Others	5.05	2.61
	Sub-total (II)	8,592.06	7,543.18
III	Measured at fair value through Other Comprehensive Income (FVTOCI):		
	(i) Derivative Instruments designated as cash flow hedges	-	-
	Sub-total (III)	-	-
	Total (I+II+III)	**8,592.06**	**7,543.18**

(c) Fair value of financial assets and financial liabilities measured at amortised cost: **(₹ in crore)**

Particulars	March 31, 2020		March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	8,760.68	8,760.68	8,167.95	8,167.95
Total financial assets	**8,760.68**	**8,760.68**	**8,167.95**	**8,167.95**
Financial liabilities				
Debt securities	8,218.72	8,441.25	7,404.43	7,345.58
Subordinated liabilities	356.17	324.90	128.19	127.83
Total financial liabilities	**8,574.89**	**8,766.15**	**7,532.62**	**7,473.41**

Note: Carrying amounts of cash and cash equivalents , trade & other receivable, other payable and other financial assets & liabilities as at 31 March 2020 and 31 March 2019 approximate the fair value because of their short term nature.

(d) Maturity profile of financial liabilities (Amount at undiscounted value) **(₹ in crore)**

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Payable	12.12	-	12.12	7.95	-	7.95
Borrowings, debt securities and subordinated liabilities	1,211.93	10,268.34	11,480.27	244.23	9,803.73	10,047.95
Other financial liabilities	5.05	-	5.05	2.61	-	2.61

(e) Disclosure pursuant to Ind AS 113 "Fair value measurement" - Fair value hierarchy of financial assets and financial liabilities measu **(₹ in crore)**

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	635.31	-	-	**635.31**
Total financial assets	**635.31**	-	-	**635.31**

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	167.04	-	-	**167.04**
Total financial assets	**167.04**	-	-	**167.04**

(f) Disclosure pursuant to Ind AS 113 "Fair value measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	-	-	8,760.68	8,760.68	Discounted cashflow approach
Total financial assets	**-**	**-**	**8,760.68**	**8,760.68**	
Financial Liabilities					
Debt securities	-	-	8,441.25	8,441.25	Discounted cashflow approach
Subordinated liabilities	-	-	324.90	324.90	
Total financial liabilities	**-**	**-**	**8,766.15**	**8,766.15**	

(₹ in crore)

As at March 31, 2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets					
Loans	-	-	8,167.95	8,167.95	Discounted cashflow approach
Total financial assets	**-**	**-**	**8,167.95**	**8,167.95**	
Financial Liabilities					
Debt securities	-	-	7,345.58	7,345.58	Discounted cashflow approach
Subordinated liabilities	-	-	127.83	127.83	
Total financial liabilities	**-**	**-**	**7,473.41**	**7,473.41**	

(g) Fair value measurements using significant unobservable inputs (level 3) : There are no Level 3 financial assets and liabilities which are recorded at fair value.

(h) Sensitivity disclosure for level 3 fair value measurements : There are no Level 3 financial assets and liabilities which are recorded at fair value.

(i) Maturity profile of assets and liabilities

(₹ in crore)

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	337.30	-	337.30	176.94	-	176.94
Bank balance other than (a) above	25.85	-	25.85	-	-	-
Loans	522.64	8,238.04	8,760.68	459.17	7,708.78	8,167.95
Investments	635.31	-	635.31	167.04	-	167.04
Trade Receivables	0.25	-	0.25	2.09	-	2.09
Other Receivable	0.24	-	0.24	0.68	-	0.68
Other financial assets	-	0.46	0.46	-	0.40	0.40
Non-Financial Assets						
Current tax assets (Net)	-	106.22	106.22	-	89.64	89.64
Property, plant and equipment	-	-	-	-	-	-
Intangible assets under development	-	0.01	0.01	-	0.05	0.05
Other intangible assets	-	0.06	0.06	-	0.01	0.01
Other non-financial assets	1.85	-	1.85	1.59	-	1.59
Total	**1,523.44**	**8,344.79**	**9,868.23**	**807.51**	**7,798.88**	**8,606.39**
Financial Liabilities						
Debt Securities	795.14	7,423.57	8,218.72	510.58	6,893.85	7,404.43
Borrowings (Other than debt securities)	-	-	-	-	-	-
Subordinated liabilities	70.14	286.04	356.17	22.94	105.25	128.19
Trade Payables	12.12	-	12.12	7.57	-	7.57
Other Payables	-	-	-	0.38	-	0.38
Other financial liabilities	5.05	-	5.05	2.61	-	2.61
Non-Financial Liabilities			-			-
Provisions	1.39		1.39	0.34	0.45	0.79
Other non-financial liabilities	0.73	-	0.73	1.18	-	1.18
Total	**884.57**	**7,709.61**	**8,594.18**	**545.60**	**6,999.55**	**7,545.15**

(j) Expected credit loss - Loans:

(₹ in crore)

Particulars		As at March 31, 2020			As at March 31, 2019		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	8,795.71	35.03	8,760.68	8,200.80	32.84	8,167.95
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	-	-	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit-impaired	-	-	-	-	-	-
Total		**8,795.71**	**35.03**	**8,760.68**	**8,200.80**	**32.84**	**8,167.95**

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

(k) Reconciliation of gross carrying amount - Loans:

(₹ in crore)

Sr. No.	Particulars	Stage 1	Stage 2	Stage 3	Total
I	**Gross carrying amount as on March 31, 2018**	6,989.32	-	-	6,989.32
	New assets originated or purchased	1,959.94	-	-	1,959.94
	Amount written off	-	-	-	-
	Transfers to Stage 1	-	-	-	-
	Transfers to Stage 2	-	-	-	-
	Transfers to Stage 3	-	-	-	-
	Increase/(decrease) in existing financial asset	(748.46)	-	-	(748.46)
II	**Gross carrying amount as on March 31, 2019**	**8,200.80**	-	-	**8,200.80**
	New assets originated or purchased	1,470.30	-	-	1,470.30
	Amount written off	-	-	-	-
	Transfers to Stage 1	-	-	-	-
	Transfers to Stage 2	-	-	-	-
	Transfers to Stage 3	-	-	-	-
	Increase/(decrease) in existing financial asset	(875.39)	-	-	(875.39)
		-	-	-	-
III	Gross carrying amount as on March 31, 2020	**8,795.71**	-	-	**8,795.71**

(l) Reconciliation of loss allowance provision - Loans:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2018	**12.57**	**-**	**-**	**12.57**
New assets originated or purchased	0.73	-	-	0.73
Amount written off	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of Exposure transferred between stages during the year	-	-	-	-
High / Low provision on existing financial assets including recovery	19.54			**19.54**
ECL as on March 31, 2019	**32.84**	**-**	**-**	**32.84**
New assets originated or purchased	0.46	-	-	0.46
Amount written off	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of Exposure transferred between stages during the year	-	-	-	-
High / Low provision on existing financial assets including recovery	1.73	-	-	1.73
ECL as on March 31, 2020	**35.03**	**-**	**-**	**35.03**

(m) Market rate risk management

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	8,247.60	7,230.20
Total borrowings	**8,247.60**	**7,230.20**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	0.00%	-	**0.00%**	-	-	-
Interest rate swap at variable rate	0.00%	-	**0.00%**	-	-	-
Net exposure to cash flow interest raterisk	**0.00%**	-	**0.00%**	**0.00%**	-	**0.00%**

(ii) Sensitivity :

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest rates – increase by 25 basis points *	-	-	-	-
Interest rates – decrease by 25 basis points*	-	-	-	-

There are no variable rate borrowings hence it is NIL.

* Impact on P/L upto 1 year, holding all other variables constant

(n) Capital risk management

(i) Risk management

The Company's objectives when managing capital are to

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total 'Equity' (as shown in the balance sheet, including non-controlling interests).

The Company's gearing ratios were as follows:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Net debt	8,237.59	7,355.68
Total equity	1,274.05	1,061.24
Net debt to equity ratio	**6.47**	**6.93**

(ii) Loan covenants

There are certain financial and non-financial convenants like security cover, debt-equity ratio, etc. attached to the borrowings availed by the Company. The Company has complied with the covenants throughout the reporting period.

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 38 (o): Liquidity Risk

Background:

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 20, 2020 is as under:

(i) Funding Concentration based on significant counterparty

Sr. No.	No. of Significant Counterparties	Amount (₹ in crore)	% of Total Deposits	% of Total Liabilities
1	21	5,155.10	N.A.	59.52%

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) – Not Applicable

(iii) Top 10 borrowings

Amount (₹ in crore)	% of Total Borrowings
3,776.00	45.78%

Note: Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	Amount (₹ crore)	% of Total Liabilities
1	Private Non-Convertible Debentures	7,927.05	91.53%
2	Preference Shares	320.10	3.70%
	Total	**8,247.15**	**95.23%**

(v) Stock Ratios:

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	0.00%
2	Commercial papers as a % of total assets	0.00%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
5	Other short-term liabilities as a % of total liabilities	9.94%
6	Other short-term liabilities as a % of total assets	8.68%

Note:

- Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).
- Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

Note 39 : Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

(₹ in crore)

Particulars	April 1, 2019	Cash flows	Changes in fair values	Other	March 31, 2020
Debt securities	7,404.43	805.13	-	9.16	**8,218.72**
Subordinated debt	128.19	214.80	-	13.18	**356.17**
Total liabilities from financing activities	**7,532.62**	**1,019.93**	**-**	**22.34**	**8,574.89**

(₹ in crore)

Particulars	April 1, 2018	Cash flows	Changes in fair values	Other	March 31, 2019
Debt securities	6,151.13	1,202.03	-	51.27	**7,404.43**
Subordinated debt	124.53	-	-	3.66	**128.19**
Total liabilities from financing activities	**6,275.66**	**1,202.03**	**-**	**54.94**	**7,532.63**

Note 40 :Tax Disclosure:

The Company is an Infrastructure Debt Fund - Non Banking Finance Company "IDF – NBFC", registered with Reserve Bank of India ('RBI') on 21st October, 2013. Therefore, total income of the Company is exempt under Section 10(47) of the Income Tax Act, 1961 from the date of registration. In view of this, no provision for tax has been made in the books of accounts and accordingly, no disclosures have been made as required under Ind AS 12 Income taxes.

Notes 41: Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts,recovery of the same and future period expense details are following:

(₹ in crore)

As at	Total cost incurred by Holding company	Expense recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	Remaining expenses to be recovered in future periods
(A)	(B)	(C)	(D)	(E) = (B-C)
March 31, 2020	5.49	2.38	1.86	3.11
March 31, 2019	1.22	0.52	0.38	0.70

Note 42: Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has provided a moratorium of three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. For all such loan asset accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification, both as per the RBI's income recognition and asset classification norms and for determining the staging of such assets to determine the expected credit loss allowance as per the model approved by the Board of Directors of the Company, will remain at standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification).

Note 43: Estimation uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these financial statement. The Company has also performed sensitivity analysis on the assumptions and inputs used for estimating allowance for expected credit losses. Included in the allowance for expected credit loss is also the adjustment on account of macro-economic factors which involves significant judgement. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The ultimate outcome of impact of the said global health pandemic may be different from those estimated as on the date of approval of these financial statement. The Company will continue to monitor any material changes to the future economic conditions.

Note 44 (1): Appropriations to the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

Note 44 (2): The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction - Non-Banking Financial Company - Systemically Important, Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 however the disclosures for the previous year ended March 31, 2019 are same as reported Previous year.

Note 44 (3): Capital

Capital to Risk Assets Ratio (CRAR)	2019-20	2018-19
(i) CRAR (%)	31.17%	27.05%
(ii) CRAR - Tier I Capital (%)	23.77%	23.48%
(iii) CRAR - Tier II Capital (%)	7.40%	3.57%
(iv) Amount of subordinated debt raised as Tier-II capital raised during the year	-	-
(v) Amount raised by issue of Perpetual Debt Instruments raised during the year	-	-

Note 44 (4): Investment **(₹ in crore)**

Sr. No.	Particulars	2019-20	2018-19
1	Value of Investment		
(i)	Gross value of Investment		
	(a) In India	635.31	167.04
	(b) Outside India	-	-
(ii)	Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investment		
	(a) In India	635.31	167.04
	(b) Outside India	-	-
2	Movement of Provision held towards depreciation of Investment		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write off/write back of excess provision during the year	-	-
(iv)	Closing balance	-	-

Note 44(5): Derivatives:

Note 44(5) (i): Forward rate agreement/ Interest rate swap (also includes Currency Interest rate Swaps): The company has not entered into forward rate agreements/ interest rate swaps during the financial year ended March 31, 2020 (Previous year: Nil)

Note 44(5) (ii): Exchange traded Interest rate (IR) Derivatives: The company has not traded in Interest rate Derivative during the financial year ended March 31, 2020 (Previous year: Nil)

Note 44(5) (iii): Disclosure on Risk Exposure in Derivatives: Nil (Previous year –Nil)

Note 44(6): Securitization:

Note 44(6) (i): No transaction for Special Purpose Vehicle during the Financial year (Previous year – Nil)

Note 44(6) (ii):Financial asset sold to Securitization/Reconstruction company for Asset reconstruction: Nil (Previous year- Nil)

Note 44(6) (iii): Details of Assignment transactions undertaken by NBFC: During the current and previous year no assignment transaction has been undertaken.

Note 44(6) (iv): Details of Non performing Financial assets purchased/Sold: During the current and previous year no Non performing Financial Assets has been purchased/sold from/to other NBFCs.

Note 44(7): Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Particulars	1 month	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans	24.37	2.56	81.82	144.10	264.66	1,144.76	1,266.36	5,827.60	8,756.23
Investment	631.54	-	-	-	-	-	-	-	631.54
Borrowing	5.00	190.00	-	-	348.10	2,710.85	2,453.25	2,540.40	8,247.60

The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on 20th March'20.

Note 44 (8) :Exposures:

Note 44 (8) (i) :Exposures to Real Estate Sector:

Category	2019-20	2018-19
a) Direct Exposure		
(i) Residential Mortgages	Nil	Nil
(ii) Infrastructure Real Estate (SEZs, Industrial Parks, IT Parks)	Nil	Nil
(iii) Commercial Real Estate	Nil	Nil
(iv) Investment in Mortgage Backed Securities(MBS) and other securitised exposures	Nil	Nil
b) Indirect Exposure	Nil	Nil

Note 44 (8) (ii) :Exposures to Capital Market:

(₹ in crores)

Sr No	Category	2019-20	2018-19
	Direct Exposure		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total exposure to capital Market	Nil	Nil

Note 44(8) (iii): Financing of parent company products: Nil (Previous Year - Nil).

Note 44(8) (iv): Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: Nil (Previous Year - Nil)

Note 44(8) (v): Unsecured advances: Nil (Previous Year - Nil).

Note 44(9): Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

Note 44(10): Penalties imposed by RBI or other regulators: No Penalties has been imposed by RBI or other regulators during the year (Previous Year- Nil).

Note 44(11): Ratings assigned by credit rating agencies and migration during the year:

	2019-2020			2018-2019		
	CRISIL	**CARE**	**ICRA**	**CRISIL**	**CARE**	**ICRA**
Non Convertible Debentures	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (stable)	AAA (Stable)	AAA (stable)
Term Loan	-	A1+	-	-	A1+	-
Redeemable Preference Shares	AAA (Stable)	-	-	AAA (Stable)	-	-
Commercial Paper	A1+	A1+	A1+	A1+	A1+	A1+
Principal Protected Market Linked Debentures	PP-MLD AAAr (Stable)	-	PP-MLD AAA (Stable)	PP-MLD AAAr (Stable)	-	PP-MLD AAA (Stable)

Note 44(12): Provisions and contingencies (₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2019-20	2018-19
Provision towards Non Performing Assets	-	-
Provision made towards Income tax	-	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	-	-
Impairment on financial instruments	2.18	20.27

Note 44(13): Drawdown from reserves: No drawdown from reserves during the year (previous year: nil).

Note 44(14) (i): Concentration of deposits:

(₹ in crore)

Sr No	Particulars	2019-20	2018-19
1	Total deposit of twenty largest depositors	N.A.	N.A.
2	Percentage of deposit of twenty large depositors to total deposit of NBFC	N.A.	N.A.

Note 44(14) (ii):Concentration of advances:

(₹ in crore)

Sr No	Particulars	2019-20	2018-19
1	Total advances to twenty largest borrowers	4,345.10	3,711.80
2	Percentage of advances to twenty largest borrowers to total advances of NBFC	49.33%	45.21%

Note 44(14) (iii): Concentration of exposures:

(₹ in crore)

Sr No	Particulars	2019-20	2018-19
1	Total exposure to twenty largest depositors/customers	4,442.24	4,807.97
2	Percentage of exposure to twenty large borrowers/customers to total exposure of NBFC on borrowers/customers.	49.64%	47.40%

Note 44(14) (iv): Concentration of Non Performing Assets: (see footnote 1 below)

(₹ in crore)

Sr No	Particulars	2019-20	2018-19
1	Total exposure to top four NPA accounts	Nil	Nil

Note 44(14) (v): Sector wise Non Performing Assets: (see footnote 1 below)
Percentage of Non Performing Assets to total advances in that sector

Sr No	Sector	2019-20	2018-19
1.	Agriculture & Allied activities	Nil	Nil
2.	MSME		
3.	Corporate borrowers		
4.	Services		
5.	Unsecured personal loans		
6.	Auto loans		
7.	Other personal loans		

Note 44(15): Non- Performing Assets (see footnote 1 below) : NIL

Note 44(16): Overseas Assets: Nil (Previous Year Nil)

Note 44(17): Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms): Nil (Previous Year Nil)

Note 44(18): Disclosure of Customer Complaints: Nil (Previous Year Nil)

Note 44(19): Postponement of revenue recognition: Nil

Note 44(20):Disclosures on Flexible Structuring of Existing Loans: Nil

Note 44(21):Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period): Nil

Note 44(22): Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period): Nil

Note 44(23):Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period): Nil

Footnotes:

1. In terms of RBI Circular on Implementation of Indian Accounting Standards dated March 13, 2020, the regulatory ratios, limits and disclosures are based on Ind AS figures and only impaired assets (Stage 3) are considered as non-performing assets (NPA) for calculation of NPA ratios. Therefore, a loan asset with principal and interest dues outstanding for more than 90 days which has been classified as Stage 1 loan asset in the preparation of financial statements, after taking into consideration qualitative factors including the availability of the liquidity to pay out its obligations to lenders, has not been regarded as an NPA for the above purpose. Had this amount been classified as an NPA, Gross NPA would have been ₹ 119.50 crore and Net Non performing asset would have been ₹ 107.55 crore. However, for determination of Impairment Reserve the asset has been classified as NPA (refer Note 44(24)).

Note 44(24): Disclosures on Implementation of Indian Accounting Standards, in terms of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020".

(₹ in crore)

Loss Allowances (Provisions) as required under Ind AS 109						
Asset Classification as per RBI Norms	**Asset classification as per Ind AS 109**	**Gross Carrying Amount as per Ind AS**	**Loss Allowances (Provisions) as required under Ind AS 109**	**Net Carrying Amount**	**Provisions required as per IRACP norms**	**Difference between Ind AS 109 provisions and IRACP norms**
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	8,661.86	34.50	8,627.36	34.55	(0.05)
	Stage 2	-	-	-	-	-
Subtotal (a)		**8,661.86**	**34.50**	**8,627.36**	**34.55**	**(0.05)**
Non-Performing Assets (NPA)						
Substandard	Stage 1	133.85	0.48	133.37	11.95	(11.47)
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful (b)		**133.85**	**0.48**	**133.37**	**11.95**	**(11.47)**
Loss	Stage 3	-	-	-	-	-
Subtotal for Non-Performing Assets (c)		-	-	-	-	-
Total (d=(a+b+c))		**8,795.71**	**34.98**	**8,760.73**	**46.50**	**(11.52)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base	Stage 1	153.15	0.05	153.10	-	0.05
Subtotal (e)		**153.15**	**0.05**	**153.10**	-	**0.05**
Total (d+e)	**Stage 1**	**8,948.86**	**35.03**	**8,913.83**	**46.50**	**(11.47)**
	Stage 2	**-**	**-**	**-**	**-**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**
Total		**8,948.86**	**35.03**	**8,913.83**	**46.50**	**(11.47)**

L&T Infra Debt Fund Limited
Notes forming part of financial statements as at March 31, 2020

Note 44(25): Disclosures on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of RBI circular RBI/2019-20/220/DOR.No.BP.BC.63/21.04.048/2020-21 dated April 17, 2020 ("RBI Circular")

(₹ in crore)

Period	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI Circular	Respective amount where asset classification benefits is extended	Provisions made in terms of paragraph 5 of RBI Circular	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI Circular
Q4 FY 2020	NIL	NIL	NIL	NA

Note 44(26) : Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liability Side:

1. **Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:**

(₹ in crore)

		As at 31-03-2020		As at 31-03-2019	
	Particular	**Amount outstanding**	**Amount Overdue**	**Amount outstanding**	**Amount Overdue**
(a)	Debentures :				
	Secured	8,218.72	Nil	7,256.82	Nil
	Unsecured	356.17	Nil	128.19	Nil
	(Other than falling within the meaning of public deposits)				
(b)	Deferred Credits	Nil	Nil	Nil	Nil
(c)	Term Loans	Nil	Nil	Nil	Nil

Asset Side:

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

(₹ in crore)

		As at 31-03-2020	As at 31-03-2019
	Particular	**Amount outstanding**	**Amount outstanding**
(a)	Secured	8,760.68	8,167.95
(b)	Unsecured	Nil	Nil

3. **Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**

(₹ in crore)

Sr. No	**Particular**	**As at 31-03-2020**	**As at 31-03-2019**
		Amount outstanding	**Amount outstanding**
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial Lease	Nil	Nil
(b)	Operating Lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire	Nil	Nil
(b)	Repossessed assets	Nil	Nil
(iii)	Other loans counting towards AFC activities		
(a)	Loans where assets have been repossessed	Nil	Nil
(b)	Loans other than (a) above	Nil	Nil

4. **Break-up of Investments**

(₹ in crore)

Sr. No	**Particulars**	**As at 31-03-2020**	**As at 31-03-2019**
		Amount outstanding	**Amount outstanding**
	Current Investments		
1	**Quoted**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	635.31	167.04
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
2	**Unquoted :**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil

(₹ in crore)

Sr. No	Long Term Investments	As at 31-03-2020 Amount outstanding	As at 31-03-2019 Amount outstanding
1	**Quoted**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
2	**Unquoted :**		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds / Venture Capital Fund	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others (Security Deposit)	Nil	Nil

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

(₹ in crore)

Category	As at 31-03-2020 Amount outstanding	As at 31-03-2019 Amount outstanding
1. Related Parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties (Secured)	8,760.68	8,167.95
Total	**8,760.68**	**8,167.95**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (see footnote 3 below)

(₹ in crore)

Category	As at 31-03-2020		As at 31-03-2019	
	Market Value/Breakup Value/ Fair value /NAV	Book Value(Net of Provisions)	Market Value/Breakup Value/ Fair value /NAV	Book Value(Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	635.31	635.31	167.04	167.04
Total	**635.31**	635.31	**167.04**	**167.04**

7. Other information

(₹ in crore)

Sr. No	Particulars	As at 31-03-2020	As at 31-03-2019
(i)	Gross Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	Nil	Nil
(ii)	Net Non-Performing Assets		
	(a) Related parties	Nil	Nil
	(b) Other than related parties	Nil	Nil
(iii)	Assets acquired in satisfaction of debt	Nil	Nil

Footnotes:

1. As defined in point xxvii of paragraph 3 of Chapter -II of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments.
4. In terms of RBI Circular on Implementation of Indian Accounting Standards dated March 13, 2020, the regulatory ratios, limits and disclosures are based on Ind AS figures and only impaired assets (Stage 3) are considered as non-performing assets (NPA) for calculation of NPA ratios. Therefore, a loan asset with principal and interest dues outstanding for more than 90 days which has been classified as Stage 1 loan asset in the preparation of financial statements, after taking into consideration qualitative factors including the availability of the liquidity to pay out its obligations to lenders, has not been regarded as an NPA for the above purpose. Had this amount been classified as an NPA, Gross NPA would have been ₹ 119.50 crore and Net Non performing asset would have been ₹ 107.55 crore. However, for determination of Impairment Reserve the asset has been classified as NPA (refer Note 44(24)).

Note 45: Previous year figures have been regrouped/reclassified whenever necessary, to make them comparable with the current year figures.

For and on behalf of the Board of Directors of
L&T Infra Debt Fund Limited

Dinanath Dubhashi
Chairperson
(DIN 03545900)

Jaykumar Shah
Head Accounts
(CFO)

Apurva Rathod
Company Secretary

Place : Mumbai
Date : May 13, 2020