ANNUAL REPORT 2021-22

L&T FINANCE LIMITED

L&T Finance Limited

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Twenty Ninth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for FY22 as compared to the previous FY i.e., FY21 is given below:

(₹ in Cr)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	11,445.16	12,693.07
Less: Total Expenses	(10,353.29)	(12360.83)
Profit before tax / (Loss)	**1,091.87**	**332.24**
Less: Provision for tax	(283.89)	(330.88)
Profit after tax / (Loss)	**807.98**	**1.36**
Profit for the period carried to the balance sheet	**807.98**	**1.36**
Add: Balance brought forward from previous year (Deficit) / Surplus	**(473.25)**	**(474.02)**
Add: Other Comprehensive Income net of Income tax	1.49	0.79
Appropriations		
Less: Transferred to Special Reserve u/s 45-IC of RBI Act, 1934	161.60	0.27
Less: Dividend paid (including dividend distribution tax)	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to reserve u/s 36(1)(viii) of Income-tax Act, 1961	40.00	-
Less: Unamortised write down on Investment	-	-
Less: Fair value changes of equity instruments measured at fair value through other comprehensive income	-	1.11
Surplus / (deficit) in the Statement of Profit and Loss	134.62	(473.25)

FINANCIAL PERFORMANCE OF THE COMPANY

The Company's performance during the year ended March 31, 2022 in comparison with the year ended March 31, 2021, in spite of the challenging economic environment and slowdown in several sectors is summarized as follows:

- Income from operations as at March 31, 2022 was ₹ 11,057.58 Cr and as at March 31, 2021 ₹ 12,349.31. Total income as at March 31, 2022 was ₹ 11,445.16 Cr and as at March 31, 2021 ₹ 12,693.07 Cr.
- Net loan book size reduced from ₹ 78,593.64 Cr as at March 31, 2021 to ₹ 77,529.06 Cr as at March 31, 2022.
- Profit before Tax was ₹ 332.24 Cr in FY21 and ₹ 1,091.87 Cr in FY22.
- Profit after Tax was ₹ 1.36 Cr in FY21 and ₹ 807.98 Cr in FY22.
- Net worth of the Company as on March 31, 2022 was ₹15,876.71 Cr vis-a-vis ₹ 14,961.35 Cr as on March 31, 2021.

APPROPRIATIONS

During the year under review, the Company has transferred ₹ 207.96 Cr to General Reserve from Debenture Redemption Reserve. The Company transferred ₹ 161.60 Cr (previous year ₹ 0.27 Cr) to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934 and ₹ 40.00 Cr (previous year ₹ 107.92 Cr) to Special Reserve created under Section 36(1) (viii) of Income-tax Act, 1961.

COST RECORDS

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

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on the affairs of the Company has been given as part of the Management Discussion and Analysis section.

MATERIAL CHANGES AND COMMITMENTS

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

DIVIDEND

For the year ended on March 31, 2022, your Company has not considered the proposal to pay dividend, in order to strengthen the balance sheet for its lending business.

CREDIT RATING

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

Instrument Type	CARE	ICRA	CRISIL	India Ratings
Non-Convertible Debenture	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Non-Convertible Debentures (Public Issue)	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Long-Term rating of bank facilities	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Subordinate Debt	CARE AAA (Stable)	ICRA AAA (Stable)	CRISIL AAA (Stable)	IND AAA (Stable)
Principal Protected Market Linked Debentures	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)	-	IND PP-MLD AAA emr (Stable)
Perpetual Debt	CARE AA+ (Stable)	ICRA AA+ (Stable)	-	-
Commercial Paper	CARE A1+	ICRA A1+	CRISIL A1+	-

During the year under review, ICRA reaffirmed its long-term ratings and revised the outlook on long-term ratings to 'Stable' from 'Negative' in August 2021.

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

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

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

FUND RAISING

During the year under review, the Company met its funding requirements through issue of NCDs, CPs, Inter Corporate Deposits, borrowings from bank and Corporate Bond Repo.

Further, during the year under review, the net borrowings have decreased from ₹ 3,560.01 Cr as at March 31, 2021 to ₹ 1,070.57 Cr as at March 31, 2022. The aggregate debt outstanding as on March 31, 2022 was ₹ 78,319.61 Cr.

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

SHARE CAPITAL

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

As on March 31, 2022, the authorised share capital of the Company was ₹ 48,74,30,96,100 (Rupees Four Thousand Eight Hundred and Seventy Four Crore Thirty Lakh Ninety Six Thousand One Hundred Only) divided into 4,87,43,09,610 (Four Hundred and Eight Seven Crore Forty Three Lakh Nine Thousand Six Hundred and Ten) Equity Shares of ₹ 10 (Rupees Ten Only) each and 12,00,000 (Twelve Lakh) Redeemable Cumulative Preference Shares of ₹ 100 (Rupees One Hundred Only).

The paid-up share capital of the Company was ₹ 26,84,17,23,600 (Rupees Two Thousand Six Hundred Eighty Four Crore Seventeen Lakh Twenty Three Thousand and Six Hundred) as at March 31, 2022 as compared to ₹ 15,99,13,81,990 (Rupees One Thousand Five Hundred Ninety Nine Crore Thirteen Lakh Eighty One Thousand Nine Hundred and Ninety) as at March 31, 2021.

FIXED DEPOSITS

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

DIRECTORS

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

The Board at its Meeting held on January 21, 2022 based on the recommendation of the Nomination & Remuneration Committee ("NRC") and based on the report of performance evaluation, approved the re-appointment of Mr. P. V. Bhide as an Independent Director on the Board of the Company for a second term of 5 consecutive years with effect from March 18, 2022 to March 17, 2027 and the said appointment was approved by the Members at the Extra-Ordinary General Meeting ("EGM") held on April 1, 2022.

During the year under review, Mr. Sunil Prabhune, stepped down as a Whole-time Director with effect from August 12, 2021 to devote time to other commitments.

The Board at its Meeting held on August 13, 2021 based on the recommendation of the NRC approved the appointment of Mr. Sachinn Joshi as the Whole-time Director of the Company (liable to retire by rotation) with effect from October 8, 2021 (date of the approval of RBI) and the said appointment was approved by the Members at the EGM held on December 17, 2021.

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

The terms and conditions of appointment of Independent Directors are available on the website of the Company at *https://www.ltfs.com/companies/lnt-finance.html*

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

DECLARATION BY INDEPENDENT DIRECTORS

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

FAMILIARIZATION PROGRAMME

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

FIT AND PROPER CRITERIA & CODE OF CONDUCT

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

KEY MANAGERIAL PERSONNEL ("KMPs")

During the year under review, Mr. Sunil Prabhune stepped down as Whole-time Director of the Company w.e.f. August 12, 2021 and consequently, Mr. Sachinn Joshi was appointed as Whole-time Director of the Company and was designated as KMP under the Act with effect from October 8, 2021.

Further, Mr. Sanjay Wadhwa stepped down as the Head – Accounts w.e.f. August 20, 2021 and consequently, Mr. Keshav Loyalka was appointed as the Chief Financial Officer and was designated as KMP under the Companies Act with effect from October 20, 2021.

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

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

1) Sachinn Joshi – Whole-time Director
2) Keshav Loyalka – Chief Financial Officer
3) Apurva Rathod – Company Secretary

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 and Regulation 19 read with Part D of Schedule II of the SEBI Listing

Regulations, require the NRC to formulate a policy relating to 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 Policy").

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the policy on Directors' appointment and remuneration for Directors, Senior Management, KMPs and other employees which is available on the website of the Company at *https://www.ltfs.com/companies/lnt-finance.html*

B) Brief framework of the Policy

The objective of this Policy is:

i. To guide the Board in relation to appointment and removal of Directors.

ii. To evaluate the performance of the Members of the Board including Independent Directors.

iii. To formulate criteria for evaluation of Independent Directors and the Board.

iv. To determine criteria for payment of remuneration to Directors, Senior Management / KMP and Employees.

v. To recommend to the Board on remuneration payable to the Directors including Senior Management / KMP and Employees, if required.

vi. To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

C) Appointment of Director(s) - Criteria Identification

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

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

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

Appointment of a Director is subject to the provisions of the Act and SEBI Listing Regulations.

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. A person cannot occupy the position as Managing Director / Whole-time Director beyond the age of seventy years, unless the appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment is made earlier than one year before the expiry of term.

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

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

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

  a) Membership & Attendance – Committee and Board Meetings;

  b) Contribution during such meeting;

  c) Active participation in strategic decision making;

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

  e) Performance of the directors;

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

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

- **Executive Directors**

  The NRC carries out evaluation of performance of Executive Directors ("EDs") not being a KMP of the Company, if any, every year ending March 31st. The evaluation is on the basis of Key Performance Indicators ("KPIs"), which are identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of each ED. The identified KPIs for EDs are approved by the Board, pursuant to recommendation of the NRC, if required.

- **Senior Management / KMPs / Employees**

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

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

E) Criteria for Remuneration

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

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

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

c) remuneration to Directors, Senior Management and KMPs involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

During the year under review, the Policy was amended to carry out the changes as required due to changes in the regulatory provision(s).

PERFORMANCE EVALUATION

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

MANNER OF EVALUATION

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

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

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

a. Board and Committee Evaluation:

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

b. Independent / Non-Executive Directors' Evaluation:

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

c. **Chairperson Evaluation:**

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

d. **Whole-time Director Evaluation:**

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

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance for the year under review, is forming part of the Annual Report and the same is prepared in accordance with SEBI Listing Regulations and as per master circular issued by RBI on Non-Banking Financial Companies. The certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is appended to the Corporate Governance Report.

STATUTORY AUDITORS

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

AUDITORS' REPORT

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Krupa Joisar Associates, a firm of Practicing Company Secretaries (Membership No.: F11117; Certificate of Practice No.: 15263) to undertake the secretarial audit of the Company for FY22.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s. Krupa Joisar Associates has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI Listing Regulations and circulars / guidelines issued thereunder.

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

REPORTING OF FRAUDS BY AUDITORS

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

PARTICULARS OF EMPLOYEES

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

In terms of second proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members.

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

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

The Company being an NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

The details of conservation of energy and technology absorption at L&T Financial Services ("LTFS") are as follows:

a. Conservation of Energy

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

- Installation of sensor-based lighting within the office premises which automatically turns the lights off when not in use.
- Set up of variable frequency drives for air handling units and pumps for optimum use of electricity.
- Installation of LED-based energy efficient lighting fixtures in the office premises.
- Optimisation of office space across branches leading to relocation of 24 branches, thereby achieving better energy efficiency.
- Installation of energy efficient ACs in offices.
- Installation of Automatic Tube Cleaning System (ATC system) for maintenance of chiller.

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

- Corporate headquarters shifted to Renewable Energy.

b. Technology Absorption:

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

c. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings (previous year also Nil). The expenditure in foreign currency was ₹ 65.94 Cr (previous year ₹ 91.97 Cr) for professional fees, license fees and finance cost.

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

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

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

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

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

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

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

The Company is a wholly-owned subsidiary of LTFH. As required under Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associates of the Company has been appended as **Annexure C** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 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 and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The IA function of 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 during FY22 are disclosed in the Corporate Governance Report appended to this Report.

COMPOSITION OF THE AUDIT COMMITTEE

The Company has constituted an AC in terms of the requirements of the Act, Regulation 18 of the SEBI Listing Regulations and RBI directions. The details of the same are disclosed in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

The Company aims to promote inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The CSR efforts of the Company closely align with the Sustainable Development Goals (SDGs), 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 CSR interventions follow a project-based accountability approach, emphasizing on the principles of 'Social impact', 'Scale' and 'Sustainability' to create shared value for all stakeholders. The key projects are undertaken in focused areas of interventions, viz, Digital Financial Inclusion, Disaster Management and other initiatives.

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

- Revision in the thrust areas based on Company strategy;
- Changes aligned with the amendment to the Act

During the year, the Company set-off the excess amount spent to FY21 (i.e. amount spent over and above the amount required to be spent on CSR) of ₹ 10.93 Cr against the eligible CSR budget of FY22. The total CSR spend for the Company was ₹ 16.41 Cr. In FY22, the Company has spent ₹ 7.21 Lakh more than the CSR obligation in FY22.

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

VIGIL MECHANISM

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

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

The mechanism framed by the Company is in compliance with the requirements of the Act and SEBI Listing

Regulations and the same is available on the website of the Company at *www.ltfs.com/investors.html*.

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

Details of loans given, investments made, guarantees given and security provided, if any, are covered under the provisions of Section 186 of the Act and are given in the Notes to the Financial Statements as applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

Key features of the RPT Policy are as under:

- All transactions with related parties ("RPTs") irrespective of its materiality and any subsequent material modification to any existing RPTs are referred to the AC of the Company for prior approval. The process of approval of RPTs by the AC, Board and Shareholders is as under:

  a) Audit Committee:

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

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

  RPTs to which the subsidiary of the Company is a party but the Company is not a party, would require prior approval of AC of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity with effect from April 1, 2022.

  b) Board:

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

  RPTs which are not at arm's length and which are not in the ordinary course of business and / or which requires shareholders' approval, are approved by the Board.

  c) Shareholders:

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

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

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

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

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

TRANSACTIONS WITH RELATED PARTIES

All RPTs that were entered into during FY22 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention to notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

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

The Company has a risk management framework and Board members are informed about risk assessment and minimization procedures and periodical review to ensure management controls risk by means of a properly designed framework. The AC is kept apprised of the proceedings of the meetings of the RMC and also apprised about the risk management framework at its subsidiaries. The Company, as it advances towards its business objectives and goals, is often subjected to various risks. Credit risk, market risk, liquidity risk and operational risk are some of the risks that your Company is exposed to and details of the same are provided in the Management Discussion and 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 Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register their complaints against sexual harassment. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity.

During the year under review, the Company had received 1 complaint which was resolved and no complaint was pending as on March 31, 2022.

ANNUAL RETURN AS PRESCRIBED UNDER THE ACT AND RULES MADE THEREUNDER

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the Company at *https://www.ltfs.com/companies/lnt-finance.html*

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were 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 material penalties have been levied by the RBI / any other Regulators during the year under review.

RBI REGULATIONS

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

OTHER DISCLOSURES

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

ACKNOWLEDGEMENT

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

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date : April 29, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'A' TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
L&T FINANCE LIMITED

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of, **as applicable**:

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

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

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

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

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

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

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

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

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

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

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

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

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

i. Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.

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

- **Uniform Listing Agreement with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE);**

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

Further, no penalty or fine was levied on the Company except for a fine of ₹ 1,180 each by NSE and BSE for delay in filing of the compliance with respect to Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

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

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

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

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

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

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

- Issuance of Secured Redeemable Non-Convertible Debentures ("NCDs") FY 21-22 of Series 'A' to Series 'M', aggregating to Rs. 4,665.00 Crores on a private placement basis by the Company;

(ii) Redemption/buy-back of securities –

- Redemption of NCDs during the FY 2021-22 aggregating to Rs. 6198.10 Crores, issued on a private placement basis.
- Redemption of NCDs (Public Issue) during the FY 2021-22 aggregating to Rs. 816.99 Crores.

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

- ➢ The Members in their meeting held on April 12, 2021 pursuant to Section 180(1)(a) and Section 180(1)(c) revised the borrowing limits of the Company from Rs. 70,000 Crores to Rs. 1,25,000 Crores.

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

The Board at its Meetings held on April 12, 2021 had approved the proposal of scheme of amalgamation by way of merger by absorption of L&T HOUSING FINANCE LIMITED("Amalgamating Company1") and L&T INFRASTRUCTURE FINANCE COMPANY LIMITED ("Amalgamating Company2") with the Company under Sections 230 to 232 of the Companies Act, 2013 ("Act"). The Amalgamating Companies and the Company are the wholly owned subsidiaries of L&T Finance Holdings Limited. Pursuant to the Scheme, following was the swap ratio:

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

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

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

Pursuant to the Scheme and the Sanction Order, all the assets and liabilities of the Amalgamating Companies were transferred to the Company except the Licenses of Housing Finance and Infrastructure Finance of the Amalgamating Companies 1 and 2, respectively. And all the resolutions and policies of the Amalgamating Companies shall have the same effect as if passed by the Company.

Accordingly, the revised Share Capital of the Company stands as below:

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

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

(vi) Any other Events – **NIL**

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117D000188382

Place : Mumbai
Date : April 22, 2022

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

'Annexure I'

To,
The Members
L&T FINANCE LIMITED

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

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

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

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

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

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

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

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117D000188382

Place : Mumbai
Date : April 22, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'B' TO BOARD'S REPORT

PARTICULARS OF EMPLOYEES

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

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="2">Disclosure</th></tr>
<tr><td>1</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.[1]</td><td colspan="2">N.A.[2]</td></tr>
<tr><td>2</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. [1]</td><td colspan="2">Whole-time Director[2] - N.A.
Chief Financial Officer[3] - N.A.
Company Secretary[4] - N.A.</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year.</td><td colspan="2">7%</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of Company.</td><td colspan="2">24,280</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td>Employees other than managerial personnel</td><td>Managerial personnel</td></tr>
<tr><td>8%</td><td>N.A.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per remuneration policy of the Company.</td><td colspan="2">We affirm that the remuneration is as per the nomination and remuneration policy of the Company.</td></tr>
</table>

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

[2] Mr. Sunil Prabhune ceased to be the Whole-time Director w.e.f. August 12, 2021 and Mr. Sachinn Joshi was appointed as Whole-time Director w.e.f. October 8, 2021 therefore a disclosure of the ratio for FY22 as well as % increase has not been provided

[3] Appointed w.e.f. October 20, 2021

[4] Appointed w.e.f. April 28, 2021

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

Dinanath Dubhashi
Chairperson
DIN: 03545900

Place: Mumbai
Date : April 29, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'C' TO BOARD'S REPORT

FORM AOC-1

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

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

Part: A: Subsidiaries:

(₹ in Cr)

Sr. No.	1	2	3
Name of subsidiary	**L&T Infra Investment Partners Advisory Private Limited**	**L&T Infra Investment Partners Trustee Private Limited**	**L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)**
Financial year ending on	March 31, 2022		
Currency	-	-	-
Exchange rate on the last day of financial year	-	-	-
Date of acquisition	-	-	-
Share capital	5.00	0.10	490.18
Reserves & surplus	16.52	(0.02)	850.20
Total Assets	22.09	0.09	9,191.07
Total Liabilities	0.57	0.01	7,850.69
Investments	20.66	-	2,508.07
Turnover	6.50	0.03	728.93
Profit before taxation	4.78	0.01	11.00
Provision for taxation {expenses/ (income)}	1.20	-	6.89
Profit after taxation	3.58	0.01	4.11
Proposed Dividend	-	-	-
% of shareholding	100%	100%	76.64%

Part: B: Associates and Joint Ventures

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

Name of Associates	Grameen Capital India Private Limited
1. Latest audited Balance Sheet Date	March 31, 2021
2. Date on which the Associate or Joint Venture was associated or acquired	-
3. Shares of associates held by the Company as at March 31, 2021	-
Number of Shares	2,126,000
Amount of investment in Associates (in Cr)	2.13
Extend of Holding %	26.00%
4. Description of significant influence	No significant influence as per IndAS 28
5. Reason of non consolidation of the associate	No significant influence as per IndAS 28
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet (₹ in Cr)	No significant influence as per IndAS 28
7. Profit/ Loss for the year 2021-22	
i. Considered in Consolidation (₹ in Cr)	-
ii. Not Considered in Consolidation (₹ in Cr)	-

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

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

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

Dinanath Dubhashi
Chairperson
(DIN: 03545900)

Keshav Loyalka
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

ANNUAL REPORT 2021-22 - ANNEXURE 'D' TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")

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

1) **Brief outline on CSR policy of the Company**

CSR Vision:

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

CSR Mission:

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

Commitment:

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

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

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

CSR Approach:

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

Monitoring:

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

2) **Composition of CSR and ESG Committee:**

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

(1) *Appointed as a Member of the Committee w.e.f. October 8, 2021*

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

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

4) **The details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable (N.A.). However, the Company has undertaken voluntary impact assessments of the projects that were completed on March 31, 2021 and the reports are available on the website at the following link - https://www.ltfs.com/csr.html

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

Sr. No	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	10,93,41,584	10,93,41,584
	Total	**10,93,41,584**	**10,93,41,584**

6) **Average net profit of the Company as per Section 135(5) –** ₹ 8,16,93,61,301.33

7) a) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 16,33,87,226

b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** ₹ 1,65,508 *(Bank interest credited during the financial year)*

c) **Amount required to be set-off for the financial year, if any:** ₹ 10,93,41,584

d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 5,42,11,150

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

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16,42,74,453	Nil	N.A.	N.A.	Nil	N.A.

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

b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation – Direct (Yes / No)	Mode of implementation – through implementing agency	
				State	District						Name	CSR registration number
1	Digital Sakhi Odisha (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 1,000 Women Entrepreneurs)	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	Odisha	Balangir and Boudh	4 years	5,36,82,635	1,34,28,646	Nil	No	SEWA Bharat	CSR00001733
	TOTAL						**5,36,82,635**	**1,34,28,646**				

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
1	Disaster Manageme nt – Providing immediate relief through humanitarian aid kits to marginalized	(xii) disaster management, including relief, rehabilitation	No	West Bengal, Odisha	East Medinipur, Medinipur, Howrah, Jhargram, Bhadrak, Baleswar	39,86,500	No	Sabuj Sangha	CSR00000299
2	Disaster Management - Providing immediate relief through humanitarian aid kits to marginalized communities	(xii) disaster management, including relief, rehabilitation	No	Maharashtra	Kohlapur and Sangli	47,46,500	No	Dilasa Janvikas Pratishthan	CSR00000098
3	Disaster Management – Drought proofing through capacity building of Water User Groups	(xii) disaster management, including relief, rehabilitation (iv) ensuring environmental sustainability	No	Maharashtra	Beed, Aurangabad, Buldhana, Jalna	7,39,500	No	Dilasa Janvikas Pratishthan	CSR00000098
4	Disaster Management – Drought proofing through capacity building of Water User Groups	(xii) disaster management, including relief, rehabilitation (iv) ensuring environmental sustainability	No	Maharashtra	Beed	1,74,000	No	Marathwada Navnirman Lokayat Manavlok	CSR00000422
5	Disaster Management – Drought proofing through capacity building of Water User Groups	(xii) disaster management, including relief, rehabilitation (iv) ensuring environmental sustainability	No	Maharashtra	Solapur, Latur, Osmanabad	87,000	No	Action for Agricultural Renewal in Maharashtra	CSR00000092
6	Disaster Management – Drought proofing through plantation of trees	(xii) disaster management, including relief, rehabilitation (iv) ensuring environmental sustainability	No	Maharashtra	Beed and Latur	2,05,69,942	No	Marathwada Navnirman Lokayat Manavlok	CSR00000422
7	Voluntary Impact Assessment	iii) Promoting gender equality, empowering women; reducing inequalities faced by socially and economically backward groups x) Rural Development projects	No	Maharashtra, Tamil Nadu, West Bengal	Osmanabad, Pune, Latur, Solapur, Villupuram, East Medinipur	30,31,420	Yes	-	-
8	Set-off of additional expenditure from FY2020-21	-	-	-	-	10,93,41,584	-	-	-
	TOTAL					**14,26,76,446**			

d) **Amount spent in Administrative Overheads –** ₹ 81,69,361

e) **Amount spent on Impact Assessment, if applicable –** N.A. (expenses only towards mandatory impact assessment considered)

f) **Total amount spent for the Financial Year (8b+8c+8d+8e) –** ₹ 16,42,74,453

g) Excess amount for set-off, if any -

Sr. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per Section 135(5)	16,33,87,226
ii.	Total amount spent for the financial year	16,42,74,453
iii.	Excess amount spent for the financial year [(ii)-(i)]	8,87,227
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1,65,508
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	7,21,719

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

Sr No	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY19	Nil	Nil	N.A.	Nil	N.A.	Nil
2	FY20	Nil	Nil	N.A.	Nil	N.A.	Nil
3	FY21	Nil	Nil	N.A.	Nil	N.A.	Nil
	TOTAL	**Nil**	**Nil**	**-**	**Nil**	**-**	**Nil**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - completed / ongoing
1	Digital Sakhi Odisha	Digital Sakhi – Odisha (Promotion of digital financial literacy and entrepreneurship development, reaching out to 100 Digital Sakhis and 1000 Women Entrepreneurs)	FY2019-20	4 years	5,36,82,635	1,34,28,646	4,01,11,281	Ongoing
	TOTAL				**5,36,82,635**	**1,34,28,646**	**4,01,11,281**	

Note:

a) *The CSR projects are implemented as a collaborative effort between various companies within L&T Financial Services and the amount allocated for the project and the cumulative spent disclosed herein is the amount pertaining to all companies within L&T Financial Services.*

b) *The project was launched in FY2019-20; the baseline assessment was conducted in FY2018-19.*

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

(1)	(2)	(3)	(4)	(5)
Project ID	**Date of creation or acquisition of the capital asset(s)**	**Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr)**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	**Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
N.A.				

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

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

Sachinn Joshi
Whole-time Director
DIN: 00040876

Place : Mumbai
Date : April 29, 2022.

CORPORATE GOVERNANCE REPORT

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

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

At L&T Financial Services ("LTFS"), we believe that corporate governance is a continuous journey towards sustainable value creation for all the stakeholders, which is driven by our values. Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. The Board of Directors ("Board") helps to ensure that we have appropriate governance in place, both to support our operations and protect our Members' interest. As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long-term success. The requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") mandated by the Securities and Exchange Board of India ("SEBI") have been fully complied with. A report on compliance with the SEBI Listing Regulations as prescribed by SEBI is given below.

B. Board of Directors

The members of the Board of the Company are eminent personalities from various fields and are entrusted with the responsibilities of management, general affairs, direction and performance of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

1. Composition of Board:

The composition of Board is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. As on the date of this Report, the Board consists of seven Directors comprising four Independent Directors (including two Women Independent Directors), two Non-Executive Directors and one Whole-time Director. Mr. Dinanath Dubhashi is the Non-Executive Director and Chairperson of the Company. The Board consists of eminent personalities from diverse fields: private sector / public sector, social sector / commercial sector, banking / non-banking sector.

During the year under review, Mr. Sunil Prabhune, stepped down as a Whole-time Director with effect from August 12, 2021 to devote time to other commitments and Mr. Sachinn Joshi was appointed as the Whole-time Director of the Company in accordance with the provisions of Sections 152, 161, 196, 197, 198, 203 and Schedule V of the Act with effect from October 8, 2021 and the said appointment was approved by the Members at the Extra ordinary General Meeting ("EGM") held on December 17, 2021.

The Board based on the recommendation of the Nomination and Remuneration Committee ("NRC") and based on the report of performance evaluation, approved the re-appointment of Mr. P. V. Bhide as an Independent Director on the Board of the Company for a second term of 5 consecutive years in accordance with the provisions of Section 149 and Section 152 of the Act with effect from March 18, 2022 to March 17, 2027. The Members approved the said appointment by a special resolution at the EGM held on April 1, 2022.

Commensurate with the size of the Company, complexity and nature of various underlying businesses, the composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the businesses carried on through its subsidiaries.

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

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

2. Board Procedure:

The Board meets at regular intervals to discuss and decide on policy of the

Company / business and strategy apart from other Board business. The Board meetings (including Committee meetings) of the Company are scheduled in advance and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent meeting.

The Company Secretary approaches business / department heads in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board/Committee meetings. The detailed agenda together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

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

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

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

Due to the exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs ("MCA") and SEBI, all Board / Committee meetings in FY22 were held through video conferencing. The credentials for joining the meetings through video conference were shared with the Directors along with the notice of the meeting. Necessary infrastructural support was provided to the Directors, to ensure seamless attendance in all meetings. The proceedings of the meetings are recorded and stored in accordance with the requirements of the Act.

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

3. Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act and Regulation 25(3) of SEBI Listing Regulations require the Independent Directors of the Company to hold at least one meeting as per regulatory requirements without the attendance of non-independent directors and members of the management. In view of the aforesaid requirements, the Independent Directors of the Company met on April 28, 2021.

4. Meetings & Attendance:

During the financial year ended March 31, 2022, 9 (nine) Board meetings were held on April 12, 2021, April 28, 2021, May 28, 2021, June 24, 2021, July 15, 2021, August 13, 2021, October 20, 2021, January 21, 2022 and March 28, 2022. The meetings of the Board are generally held at 8th Floor, Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra, India, however due to Covid-19 pandemic situation, the meetings during FY22 were held through electronic mode (i.e., video conference).

The details of attendance of the members of the Board at the meetings held during the year and at the last AGM and also the number of other Directorships and Memberships / Chairpersonships of Committees held by them as on March 31, 2022 are as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held / conducted during the tenure of Director / year	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other companies[1]	No. of Committee Memberships / Chairpersonships (including in Company) [2]		No. of Independent Directorships (including in Company) [3]
							Member	Chairperson	
Dinanath Dubhashi	03545900	C-NED	9	9	Present	4	-	-	-
P. V. Bhide [4]	03304262	ID	9	8	Absent	7	7	3	4
Thomas Mathew T.	00130282	ID	9	9	Present	3	2	0	1
Nishi Vasudeva	03016991	ID	9	9	Absent	5	5	1	3
Rajani R. Gupte	03172965	ID	9	9	Present	3	3	1	1
Rishi Mandawat	07639602	NED	9	7	Absent	3	-	-	-
Sunil Prabhune [5]	07517824	WTD	5	5	Present	-	-	-	-
Sachinn Joshi [6]	00040876	WTD	3	3	-	3	-	-	-

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

Notes:

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

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

(3) *Only equity listed companies are considered*

(4) *Re-appointed as an Independent Director with effect from March 18, 2022*

(5) *Ceased to be Whole-time Director with effect from August 12, 2021*

(6) *Appointed as a Whole-time Director with effect from October 8, 2021*

The details pertaining to the directorships held by a Director in listed companies other than the Company as on March 31, 2022 is as follows:

Name of the Director	Name of the listed entity[1]	Nature of Directorship
Dinanath Dubhashi	L&T Finance Holdings Limited	Managing Director & CEO
P. V. Bhide	L&T Finance Holdings Limited	Independent Director
	NOCIL Limited	Independent Director
	Glaxosmithkline Pharmaceuticals Limited	Independent Director
	Borosil Renewables Limited	Independent Director
Thomas Mathew T.	L&T Finance Holdings Limited	Independent Director
Nishi Vasudeva	L&T Finance Holdings Limited	Independent Director
	Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)	Independent Director
	HCL Technologies Limited	Independent Director

Name of the Director	Name of the listed entity[1]	Nature of Directorship
Rajani R Gupte	L&T Finance Holdings Limited	Independent Director
Rishi Mandawat	-	-
Sachinn Joshi	-	-

[1] *Only equity listed companies are considered.*

5. Information to the Board:

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

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

6. Post-meeting internal communication system:

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

7. Board-skills / expertise / competencies:

The core skills / expertise / competencies identified by the Board pursuant to Schedule V of the SEBI Listing Regulations and available with the Board are as given below:

Name of the Director	Expertise										Experience
											
Dinanath Dubhashi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 31 years
P. V. Bhide	✓	✓	✓	✓	✓	✓	✓	✓		✓	> 41 years
Thomas Mathew T.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 41 years
Nishi Vasudeva	✓			✓	✓	✓	✓	✓	✓	✓	> 40 years
Rajani R. Gupte	✓			✓	✓	✓	✓		✓	✓	> 41 years
Rishi Mandawat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 18 years
Sachinn Joshi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	> 27 years

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

8. Performance Evaluation:

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

9. Succession Planning:

The Company has a mechanism in place for ensuring orderly succession for appointments to the Board and to Senior Management

10. Familiarization programme:

All new Independent Directors inducted on the Board are given an orientation. Presentations are made by Chief Executives and Senior Management giving an overview regarding the group structure, its businesses including that of its subsidiaries, the environment in which it operates, its various regulators, Board constitution and guidelines.

During the year under review, an ESG Leadership Engagement Program was conducted for the Board and Senior Management to familiarize the Directors about ESG concepts, trends and the updates from industry (including regulatory reporting framework) and industry mapping of practices adopted at LTFS.

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

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

11. Confirmation of Independent Directors:

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

C. Board Committees

The structure of a Board and the planning of the Board's work are key elements to effective governance. Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities of the Company. The Board is regularly briefed about the deliberations, including summary of discussions and decisions, taken by the Committees through the minutes of the meetings. The business transacted by the Committees of the Board is placed before the Board for noting/ recommendation/approval as applicable.

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

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

1. Audit Committee ("AC")

Terms of reference:

The role of the AC includes the following:

- Recommend to the Board appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Functioning of the Whistle-blower Mechanism/ Vigil Mechanism of the Company;
- Full access to information contained in the records of the Company and external professional advice;
- Investigate any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- Discuss with the auditors periodically (including before the audit commences) on internal control systems, nature and scope of audit including observations of the auditors and post audit discussion to ascertain any area of concern, and review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;
- 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;
- Recommend on financial management including audit report which shall be binding on the Board;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 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;
- 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;

- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discuss with internal auditors of any significant findings and follow up thereon;
- Carry out any other function as is mentioned in the terms of reference of the audit Committee.

Composition:

The AC as on March 31, 2022 comprises:

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

Meetings and Attendance:

The AC met 5 (five) times during the financial year on April 28, 2021, June 24, 2021, July 15, 2021, October 19, 2021 and January 20, 2022. The details of attendance of the Members at the meetings are as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
P. V. Bhide	5	5
Thomas Mathew	5	5
Rajani R. Gupte	5	5
Dinanath Dubhashi	5	5

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

2. Nomination and Remuneration Committee ("NRC")

Terms of reference:

The role of the NRC includes the following:

- 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 shall carry out evaluation of every director's performance;
- 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;
- 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.

- Ensure fit and proper status of existing/ proposed reference directors by obtaining necessary information and declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors. The process of due diligence should be undertaken at the time of initial appointment and also prior to reappointment;
- Based on the information provided in the declaration the Committee should decide on the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person / authority to ensure their compliance with the requirements indicated;
- Obtain annual declaration confirming that the information already provided had not undergone change and if there is any change requisite details would be furnished by the directors forthwith;
- Focus on evaluating senior level employees their remuneration, promotion etc;
- Formulate of criteria for evaluation of performance of Independent Directors and the board of directors;
- Devise a policy on diversity of board of directors;
- Decide on extension or continuation of the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Composition:

The NRC as on March 31, 2022 comprises:

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

Meetings and Attendance:

The NRC met 4 (four) times during the financial year on April 28, 2021, August 13, 2021, October 19, 2021 and January 20, 2022. The details of attendance of the Members at the meetings are as follows:

The attendance of members at the meetings was as follows:

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

Remuneration Policy:

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

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

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

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

Details of remuneration paid to Directors for the financial year ended March 31, 2022:

a) Remuneration to Executive Director(s)

The details of remuneration paid to Mr. Sunil Prabhune and Mr. Sachinn Joshi, Whole-time Director are as follows:

(₹ in Cr)

Sr. No.	Name	Salary and Perquisites[(1)]	Variable Remuneration[(2)]	Retirement Benefits	Total
1	Sunil Prabhune [(3)]	3.25	0.76	0.05	4.08
2	Sachinn Joshi [(4)]	0.96	0.43	0.06	1.45

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

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

[(3)] Sunil Prabhune ceased to be Whole-time Director w.e.f. from August 12, 2021

[(4)] Sachinn Joshi appointed as a Whole-time Director w.e.f. October 8, 2021

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

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

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

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

The details of remuneration to the NEDs are as follows:

(₹ in Lakh)

Name of the Director	Sitting Fees for Board Meetings / Independent Director Meetings[(1)]	Sitting fees for Committee Meetings[(2)]	Commission[(3)]	Total
Dinanath Dubhashi[(4)]	-	-	-	-
P. V. Bhide	3.9	4.1	16.30	24.3
Thomas Mathew T.	4.4	4.1	11.90	20.4
Nishi Vasudeva	4.4	2.7	12.45	19.55
Rajani R Gupte	4.4	3.6	19.70	27.7
Rishi Mandawat	3.0	1.3	12.70	17.0

[(1)] Sitting fees for Board Meeting/ Independent Director Meeting / Audit Committee Meeting and NRC Meeting increased from ₹ 40,000 to ₹ 50,000 w.e.f. August 13, 2021

[(2)] Sitting fees for Board Meeting/ Independent Director Meeting/ Audit Committee Meeting and NRC Meeting increased from ₹ 40,000 to ₹ 50,000 w.e.f. August 13, 2021

[(3)] Based on guidelines formulated by the NRC and approved by the Board

[(4)] Draws remuneration from LTFH

Details of shares / convertible instruments, if any, held by the NEDs as on March 31, 2022 are as follows:

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

[(1)] Held Jointly with LTFH to comply with the requirements of the Act

3. Corporate Social Responsibility ("CSR") and ESG Committee (CSR Committee was renamed as CSR and ESG Committee w.e.f. April 25, 2021)

Terms of reference as on March 31, 2022:

The role of CSR and ESG Committee includes the following:

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

- Reviewing implementation of the action plan; and
- Approving the Sustainability Report.

Composition:

The CSR and ESG Committee as on March 31, 2022 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Rajani R Gupte	Chairperson	ID
Nishi Vasudeva	Member	ID
Sachinn Joshi [(1)]	Member	WTD

[(1)] *Appointed as a Member of the Committee w.e.f. October 8, 2021.*

Meetings and Attendance:

The Committee met once in the year on April 28, 2021. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Rajani R Gupte	1	1
Nishi Vasudeva	1	1
Dinanath Dubhashi [(1)]	1	1
Sunil Prabhune [(2)]	0	0
Sachinn Joshi [(3)]	0	0

[(1)] *Ceased to be the Member of the Committee w.e.f. April 28, 2021*
[(2)] *Ceased to be Whole-time Director of the Company w.e.f. August 12, 2021*

[(3)] *Appointed as Member of the Committee w.e.f. October 8, 2021*

4. Stakeholders Relationship Committee ("SRC")

Terms of reference:

The role of the SRC includes the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Composition:

The SRC as on March 31, 2022 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
P. V. Bhide [(1)]	Member	ID
Sachinn Joshi	Member	WTD

[(1)] *Appointed as a Member of the Committee w.e.f. October 20, 2021*

Meetings and Attendance:

The Committee met once during the year on October 19, 2021. The details of attendance of the Members at the meeting was as follows:

Name of the Director	No. of Meetings held / conducted during the tenure of the Member / year	No. of Meetings attended
Dinanath Dubhashi	1	1
Sachinn Joshi	1	1
P. V. Bhide [(1)]	-	-
Sunil Prabhune [(2)]	-	-

[(1)] *Appointed as a Member of the Committee w.e.f. October 20, 2021*
[(2)] *Ceased to be Whole-time Director w.e.f. from August 12, 2021*

Details of Shareholders' requests / complaints:

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

Particulars	Opening	Received	Resolved	Pending
Complaints	0	0	0	0
SEBI/Stock Exchanges	0	0	0	0
Queries	0	0	0	0
Transmission/ Transfer	0	0	0	0
Demat/Remat	0	0	0	0

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

5. Committee of Directors ("COD")

Terms of reference:

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

Composition:

The COD as on March 31, 2022 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Dinanath Dubhashi	Chairperson	NED
Rishi Mandawat	Member	NED
Sunil Prabhune (1)	Member	WTD
Sachinn Joshi (2)	Member	WTD

(1) *Ceased to be Whole-time Director w.e.f. from August 12, 2021*

(2) *Appointed as a Member of the Committee w.e.f. October 8, 2021*

Meetings and Attendance:

The Committee met 7 (seven) times during the year on June 8, 2021, June 18, 2021, July 22, 2021, August 19, 2021, September 8, 2021, September 20, 2021, and February 18, 2022. The details of attendance of the Members at the meeting was as follows:

Name of the Director / Member	No. of Meeting(s) held / conducted during the tenure of the Director / Member / year	Number of Meeting(s) attended
Dinanath Dubhashi	7	7
Rishi Mandawat	7	7
Sunil Prabhune	3	3
Sachinn Joshi	1	1

6. Asset Liability Management Committee ("ALCO")

Terms of reference:

The role of the ALCO includes the following:

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

Composition:

The ALCO as on March 31, 2022 comprises:

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

Meeting details:

The Committee met 11 (eleven) times during the year on May 14, 2021, June 25, 2021, July 26, 2021, August 20, 2021, September 24, 2021, October 28, 2021, November 19, 2021, December 24, 2021, January 27, 2022, February 15, 2022 and March 25, 2022.

7. Risk Management Committee ("RMC")

Terms of reference:

The role of the RMC includes the following:

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

Composition:

The RMC as on March 31, 2022 comprises:

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

Note: Sunil Prabhune ceased to be Whole-time Director w.e.f. from August 12, 2021.

Meetings and Attendance:

The Committee met 5 (five) times during the year on June 22, 2021, July 2 ,2021, September 21, 2021, December 17, 2021 and March 28, 2022. The attendance of members at the meetings was as follows:

Details of the Member	No. of Meetings held / conducted during the tenure of the Member / Year	No. of Meetings attended
Dinanath Dubhashi	5	5
Rajani R. Gupte	2	2
R. Govindan (External)	5	5
Rishi Mandawat	5	5
Sachinn Joshi	2	2
Sunil Prabhune	3	3
Tushar Patankar	5	5

8. IT Strategy Committee ("ITC"):

Terms of Reference:

The role of ITC includes the following:

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-

level direction for sourcing and use of IT resources;

- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls; and
- Instituting an effective governance mechanism and risk management processes for all outsourced IT operations.

Composition:

The IT Strategy Committee as on March 31, 2022 comprises:

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

Meetings and Attendance:

The Committee met twice during the year on September 17, 2021 and March 28, 2022. All the members of ITC attended both the meetings.

D. Directors on Boards of Material Subsidiaries

There is no material subsidiary of the Company.

E. Other Information

Training of Directors:

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

Information to Directors:

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

Statutory Auditors:

Ms. Roshni R. Marfatia, Partner of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants and Ms. Srividya Vaidison, Partner of M/s. MSKA & Associates, Chartered Accountants, Joint Statutory Auditors of the Company has signed the Audit Report for FY22.

Code of Conduct:

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

To the Members of L&T Finance Limited

Sub: Compliance with Code of Conduct

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

Sachinn Joshi
Whole-time Director

Date: April 29, 2022
Place: Mumbai

Vigil Mechanism Framework/ Whistle Blower Mechanism:

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

The Vigil Mechanism Framework empowers all levels of employees including top management to raise voice against actual/ suspected violations. The implementation of the framework is monitored through the Committee which meets on a quarterly basis and all cases are discussed in detail before it is presented to the AC. It addresses all concerns raised on questionable practices. The framework ensures protection to the whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Chairperson of the AC has direct access to all complaints raised through the framework. At the AC, brief update is presented to the Members for their review. The Committee takes necessary actions to maintain confidentiality within the organization on matters brought to its attention.

The mechanism framed by the Company is in compliance with the requirements of the Act and SEBI Listing Regulations and the same is available on the website of the Company at *www.ltfs.com/investors.html*.

During FY22, a total of 20 complaints were received through the whistle-blower mechanism, all of which were scrutinized and resolved in accordance with Vigil Mechanism Framework. There were no complaints with respect to any wrong doings that may have an adverse impact on the Company's image or financials of the Company.

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

General Body Meetings:

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

Year	Date	Time	Venue / Mode of conducting the meeting
2018-19	July 26, 2019	11:30 A.M.	Through Physical mode - Technopolis, 7th Floor, A Wing, Plot No.4, Block-BP, Sector - V, Salt Lake, Kolkata - 700 091.
2019-20	December 17, 2020	4:00 P.M.	Through Physical mode - Technopolis, 7th Floor, A Wing, Plot No.4, Block-BP, Sector - V, Salt Lake, Kolkata - 700 091 [(1)].
	December 28, 2020	4:00 P.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM').
2020-21	August 3, 2021	3:00 P.M.	Through electronic mode video conferencing ('VC') / other audio visual means ('OAVM').

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

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

Year	Date	Resolution
2018-19	July 26, 2019	-
2019-20	December 28, 2020	Reaffirmation / Ratification of the Resolution for Issuance of Non-Convertible Debentures during FY21.
2020-21	August 3, 2021	-

Other Disclosures:

- During the year, there were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the Financial Statements as required under Ind AS-24 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time while preparing the Financial Statements.
- There were no instances of non-compliance on any matter relating to capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority except as follows:
    - o In accordance with SEBI circular No SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020, a fine of ₹ 1,180 each by the Stock Exchanges (BSE and NSE) was levied as it was inadvertently missed out in submission

of asset cover details along with the financials. The Company made the payment and necessary checks and controls were put in place to ensure full disclosure in the financial results.

- The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and other applicable provisions of the SEBI Listing Regulations.
- The web link with respect to the policy for determining 'material subsidiaries' and policy on dealing with related party transactions are mentioned in the Board's Report.
- The Company has also substantially complied with the discretionary requirements stipulated under Regulation 27 of the SEBI Listing Regulations.
- Provisions of Regulation 32(7A) of the SEBI Listing Regulations are not applicable to the Company.
- Ms. Krupa Joisar, Practicing Company Secretary has certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The said certificate forms part of this report.
- At the Twenty Eighth AGM held on August 3, 2021, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants and M/s. MSKA & Associates, Chartered Accountants were appointed in place of M/s Deloitte Haskins & Sells LLP. Therefore, the total consolidated fees of ₹ 0.17 Cr was paid to the statutory auditor (i.e. M/s Deloitte Haskins & Sells LLP) and all entities in the network firm / network entity of which the Statutory Auditors are a part of, for all the services rendered to the Company and its subsidiaries for Q1FY22.

  Further, for Q2FY22-Q4FY22, the total consolidated fees of ₹ 1.23 Cr were paid to the Statutory Auditors (i.e. M/s Kalyaniwalla & Mistry LLP, Chartered Accountants and M/s. MSKA & Associates, Chartered Accountants and all entities in the network firm / network entity of which the Statutory Auditors are a part of, for all the services rendered to the Company and its subsidiaries.
- There was 1 complaint of sexual harassment of women at workplace received by the Company during FY22 and no compliant was received during FY21.
- In terms of amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all mandatory recommendations received from its committees.
- For disclosure pertaining to credit rating, please refer the Board's Report.

Means of Communication:

- Quarterly Results are communicated through a Newspaper Advertisements in prominent national daily like Free Press Journal.
- The financial results, official news releases and presentations are also displayed on the website of the Company at *www.ltfs.com/investors.html*.
- The Annual Report is circulated to all the Members and all others like auditors, equity analysts, etc.
- Management Discussion and Analysis forms a part of the Annual Report is sent to the Members of the Company.

General Shareholders' Information:

Annual General Meeting	**Thursday, July 14, 2022 at 3:00 P.M. through VC/OAVM**
Financial Year	April 1, 2021 to March 31, 2022.
Date of Book Closure	-
Dividend Payment	-
Listing on Stock Exchanges (Equity Shares)	-
Listing of Preference Shares	NA
Listing of Non-Convertible Debentures ("NCDs")	Unsecured, Redeemable, Non-Convertible Debentures issued by the Company on private placement basis till date are listed on National Stock Exchange of India Limited.
Stock Code (Equity)	NA
Stock Code (Preference)	NA
Stock Code (NCDs)	As on March 31, 2022, the Company has 194 active ISINs listed on Stock Exchanges.
CIN	U65910WB1993FLC060810

Annual General Meeting	Thursday, July 14, 2022 at 3:00 P.M. through VC/OAVM
In case the securities are suspended from trading, the Board's Report shall explain the reason thereof	Not applicable
Registrar and Share Transfer Agent("RTA")	**M/s. Link Intime India Private Limited** C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Toll Free: 1800 102 7796

Distribution of Shareholding as on March 31, 2022:

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

Categories of the Shareholders as on March 31, 2022:

Category	No. of Shares	%
Promoters	2,68,41,72,360	100
Financial Institutions	-	0.00
Foreign Institutional Investors, Foreign Portfolio Investors & Alternate Investment Funds	-	0.00
Mutual Funds	-	0.00
Bodies Corporate	-	0.00
Directors & Relatives	-	0.00
Resident Individuals & Others	-	0.00
Banks	-	0.00
Non-Resident Indians	-	0.00
TOTAL	**2,68,41,72,360**	**100.00**

Dematerialization of Shares:

Being a Debt Listed Company, shares are not required to be traded on the Stock Exchanges.

Securities Dealing Code

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

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

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

Secretarial Audit

The Board of Directors of the Company at its meeting held on April 29, 2021 had appointed Ms. Krupa Joisar, Practicing Company Secretary as the Secretarial Auditor of the Company for FY22.

Debenture Trustee

The Debenture Trustee of the Company is:

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

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

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

The Board of Directors
L&T Finance Limited

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

We have reviewed the consolidated financial statements read with the cash flow statement of L&T Finance Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:

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

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

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

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

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

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

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

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

Yours sincerely,

Sachinn Joshi	**Keshav Loyalka**
Whole-time Director	Chief Financial Officer
(DIN: 00040876)	

Place: Mumbai
Date: April 29, 2022

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

L&T FINANCE LIMITED

We have examined the following documents:

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

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

as received from the Directors of L&T FINANCE LIMITED (hereinafter referred to as 'the Company') to the Board of Directors of the Company for the Financial Year 2021-22 and Financial Year 2022-23, produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company*	Date of Cessation in the Company*
1.	Mr. Thomas Mathew Thumpeparambil	00130282	12/04/2021	-
2.	Ms. Nishi Vasudeva	03016991	12/04/2021	-
3.	Mr. Dinanath Mohandas Dubhashi	03545900	31/12/2012	-
4.	Mr. Sachinn Roopnarayan Joshi	00040876	08/10/2021	-
5.	Dr. Rajani Rajiv Gupte	03172965	20/03/2015	-
6.	Mr. Pradeep Vasudeo Bhide	03304262	18/03/2017	-
7.	Mr. Rishi Mandawat	07639602	28/04/2019	-
8.	Mr. Sunil Prabhune	07517824	11/02/2020	12/08/2021

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

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

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

For Krupa Joisar & Associates
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117D000188514
Mumbai, April 22, 2022

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
L&T FINANCE LIMITED

We have examined the compliance of the conditions of Corporate Governance by L&T FINANCE LIMITED ('the Company') for the year ended on March 31, 2022, as stipulated and as applicable under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and part C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For **Krupa Joisar & Associates**
Company Secretaries

Krupa Joisar
Proprietor
Membership No: F11117
Certificate of Practice No: 15263
Peer Review No: 1251/2021
UDIN: F011117D000236716

Mumbai, April 29, 2022

MACRO-ECONOMIC REVIEW

Indian economy reverted to growth in FY22 reporting a growth of 8.7%, after a dip of 6.6%. While the first half of FY22 witnessed decent economic revival after the 2nd wave of the pandemic, the momentum was broken in the second half of FY22 on account of the 3rd wave of Covid and fallout from the geo-political developments in Europe. The adverse impact of the 3rd wave was very limited due to lockdowns being localised and better preparedness of the State Governments to handle the health crisis. Economic recovery during FY22 was also supported by large-scale vaccination and sustained fiscal and monetary support.

As per the provisional estimate of the National Statistical Office, the economic growth in FY22 was broad based across sectors with agriculture (3% YoY), industry (10.3% YoY) and services (8.4% YoY) registering a positive growth rate partly helped by a favourable statistical base. Both exports and imports grew by 24.3% and 35.5% YoY, respectively.

India continues to be recognised as the fastest-growing major economy with a GDP growth of 8.7% in FY22.

However, private consumption spending, especially in the rural belts remained weak throughout FY22, led by uneven monsoon rainfall, large number of extreme rainfall events, weak non-farm employment generation and unfavourable terms of trade for farmers.

India's Consumer Price Index (CPI) based inflation averaged at 5.5% in FY22 versus 6.2% in the corresponding period of the previous year. While softening of food prices provided some relief, the hardening of crude oil prices since June-July 2021 presented a major upside risk to inflation.

While core inflation remained elevated in FY22, the continuing pass through of tax cuts relating to petrol and diesel in November 2021 helped to moderate input cost pressures to some extent.

India's Wholesale Price Index (WPI) based inflation however, stayed in double digits for all months averaging 13% in FY22, partly led by an unfavourable statistical base and partly by elevated global commodity prices.

India's FY22 Current Account Deficit (CAD) too faced mild upside risk from high commodity prices. The wider merchandise trade deficits pulled India's current account into the negative territory in Q2FY22 and further widened in Q3FY22. The current account swung into negative territory with a deficit of $23 billion in Q3FY22 from a lower deficit of $9.9 billion in the preceding quarter. Indian rupee too depreciated by 3.5% against the US dollar during FY22, triggered by steadily rising crude oil prices and a sustained pull-out from local stocks by the foreign institutional investors since October 2021.

On the positive side, the Central Government's financial position is substantially better in FY22 as compared to FY21, primarily on account of buoyant tax collections. The Government's fiscal deficit for FY22 stood at ₹ 15.87 trillion or 6.7% of GDP, lower than the revised budget estimate of 6.9% of GDP for the year. The fiscal deficit was contained on the back of higher-than-expected nominal GDP, robust revenue collections and lower capital spending partly offsetting shortfalls from disinvestment proceeds as well as higher revenue expenditure.

Overall, the Indian financial sector remained fully functional during FY22 and anchored the process of economic recovery. Looking at the pace of recovery, the Reserve Bank of India (RBI) turned to rebalancing of liquidity on a dynamic basis during the year FY22, while maintaining adequate liquidity in support of its accommodative stance.

However, in the last quarter of FY22, the post-pandemic recovery of Indian economy was partially hit by an economic disruption caused by the war in Ukraine and the consequent economic sanctions on Russia, which are likely to reduce global growth and push up inflation.

Fitch Ratings has revised the outlook on India's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Stable, from Negative, and has affirmed the IDR at 'BBB-' citing a reduction in downside risks to India's medium-term growth due to India's rapid economic recovery & easing financial sector weaknesses despite near-term headwinds from the global commodity price shock.

OUTLOOK FOR FY23

According to CRISIL – the domestic rating agency, India's real GDP will grow by 7.3% in FY23, with risks tilted to the downside. At the end of FY22, risks to India's economic growth have shifted from Covid pandemic to geopolitics, elevated crude oil prices and interest rate hikes by the US Federal Reserve.

CRISIL research has projected Brent crude oil prices at $ 94-99 per barrel for FY23. If oil price stays higher than that in FY23 then it will create risks to India's growth, inflation and current account position.

Global think-tanks and rating agencies too are projecting around 7-7.5% growth for India during FY23, with downside risks. Domestic growth in FY23 will primarily be supported by a continued vaccination drive and supportive favourable fiscal and monetary policies.

India's FY23 growth projection (%)

Institute	India's FY23 growth projection
IMF	8.2%
World Bank	7.5%
OECD	6.9%
United Nations	6.4%
RBI	7.2%
Fitch	7.8%
Moody	8.4%
S&P	7.3%

While economic growth in FY23 will be driven by expected normal monsoon, higher public investment and private capex in select pockets supported by the Government's PLI scheme (Production Linked Incentive scheme), there will be headwinds from the global economic slowdown and higher commodity, especially oil prices. India's CPI inflation may cross the RBI's upper tolerance level of 6.0% in FY23 on account of four factors –

1. If crude oil price averages more than $90 per barrel;
2. Pressure on core inflation from rising international prices of metals and minerals;
3. Pressure on food prices from elevated costs of edible oils and fertilisers; and
4. Imported inflation due to weak rupee.

Bond yields and bank interest rates will rise at a faster pace because of adverse spillovers from the actions of global central banks, higher market borrowings by the Central and State Governments, surging crude oil prices and inflation risks.

Whereas revival in services trade and remittance inflows will support India's current account position to some extent, Current Account Deficit is expected to widen to 2.0-2.5% of GDP in FY23 following the rise in Brent crude oil price, pushing up the import bill. Moreover, slowing external demand will adversely impact India's exports leading to widening of the merchandise trade deficit. As fundamental factors affecting the rupee trajectory like crude prices, foreign institutional investors' capital, CAD, etc. are projected to worsen, there will be depreciation pressure on the currency. But India will be better prepared in FY23 to face external shocks due to its comfortable foreign exchange cover (at $598 billion as of May 20, 2022).

POSSIBLE THREATS

Major global central banks have begun the tightening cycle to tackle soaring inflation. The US Federal Reserve has already raised interest rate twice in 2022 so far (by 25 bps in March 2022 and 50 bps in May 2022) while the Bank of England announced a fourth consecutive rate hike in May 2022. S&P Global expects four more rate hikes by the US Federal Reserve in the calendar year 2022 and five more between 2023 and 2024.

Reversal of ultra-loose monetary policy has also been initiated by the RBI. In April 2022 monetary policy review, it introduced a Standing Deposit Facility rate of 3.75% (at 40 bps higher than the reverse repo rate) as a floor of the Liquidity Adjustment Facility. In an intermeeting monetary policy review in May 2022, it raised the repo rate by 40 bps to 4.4% and Cash Reserve Ratio (CRR) by 50 bps to 4.5%. The withdrawal of liquidity through the CRR hike is expected at around ₹ 870 billion. Putting together the last two policy actions, the effective increase in India's policy rates is of 80 bps. Faster than expected monetary tightening may impact the growth trajectory in the short term, though it is positive from the medium-term perspective.

Since the invasion of Ukraine, prices of energy, grains and metals are signalling that inflation rates are poised to accelerate. India is more susceptible to the oil price shock as it imports nearly 80-85% of its total energy requirement. Prolonged geo-political tension and monetary policy tightening by advanced economies will accentuate risk-off sentiments amongst foreign investors and result in outflows from emerging markets like India. High domestic inflation and wider Current Account Deficit could depreciate the rupee further. However, substantial forex reserves, upcoming IPOs in FY23 and likely inclusion in the global bond index in the second half of FY23 could cap the downside for rupee.

Covid infection rates are currently down, but the pandemic has not been eradicated officially. Hence, the possibility of disruption of economic activity due to further waves of infections cannot be ruled out.

To lead the economy on a sustained growth path, domestic consumption and investment need nurturing. To boost private investment, public investment needs to be enhanced. The Central Government has already envisaged a higher capital outlay to kick start infrastructure-led growth. State Governments also need to undertake similar measures to give an impetus to economic growth. To spur public investment, both the Central and the State Governments will rely on higher market borrowings, which could lead to higher cost of borrowing for both, the public and private sectors during FY23.

YOUR COMPANY'S ACHIEVEMENTS

Increased 'Retailisation' of balance sheet

Your Company continued to focus on accelerating retailisation. The strong disbursements in retail combined with following an asset / capital light model in wholesale business aided the retailisation journey of your Company. As a result, the wholesale book reduced from 52% to 46% of the total book during the year. The sell-down engine that your Company has put in place also ensures that the retailisation does not happen at the cost of business.

For FY23 as well, your Company would continue to provide attention towards increasing retail portfolio, in line with the Lakshya 2026 strategy. More importantly, the investments into digital and data analytics, vast network of 16,000+ partner touchpoints, 16,500+ employee touchpoints, relationship with Original Equipment Manufacturers (OEMs), improved customer service and shorter TAT will continue to help your Company to continuously gain and maintain market share in each of the products.

Maintained market leadership

Your Company remained on the path of consistent financial performance with steady profit margins, stable asset quality and growth in focused businesses.

Your Company remained amongst the leading financiers in Farm Equipment Finance, Micro Loans and Two Wheeler Finance. It also continued to be one of the leading players in Renewable Energy Financing.

Prudent ALM, enhanced liquidity and strong liability franchise

In FY22, your Company leveraged its strong liability franchise to further reduce its weighted average cost (WAC) of borrowing. This was done through renegotiation of interest rates on existing borrowings, prepayment of high-cost borrowing and raising of long-term, low-cost borrowing to lock in interest rates and take advantage of low interest rate regime. It also established itself as one of the largest beneficiaries of priorities sector onlending in the country and raised ₹ 5,313 Cr in FY22. Your Company is also one of the first players in the country with access to sustainability linked loans, having raised ₹ 200 Cr in Q4FY22.

Your Company continued to capitalise on the low interest rate environment in FY22 and raised long-term borrowing of ₹ 15,293 Cr. Consequently, the quarterly WAC declined from 7.60% in Q4FY21 to 7.22% in Q4FY22 and the yearly WAC reduced by 73 bps from 8.08% for FY21 to 7.35% for FY22 helping to achieve the lowest- ever yearly WAC as well as quarterly WAC in Q4FY22.

Your Company continued to maintain cumulative positive liquidity gaps in all buckets upto one year in its Asset and Liability Management (ALM) and periodically undertakes liquidity stress testing under various scenarios for a survival period of 30 days to assess its liquidity levels. This approach has helped ensure that your Company maintained positive liquidity levels even under stress scenarios.

Resultantly, your Company maintained elevated liquidity levels in April and May 2021, following the resurgence of 2nd wave of Covid cases. However, with the decline in Covid cases from June onwards, your Company started reducing the liquidity. In February 2022, your Company raised additional liquidity buffers as a precautionary measure due to heightened geo- political tensions.

As a prudent practice, your Company has been maintaining Liquidity Coverage Ratio (LCR) well above the regulatory required ratios. Furthermore, early warning indicators under the Contingency Funding Plan (CFP) are monitored daily to identify any signs of stress. The defined early warning indicators have been very helpful for the Company to be proactive and guide in shoring up liquidity buffers, if needed, to combat potential stress.

In summary, your Company was able to reduce WAC through proactive liability management and diversification of borrowings while continuously monitoring the environment for any source of liquidity risk and prudently managing it. Furthermore, during the year, your Company's AAA rating was reaffirmed by all four rating agencies

– CRISIL, CARE, India Ratings and ICRA. Also in August 2021, ICRA had upgraded its rating outlook for the Company to "AAA / Stable".

Strong balance sheet

Your Company's focus on building a comprehensive

Early Warning Signals framework, concentration on early bucket collections and strong Stage 3 resolution efforts has helped achieve reduction in Stage 3 assets on YoY basis.

- GS3, on principal outstanding basis, declined from 5.48% in FY21 to 4.04% in FY22
- In the Rural business, investment in data analytics and emphasis on a Zero DPD book helped maintain GS3 YoY

The OTR book is currently at ₹ 2,797 Cr (OTR 1 – ₹ 961 Cr & OTR 2 – ₹ 1,836 Cr), corresponding to 3.36% of book. The proactive efforts of your Company are directed towards settlement of the OTR book.

Proactive provisioning

Your Company continues to be well protected on account of significant provisions built over time. To protect from the deterioration in the risk environment during last 2 years, it has a total additional non-GS3 provision of ₹ 1,703 Cr. This includes:

- ₹ 1,194 Cr of provision towards Micro Loans book (9.58% of standard Micro Loans book)
- ₹ 241 Cr of provision towards Housing book (1.21% of standard Housing book)

Overall, your Company has ₹ 2,281 Cr of non-GS3 provisions (including standard asset provision) to deal with any challenges arising out of possible negative scenario. Your Company remains well capitalised with strong capital adequacy ratio of 20.77%.

Portfolio management and Early Warning Signals

Data analytics has been an integral part of Portfolio Management and Early Warning Signals. These have always underlined the risk control measures in retail segment. For Real Estate and Infra portfolios, our conservative and cashflow based underwriting to strong corporate groups along with continuous project monitoring has served us well. During these unprecedented times, in addition to the strong risk management framework, your Company took the following additional portfolio actions to deal with the current scenario:

- Impact assessment on business- wise portfolios using stringent stress case scenario
- Tightening of Loan to Value ratio (LTV) grid, reduction of maximum LTV offered under regular schemes to improve portfolio quality
- Usage of analytics and bureau information to strengthen collections in adverse scenario
- Disproportionate focus on setting up and increasing utilisation of digital payment framework for collections
- Continued focus on completion of existing Real Estate projects which resulted in re-payments / pre-payments of over ₹ 3,000 Cr in FY22
- Monitoring projects remotely with heavy use of technology and reassessment of cash flow positions in Infrastructure Projects, based on prevailing market conditions

CONTINUATION OF STRATEGIC INITIATIVES

Undeterred by the Covid pandemic, your Company continued to make good progress on the following strategic initiatives:

- Launched a pilot of the Small and Medium Enterprise Loans (SME loans) which is aimed at addressing financing needs of one of the largest segments in the country's GDP

FINANCIAL RATIOS

GS3 has declined from 6.39% to 4.33% (32.24%) on account of reduction in Gross Stage 3.

Net Profit Margin has increased from 0.01% to 7.06% (70500%) Mainly on account of increase in profit from ₹ 1.36 Cr to ₹ 807.98 Cr.

Returns on Net worth has increased from 0.01% to 5.09% (55885.04%) Mainly on account of increase in profit from ₹ 1.36 Cr to ₹ 807.98 Cr.

OUR BUSINESSES

Rural Finance

During the year, your Company continued to witness strong business momentum with focus on rapid and sustainable retailisation despite the localised lockdowns owing to the 2nd and the 3rd waves of Covid. In line with our retailisation strategy, Retail business has become our largest lending segment at 51% (surpassing the wholesale book for the first time). Post Covid, your Company has been following a strict collections- led disbursement strategy and had initiated business in locations where collection efficiencies had restored to normal. Through rigorous usage of analytics driven Early Warning Signals and culture of 'Zero DPD', the asset quality remained in control.

Farm Equipment Finance

The rural economy faced multiple challenges namely skewed rainfall distribution, rural distress on account of prolonged continuation of pandemic, elevated unemployment levels and non-remunerative prices. This adversely impacted rural demand thereby resulting in lower tractor sales. This, in addition to the high base of tractor sales in FY21, contributed to a decline in tractor sales in FY22, on a YoY basis.

However, the medium to long-term demand / potential for tractors remains intact (including the replacement demand) on account of lower tractor penetration in India which is at 40%.

Despite slowdown in the tractor industry segment due to the factors as discussed above and subdued sales due to Covid, your Company has managed to increase its tractor loan disbursements by 15% YoY to ₹ 5,152 Cr and increase its book by 10% to ₹ 11,317 Cr. This has been made possible due to the capabilities developed in data sourcing analytics.

This helped your Company maintain its market share in the Farm Equipment Finance industry.

Your Company's focus on collections led to the collection efficiency (CE) reaching 94.4% in March 2022, thus reflecting pre-Covid levels. This was made possible through collection analytics around resource, timing and method of collections.

TWO-WHEELER FINANCE

In FY22, the Two-Wheeler industry saw a 11% de-growth in domestic sales led by 11% drop in Two- Wheeler production to 13.5 million units. The Two-Wheeler industry last clocked such low levels a decade ago in FY12, when sales were just over 13.4 million units. At its peak in FY19, two-wheeler production

in India was over 21 million units. Rising fuel and commodity prices, supply chain constraints, continued work-from-home, educate-at-home practice resulted in lower demand.

Through rigorous execution of digital proposition on the ground and domain expertise whilst maintaining conservative LTV levels, your Company has remained one of the leading financiers in Two-

Wheeler finance in FY22. The year also saw the Company book increase by 5% YoY with the disbursements reaching pre-Covid levels.

While the majority of the industry remains non-income proof, your Company has endeavoured to create new sub-product segments targeted at individuals having an identifiable source of income. The products so created are 'Sabse Khaas Loan' (SKL) which is a no-hypothecation product and an Income Proof product, resulting in increased financial penetration.

Collection efficiency (CE) in Two- Wheelers surpassed pre-Covid levels reaching 98.8%. This reflects the robust application of propensity to pay model of collection analytics.

Micro Loans

The Micro lending sector was adversely affected on account of the pandemic. Despite this, the sector exhibited resilience through improving operating metrics during Q2FY22 and Q3FY22 by growing 7% YoY during FY22 on the back of enhanced needs and growing aspirations of microfinance customers across the country.

Your Company has furthered financial inclusion through providing loans to women entrepreneurs of rural India engaged in responsible end use namely dairy, grocery shops and similar allied activities for earning their livelihood. This year, over 2.11 million women benefitted from disbursements made through various schemes.

Wave 2 of the pandemic had its impact on Q1 disbursements. However, your Company's strategy of collections-led disbursement led to pick up in disbursements as and when collections in various regions stabilised. Further on, the opening up of the markets in new states and existing geographies resulted in fast-tracking the pace of disbursements. With this, your Company was able to deliver healthy growth of 50% in disbursements and book by 9%.

Enterprise-wide strategy of customer retention has resulted into healthy growth of two products namely 'Vishwas Loans' and 'Pragati Loans'. While Vishwas Loans, an already existing offering for our good customers, has scaled up smartly; Pragati Loans catering exclusively to existing customers, was launched this year. These initiatives have enhanced the efforts around customer retention to 56%.

Our strategy of collections-led disbursement, customer retention initiatives and pin-code level data analytics have led to collection efficiencies bettering pre-Covid levels. The collection efficiency (CE) as of March 2022 stands at 99.6%.

Consumer Loans

Your Company had carved out a new personal loan product in FY20 by leveraging its existing database of Two- Wheelers over ten years. This product is a completely Digitally Native proposition (holistic - both for sourcing and servicing) for good customers with proven track record. This new loan product has been able to successfully cater to over 1.9 Lakh customers and achieve a scale of ₹ 2,292 Cr book as of March 2022. This validates the success of our customer retention initiatives.

It is needless to say that this growth has not come at the expense of collection, with the portfolio collection efficiency (CE) being steady at ~99.5%. This reflects our robust underwriting standards using digital and data analytics aimed at building a sustainable quality portfolio.

Going forward, your Company is looking to build the book through open market launch of consumer loans aimed towards fulfilling the education and healthcare needs of customers.

HOUSING FINANCE

On account of Covid-led slowdown, growth in the housing sector contracted.

This was mainly driven by degrowth in wholesale loans. However, this was positively balanced through brisk growth to mid-teens in Home Loans.

Your Company, although focusing on salaried customers, reinitiated disbursements in Self-employed Non-Professionals (SENP) and Loan Against Property (LAP) segments with revamped market offerings through Direct Selling Agent (DSA) sourcing towards the later part of the year and focused on existing projects for disbursements in Real Estate segment.

Overall, the Housing Finance business saw a disbursement of ₹ 4,016 Cr in FY22.

Home Loans

Structural demand drivers viz. growing population, falling household size, rising per capita income and urbanisation remained intact. Coming out of the pandemic, sales pickup was witnessed in Tier 1 cities resulting in decline

in inventory. This has been due to a confluence of factors comprising:

- Low mortgage rates
- A rise in savings for top households during lockdowns
- Reducing gap between mortgage rates and rental yields
- Improving pricing signals
- Supportive regulatory policies

Your Company continued to focus on salaried profile with 85%+ share in fresh sourcing; followed by customer retention initiatives of pre-emptive and improved service propositions.

A digital sanction TAT proposition provides our customer a quick turnaround.

Your Company disbursed ₹ 2,293 Cr worth of Home Loans in FY22 (up by 64% YoY). The contribution of Home Loans, as a part of total Retail Housing disbursements, increased from 85% in FY21 to 96% in FY22.

LAP

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

Your Company resumed lending to new customers in this segment led by DSA sourcing only during the later part of the year with strong risk guardrails besides lending to existing customers.

During the year, your Company disbursed LAP of ₹ 106 Cr.

Real Estate Finance

Despite withdrawal of stamp duty reduction in certain key cities viz.: Mumbai and Bengaluru, FY22 has been a year of revival and measured growth for the residential sector due to the impact of pent-up demand as witnessed during second half of FY21. Home sales and new launches both showed a significant improvement with 2nd and 3rd waves of pandemic having low impact on the overall sentiments. Continued policy support by governments, a revival in economic activity coupled with a low home loan rate regime are some of the key factors driving residential growth.

While rising input costs due to supply- demand gaps have had an impact on the construction activity and developers' margins, the momentum with respect to residential sales did not get hampered as the prices remained largely stable across cities. Renewed demand in the affordable and the mid segment continues to drive the residential real estate market.

Recovery in commercial real estate market has been relatively slow as compared to residential market. The office market in India has started showing signs of recovery, with leasing activities that had slowed during 2020 and most part of 2021, were seen to be improving from second half of FY22. As the 3rd wave of Covid weakened, employers have started to resume their 'return to office' plans. Commercial office leasing rentals remained stable during FY22.

Coming out of the pandemic period, your Company's Real Estate (RE) finance business deployed calibrated approach towards disbursements which was majorly aimed towards completion of ongoing projects and resolutions. RE Finance disbursed ₹ 1,617 Cr while book was down 13% YoY as a result of focus on portfolio management. Continued support to developers in construction finance facilitated greater traction in project completion which has resulted in 6% YoY growth in escrow collection and 62% YoY growth in re-payments / pre-payments.

Continued focus on completion of existing RE projects resulted in re-payments / pre-payments of over ₹ 3,000 Cr in FY22.

Infrastructure Finance

Coming out from clutches of the pandemic, FY22 reiterated the robustness of infrastructure sector. Revenue generation of operational infrastructure projects remained steady while greenfield construction activities also picked up pace. The timely steps taken by regulators helped in infrastructure projects being protected from adverse impact caused by the pandemic. FY22 also witnessed critical developments for infrastructure sector with landmark judicial pronouncement in Andhra Pradesh tariff dispute which upheld the sanctity of PPA tariff.

Infrastructure investment continues to be the key area of attention for the Indian Government. The Union Budget 2022 laid special emphasis on infrastructure sector under the initiative 'Gati-Shakti' for Roads and plans to increase highway network by 25,000 km. With the enhanced outlay of ₹ 1.87 Lakh Cr for the Ministry of Road Transport and Highways, the allocation is ~55% higher than previous year and augurs well for the sector. Allocation for NHAI more than doubled (YoY) to ₹ 1.34 Lakh Cr and has tripled from FY20 to FY23. The Budget has placed prominence on monetising operating public infrastructure assets coupled with the increase in spend on infrastructure to create medium- term growth. Under Renewables, capital outlay of ₹ 28,500 Cr has been allocated to Indian Renewable Energy Development Agency Limited (IREDA) and Solar Energy Corporation of India Limited (SECI) (40% higher than previous year). Your Company's emphasis will continue to be on Infrastructure Finance – both greenfield (Solar) and operational (Solar and Wind) whereas in Road it is on operational.

HUMAN RESOURCES

As a financial services provider, people are the greatest assets and the core strength to your Company's business. As of 31st March 2022, your Company employed 24,280 employees. Your Company has consistently been agile and has improved its human resource practices to match up to the dynamic workplace. The pandemic posed a challenge for people working in the field. With 75% of your Company's people in frontline roles (directly interacting with customers), the focus on health and safety is always critical. And the pandemic further accentuated the criticality.

Prioritising the safety and health of employees and their families was imperative for your Company. And so, your Company undertook multiple measures, ensuring access to preventive and curative healthcare and safety features for its people and their families.

Your Company organised vaccination drives for its employees and a total of 60,185 doses were administered. All the employees have received their first dose and 95% employees have received both the doses till 31st March 2022.

Your Company rolled out financial support worth over ₹ 2.6 Cr (as of 31st March 2022) for families of employees who unfortunately lost their lives while in active service. This includes continuation of payment of monthly salary for two years to the nominee, one time ex gratia payment of ₹ 2 Lakh, education assistance to children till graduation and education assistance to spouse for pursuing vocational / professional courses.

In addition to the above, your Company continued its focus on developing people talent internally to ensure a strongly engaged, motivated and capable workforce, to help take the growth forward.

POLICIES AND PROGRAMS FOR EMPLOYEES

Capability building

Your Company's talent strategy is performance-oriented and aligned with the organisational goals. It encourages employees who are aligned, have demonstrated the right attitude and display desire to take up larger roles. As a part of your Company's strategy to groom future-ready talent, it encourages cross-functional movements and upskills them through 'Education, Exposure and Experience'.

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

Rewarding performance Every measurable effort / milestone achieved by an employee deserves utmost appreciation and respect. It is imperative that the top performers exemplify your Company's culture, live its values, and draw inspiration from them. Therefore, to felicitate the exemplars of these values, your Company has institutionalised STAR Awards, one of the biggest annual recognition platforms. This year, the STAR Awards program was conducted and broadcasted on an interactive virtual medium. The event honoured employees for their stellar contributions, thereby encouraging them to keep performing extraordinarily.

This year 552 frontline employees who braved the pandemic and delivered exceptional performance were recognised with the newly instituted RISING STAR Awards.

RISING STAR Awards is the first of its kind recognition program in the industry as it is specifically dedicated to the frontline employees. The felicitation ceremonies were held across six locations – Chandigarh, Lucknow, Bangalore, Chennai, Kolkata and Patna. It is pertinent to note that the senior-most management from the corporate office visited these locations to felicitate and encourage employees. Key impact of regional RISING STAR Awards was positivity amongst employees, testimonials were posted across social media platforms, an alternate way of engagement with frontline employees emerged where they were recognised and appreciated for current achievements as well as motivated for future performance.

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

Initiatives towards building future leaders

Succession planning is critical to the talent strategy of your Company.

It helps in reducing people risk associated with vacancy in critical roles, thus ensuring business continuity.

The objectives of succession planning include:

- Ensuring availability of people of right calibre to take over critical roles within the organisation, as and when the current incumbent moves on
- Ensuring talent required to sustain and support the future organisation growth is readily available

The identified successors form a talent pool for your Company. They are groomed for taking up critical roles in future through targeted learning interventions.

RISK MANAGEMENT

Risk management implies controlling potential future events that may adversely impact a business' operations and functioning. It is about adopting a proactive approach instead of being reactive. Risk management forms a vital part of your Company's businesses and it is cognisant of the prominent role it plays in long-term success. Your Company, as it advances towards its business objectives and goals, is often subjected to various risks.

Credit risk, market risk, liquidity risk, ESG risk and operational risk are some of the risks that your Company is exposed to. These risks, if not timely identified and duly mitigated, hold the potential to severely affect your Company's financial strength, operations and reputation. With this as the backdrop, your Company has in place a Board-approved Risk Management Framework. This framework encompasses risk appetite statement, risk limits framework, risk dashboards and Early Warning Signals. The Risk Management Committee (RMC) heads and supervises the efficiency of this framework periodically.

Your Company's Risk Management function works independently from the business units under the guidance of the RMC. This helps ensure guidance during challenges, underscore oversight and balance the risk / reward decisions.

Post large scale events, stress tests are conducted by your Company which help assess the durability of the balance sheet. It provides useful insights to the management with regards to better understanding of the nature and extent of any vulnerabilities, quantify the impact and develop plausible business-as-usual mitigating actions.

Your Company's Risk Management function periodically boards an external independent firm. This firm helps your Company review its approach to risk appetite and ensures alignment with the best market practices. The prime intention behind this review exercise is to improve the efficiency and effectiveness of your Company's stress testing program. This is crucial for the assessment of your Company's capital strength and earning volatility. A rigorous examination of your Company's resilience is carried and observed against external macroeconomic shocks. Your Company has always had a focused strategy of developing a proactive and effective risk mitigation and management culture and framework. This has immensely helped your Company stay ahead of the curve as one of the leading NBFCs with highest credit rating of AAA.

Moreover, your Company has taken cognisance of the sustainability and climate related risks and has developed a framework to address these risks.

Your Company has an effective Risk Management framework in place which helps it grow sustainably. This framework comprises:

- Risk management strategies and policies: A risk appetite statement which is clearly defined and covers Company-wide overall risk limits. It is further merged with detailed individual / sector / group limits, covering multiple risk dimensions
- Efficient risk management practices and procedures
- Strong internal control systems backed by consistent and constant information gathering
- Suitable and independent risk management structures with well-defined risk metrics for continuous monitoring by RMC

Credit Risk

Your Company is exposed to various kinds of risks including operational, liquidity, market, however credit risk is the single largest risk for your Company's business. Your Company, therefore, carefully and efficiently manages its exposure to credit risk.

An overview of credit risk of portfolio is presented to the RMC periodically. Your Company has a wide-ranging underwriting framework in place.

This framework helps guide individual businesses to optimum credit decisions. Further, it is also supported by well-defined risk limits across various parameters including products, sectors, geographies and counter-parties. Your Company also has an effective review mechanism in place. It uses state-of-the-art Early Warning Signals to quickly recognise potentially weak credit while stressing on maintaining 'Zero DPD' (Days Past Due indicates the number of days that a loan repayment has not been made, past the due date). Your Company has been able to ensure stable asset quality amid volatile times and difficult lending environment, because of stringent adherence to the aforementioned prudent risk norms and diligently following the institutionalised processes.

Your Company's provisioning policy is cautious, conservative and prudent in nature. As per the RBI notification on acceptance of IND AS for regulatory reporting, it computes provision as per IND AS 109 and as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). If the impairment allowance in aggregate, under Ind AS 109, is lower than the provisioning required under IRACP (including standard asset provisioning), the difference is appropriated from net profit or loss after tax to a separate 'Impairment Reserve'. As part of the Covid response, your Company had undertaken an arithmetic modeling on the pausible conduct of the debtors' behaviour to build incremental provisions and strengthen the balance sheet. As on 31st March 2022, your Company carried ₹ 1,703 Cr of macro-prudential and other additional non-GS3 provisions to shield against any challenges arising due to the after-effect of the pandemic.

Operational Risk

Your Company's effective and pre- emptive Operational Risk Framework is overseen by the Operational Risk Management Committee. The team examines operational risks and incidents in a way so as to ensure robust continuance of processes and systems. Further, periodic process walk-throughs are also conducted to check controls. This helps recognise redundancies in processes, thus, enabling your Company to remain competitive in a fast-evolving and constantly moving digital environment.

Market / Liquidity Risk

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

Regular liquidity and interest rate stress testing is also conducted. Thus, helping to manage and regulate its response to the evolving market conditions related to liquidity and interest rate changes.

ESG

Your Company has committed to creating long-term stakeholder value by embedding sustainability practices across its businesses and operations. ESG has become a cornerstone of the Lakshya 2026 plan rolled out by your Company.

ESG enabled Policy

Ecosystem

Your Company developed the ESG Policy to act as a guiding framework to incorporate environmental, social and governance (ESG) considerations into operations and business, mitigate material impacts and risks thereof and serve as a guiding document for the ESG initiatives undertaken by your Company.

With an intent to encourage ESG consciousness amongst its value- chain partners, your Company has implemented the Third-Party Code of Conduct and also strengthened the contractual obligations.

Integrating ESG in operations

During FY22, your Company took bold steps to mainstream ESG in its operations. Your Company also

identified 'emissions' and 'water', two critical environmental issues, as areas of immediate ESG action.

INTEGRATING ESG IN BUSINESS

Key Achievements

- 5,450 EVs financed
- Helped avoid 22.62 Lakh tCO_2e emissions
- Secured its first low-cost Sustainability Linked Rupee Loan of ₹ 200 Cr
- 53.22 Lakh women borrowers receiving micro loans
- Rolled out ESG induction modules for employees in 8 regional languages

Your Company strengthened its Risk Management Framework by identifying and integrating ESG considerations in Risk Appetite Statements in key businesses. By ensuring ESG-conscious lending, across businesses, your Company is truly maximising stakeholder value in the short, medium and long-term.

Commitment towards social wellbeing

Your Company continues to demonstrate deep commitment to wellbeing of its stakeholders through various measures. To address the 'S' of ESG, your Company prioritised actions that promoted wellbeing of key stakeholders. For example, products, services and key business activities have been designed to meet the needs and expectations of customers. By focussing on continued transparency and engagement, your Company has not only enhanced its customer base but also nurtured higher customer loyalty and strong brand recall. The rural businesses of your Company have significantly powered the agenda of financial inclusion and empowerment across the country.

Employee wellbeing has always been one of the topmost priorities of your Company as covered in detail in the Human Resources section of this report.

During FY22, your Company worked towards inclusive social transformation of rural communities through its CSR initiatives.

Ensuring robust Governance

Your Company enhanced the scope of the 'CSR Committee', by amending the terms of reference to include focus on ESG aspects. Your Company has also put in place a process to provide ESG updates to the Board every quarter and evaluate the effectiveness of the Board and the CSR and ESG Committee in ESG related performance.

Your Company has committed to achieving Carbon Neutrality by FY35 and Water Neutrality by FY22

Approach to Carbon Neutrality

- Decarbonisation: Shifting to renewable energy, operational space optimisation, etc
- Sequestration: Planted over 68,000 trees in FY22

Reduced estimated FY22 carbon footprint by ~ 20%

Approach to Water Neutrality

- **Reduce:** Extensive use of technology and awareness building activities

- **Recycle:** Installation of Sewage Treatment Plant (STP) in owned premises
- **Replenish:** Trained Water User Groups to maximise water replenishment and achieved replenishment of 94.88 Lakh kL

Achieved Water Neutrality

CORPORATE SOCIAL RESPONSIBILITY

In pursuance of your Company's vision of creating sustainable value for all stakeholders, social investments are being undertaken in a concerted manner to enable and empower indigent communities.

The social responsibility theme and commitment closely align with the United Nation's global development agenda of Sustainable Development Goals (SDGs).

The CSR projects also supplement the efforts of the Government of India, through focused efforts in creating inclusive growth, working at the grassroots in aspirational districts, promoting the vision of Digital India and also enabling financial inclusion in the rural heartland.

CSR Vision

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

CSR Mission

Reach marginalised farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their ecosystems, thereby creating sustainable livelihoods and enabling financial inclusion.

Approach

Project-based accountability method, emphasising on the three aspects of 'Social impact, Scale and Sustainability' to create shared value.

CSR Thrust Areas

- Digital Financial Inclusion
- Disaster Management
- Other Initiatives

While the 1st Covid wave did not significantly impact the rural regions, the 2nd wave last year affected those at the bottom of the pyramid and this further accentuated inequalities across regions, gender, health, livelihood and opportunities. Your Company swiftly responded to the challenges posed by the pandemic, through its CSR initiatives by way of a series of interventions that aimed to provide immediate relief and create long-term impact for the community.

DIGITAL SAKHI

EMPOWERING RURAL WOMEN THROUGH DIGITAL FINANCIAL INCLUSION

Your Company's flagship CSR project, Digital Sakhi, has been created with the belief that women, when empowered, can act as change agents in their community and catalyse a positive change. The project, while catering to the larger national development agenda of creating a Digital India, also provides impetus to women empowerment and gender equality.

Through the project, your Company has created livelihood opportunities and educated, both, women and the community to imbibe nuances of digital financial literacy. Simultaneously, rural Women Entrepreneurs have also been upskilled and trained in enterprise development, enabling them to lead a better quality of life and attain financial independence.

The CSR projects (including Digital Sakhi) are implemented as a collaborative effort between various companies within L&T Financial Services.

Digital Sakhis not only play the role of trusted advisors to Women Entrepreneurs, but also to the larger rural community, amongst other things, by educating and enabling access to benefits of government entitlements and schemes. The efforts of Digital Sakhis have been recognised by the state governments and local bodies as well, as they have conducted dedicated sessions for the community to promote financial literacy at the behest of panchayats and worked hand-in-hand with various public departments to spread awareness and increase adoption of government schemes.

The impact created by your Company can be observed across multiple themes of women empowerment over the course of 5 years, the veil that shadowed the faces of the women have been lifted, the barriers that confined them to their homes have been broken, the biases they dealt with have been crushed and more than 450 project villages now are ushered by confidence and smiles of Digital Sakhis. Your Company's contribution is highlighted hereinafter.

Outreach: The Digital Sakhi project, which was initiated in 2017, has consistently expanded its geographical footprint to 5 states across the country.

In FY22, your Company supported the Digital Sakhi project in Odisha, creating a cadre of 100 Digital Sakhis, upskilling 1000 Women Entrepreneurs and reaching out to more than 1.18 Lakh community members.

Creating sustainable livelihood: Your Company continued its efforts to build and expand avenues of sustainable livelihood for the Digital Sakhis and the Women Entrepreneurs. The project has focused on enabling access to credit, support services from the government and enhancing capacities and capabilities to achieve a better standard of living.

Building resilient communities:

While the 2nd wave of Covid brought about a crisis of unprecedented magnitude, it also provided an opportunity to reinvent and innovate. Your Company, through the Digital Sakhi project, displayed quick adaptability to on-ground realities. With minimal turnaround time, an in-house digital module on Covid awareness was created, translated into and training provided. Digital Sakhis also provided a fillip to the vaccination efforts, through awareness sessions.

Breaking barriers: Digital project continued to invigorate the women empowerment narrative with many women rising up the ranks, from the confines of their homes to being change agents in their community.

Bridging the last mile gap: Digital Sakhis played an active role in bridging the last mile gap and facilitating convergence of government schemes, conducting sessions in Gram Sabhas and the State Rural Livelihood Mission programs and supporting the community to obtain the benefits of government schemes.

The efforts of Digital Sakhis have proven instrumental in bringing the larger community into the ambit of entitlements. In Odisha, through the efforts of the Digital Sakhis, 5300+ community members received benefits of government schemes in FY22.

Spearheading financial literacy: Aligned with RBI's mandate to celebrate Financial Literacy Week in February 2022, your Company through the Digital Sakhis, carried out a wide range of activities to propagate financial education in the community.

Digital Sakhis, through a mix of both in-person and virtual sessions, reached out to local self-government functionaries, Self-Help Groups (SHGs), Women entrepreneurs, Youth groups, Students and the Community at large.

Digital Sakhis have also facilitated the creation of a digital payment ecosystem in the community, by setting up QR code facilities in shops and businesses and installing UPI payment apps for community members.

Skilling and scaling up entrepreneurs: A critical cog in the Digital Sakhi project is the Women Entrepreneurs (WEs), who are central to building prosperity and perpetuation of digital payments in the villages.

Through the project, upskilling and crucial input support was provided to the WEs, to develop their outlook, business capabilities and knowledge of the markets.

In a bid to bolster the enterprises, Digital Sakhis helped set up QR codes in more than 65% of the small establishments/shops in the project villages in Boudh and Balangir in FY22.

These efforts have led to Women Entrepreneurs expanding their businesses and earning increased income.

These changes have manifested itself in improved standard of living, enhanced participation in financial decision making and women empowerment.

The impact of the Digital Sakhi project stands as a testimony to your Company's aim to create a multi-dimensional impact on the ground.

DISASTER MANAGEMENT

Disaster management remains a core pillar of your Company's CSR efforts and the aim has been to provide effective and co-ordinated response to disasters.

In FY22, your Company was at the forefront in providing relief during the Yaas cyclone in West Bengal and the floods in Maharashtra by providing humanitarian aid kits.

Despite the difficulties posed by the disasters and the pandemic, the local business teams and the employees displayed tremendous resolve, by undertaking relief work.

Your Company reached out to 22,500 beneficiaries through the disaster relief efforts.

Drought Proofing: Your Company also made significant investments to mitigate the long-term impact of climate change.

Given the urgent need to restore our planet's imperilled ecosystems, your Company planted 68,000+ trees in drought prone regions of Marathwada.

Building on the success of the integrated water resource management project and to ensure that the benefits continued to accrue to the marginalised communities, your Company supplemented the efforts by enhancing capacities of 170 Water User Groups (WUGs) comprising 1600+ small and marginalised farmers.

Boondein – Employee Volunteering

Through Boondein, your Company conducted multiple employee volunteering events during the year. This included celebrating Joy of Giving

Week in the first week of October where through skilled volunteering, employees mentored children and women, taught digital literacy, soft skills and conducted personality development sessions.

Creating synergies between CSR projects and employees, your Company celebrated Diwali with Digital Sakhis at 5 locations. The effort helped generate additional revenue for the women through sale of their products. Similarly, employee volunteers also conducted sessions on road safety with school children.

Employee volunteering is not restricted to the corporate office, but also extends to the branches in the form of disaster relief efforts.

Your Company also conducted a week- long clothes donation campaign. In FY22, through a mix of virtual and on-ground volunteering efforts, over 180 employees contributed more than 1,400 hours, reaching out to more than 22,000 beneficiaries.

Independent Auditor's Report

To The Members of L&T Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of L&T Finance Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Standalone Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, (IndAS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter	**How the Key Audit Matter was addressed in our audit**
	Measurement of loan assets: **(Refer Notes 06 to the financial statements)**	
1	As at March 31, 2022, loan assets aggregated ₹ 77,529.06 crore (net of expected credit losses ("ECL") and fair value changes), constituting of 80.61% the Company's total assets. Of these, loan assets aggregating ₹ 58,336.33 crore and ₹ 23,462.45 crore are measured at amortised cost and fair value, respectively. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") and fair valuation on such loan assets are critical estimates involving significant level of management judgement. As part of our risk assessment, we determined that the allowance for ECL and fair valuation on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.	Principal audit procedures: We have examined the policies approved by the Board of Directors of the Company that articulate the Company's business model for managing its financial assets to achieve its business objectives. We have also verified the methodology adopted for computation of ECL and fair valuation for assessing and measuring lending exposures. Additionally, we have confirmed that adjustments to the output of the ECL model is consistent with the documented rationale and basis for such adjustments which has been approved by the Audit Committee of the Board of Directors. Our audit procedures relating to the allowance for ECL and fair valuation included the following, among others:

	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: Each borrower is classified into Stage 1 to 3 based on the objective criteria of Day Past Due (DPD) status as of the reporting date and other loss indicators, as applicable. Such classification by borrower is done across all facilities provided to the borrower, i.e. maximum of the DPDs among the facilities ["Max DPD"]. Inherently, judgment is involved in the use models to estimate ECL which includes determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity and as a result are considered the most significant judgments in the Company's modelling approach. In addition to the output of the ECL models, macroeconomic overlays and adjustments are recognised by the Company in order to align historic LGD estimates with the current collection and recovery practices.	Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes. Tested the design and effectiveness of relevant internal controls, including the general IT controls relevant to the impairment loss allowance process, as detailed below: • 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; • appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio. • reconciled the total loans considered for ECL assessment with the books of accounts to ensure the completeness; Performed the following substantive procedures on sample of loan assets: • tested appropriateness of staging of borrowers based on DPD and other loss indicators, as applicable; • tested the factual accuracy of information such as ratings and period of default and other related information used in estimating the PD; • evaluated the reasonableness of applicable assumptions, including LGD; • evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model • evaluated the methodology used for computation of the fair value of loans; • assessed the disclosures made in relation to the ECL allowance and fair valuation to confirm compliance with IndAS provisions.
	Information Technology ("IT") Systems and Controls	
2	The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.	Our Audit procedures with respect to this matter included the following: Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the Company's IT systems. Obtained an understanding of IT applications landscape implemented by the Company, including an understanding of the process, mapping of applications and understanding financial risks posed by people-process and technology.

	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	Tested design and operating effectiveness of key controls over user access management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing (including interface testing), incident management and data centre security. Also tested entity level controls pertaining to IT policy and procedure and business continuity plan assessment due impact of COVID-19. Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over the financial reporting system.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with SAs, we exercise professional 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 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 internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated April 28, 2021, expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 52 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the Note 52 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

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

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

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

Srividya Vaidison
Partner
Membership No: 207132
UDIN: 22207132AICENO9558

Mumbai
April 29, 2022

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

Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AICYPZ8603

Mumbai
April 29, 2022

Annexure 'A' to Independent Auditor's Report

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF L&T FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

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

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

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

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

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

Sr. No.	Description of Property	Gross carrying value (Rs in Crore)	Held in Name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of company (also indicate if in dispute)
1	Building at Baroda	0.38	Erstwhile L&T Finance Limited	No	24 years	The title deeds are in the name of erstwhile entity, which was merged with the Company in terms of the approval of the Honourable High Courts of judicature.

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

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

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

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

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

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

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

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

No. of Cases	Principal amount overdue* (₹ in crore)	Interest amount overdue (₹ in crore)	Total overdue (₹ in crore)	Remarks
7,30,681	3,221.20	285.82	3,507.02	According to the information and explanation given to us, reasonable steps have been taken by the Company for recovery of principal amount and interest.

**The amount indicates the total principal outstanding in case of the overdue accounts as at March 31, 2022.*

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

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

	Other Parties (₹ in crore)	Promoters	Related Parties
Aggregate amount of loans / advances in nature of loans			
- Repayable on demand (A)	718.28	None	None
- Agreement does not specify any terms or period of repayment (B)	None	None	None
Total (A+B)	**718.28**	**None**	**None**
Percentage of loans / advances in nature of loans to the total loans	1%	None	None

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

v. The Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of the directives issued by the RBI, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the provisions stated in clause 3(v) of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the RBI or any Court or any other Tribunal against the Company in this regard.

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

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

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

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

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Sum of Amount Involved (₹ in crore)	Sum of Amount (net after payment) (₹ in crore)
Additional Interest / Penal Interest / Default Interest under Declared Services	CESTAT	2013-14	39.86	19.93
		2013-14 to 2016-17	0.00*	0.00*
		2014-15	70.01	35.00
		2015-16	105.02	52.51
		2016-17	179.70	79.85
Service tax levied on Recovery of the cost of salary & other expenses pertaining to the employees deputed to the group companies	The Add. Commissioner - Service Tax -1, Mumbai	2007-08	0.25	0.10
		2007-08 & 2008-09	0.00*	0.00*
		2008-09	0.03	0.01
Demand of Tax on Repossessed Assets	DC (Appeal)	2012-13	4.83	3.32
		2011-12	3.50	2.37
		2013-14	9.17	6.16
		2014-15	20.09	13.32
		2015-16	9.33	4.63
		2016-17	4.85	1.95
	JC (Appeal)	2007-08	0.53	0.53
	JC (Appeal) - III	2014-15	7.00	6.99
	Sr Joint Commissioner CT	2011-12	0.03	0.03
		2013-14	0.01	0.01
		2016-17	0.39	0.39

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Sum of Amount Involved (₹ in crore)	Sum of Amount (net after payment) (₹ in crore)
Demand of Tax on Repossessed Assets & ITC Mismatch.	DC (Appeal)	2017-18	1.12	0.16
Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	D.C.(Appeal)	1998-99	0.01	0.01
		2000-01	0.00*	0.00*
		2012-13	0.04	0.04
	D.C.(Appeal) - 1	1995-96	0.00*	0.00*
		1996-97	0.05	0.04
		2000-01	0.00*	0.00*
		2002-03	0.00*	0.00*
	Dy.Commissioner of Commercial Tax - Appeal -II	2011-12	0.28	0.22
	JC (Appeal) - III	2015-16	0.36	0.34
		2016-17	0.17	0.16
		2017-18	0.04	0.03
	Tribunal	2004-05	1.11	1.04
Local hire purchase turnover made taxable	Kerala High Court	1999-00	0.07	0.07
Service tax levied on upfront fees collected	The Commissioner - Service Tax -1, Mumbai	2006-07	0.27	0.15
		2007-08	3.68	2.19
		2008-09	0.85	0.53
Refusal of input tax credit (ITC)	Appellate Board	2007-08	2.10	2.10
	CESTAT	2007-08	0.24	0.12
		2007-10	0.00*	0.00*
		2008-09	3.54	1.33
		2008-11	0.00*	0.00*
		2009-10	16.65	7.82
		2010-11	5.03	2.51
		2011-12	2.62	1.31
		2012-13	3.50	1.75
		2013-14	5.19	2.60
	JC (Appeal)	2013-14	0.09	0.09
		2014-15	0.06	0.06
		2012-13	0.04	0.04
		2012-13	0.02	0.02
	JC (Appeal) - III	2011-12	3.39	3.05
		2012-13	3.43	3.13
		2013-14	0.93	0.87

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Sum of Amount Involved (₹ in crore)	Sum of Amount (net after payment) (₹ in crore)
Service tax levied on receipt of interest on delayed payment	Commissioner -Appeal	2011-12	0.06	0.03
	Custom Excise & Service Tax Appellate Tribunal	2005-06 to 2010-11	0.84	0.43
Towards Input Credit Matching	GST	2019-20	0.02	0.01
Payment of Stamp Duty on account of Amalgamation	Revenue Authority, Maharashtra Pune	2017-18	14.61	14.61
1) Reassessment proceeding is bad in law based on change of opinion 2) Disallowance of hedging loss 3) Disallowance of mark to market loss	CIT(A)	2007-08	0.71	0.71
1) Disallowance of expenses pertaining to earning exempt income. 2) Disallowance of ESOP Reimbursement expenses.	CIT(A)	2012-13	7.95	7.95
Grand Total			**533.67**	**282.62**

*0.00 represents less than Rs. 1 lakh.

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

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

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

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

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

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

x. (a) In our opinion, according to the information and explanations given to us, and based on the audit procedures performed by us, money raised by way of further public offer of debt instruments during the year have been applied for the purpose for which they were raised, other than temporary deployment of funds in the normal course of business.

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

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

(b) Since we have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2022, the provisions stated in paragraph (xi)(b) of the Order are not applicable to the Company.

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

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

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

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

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

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

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

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

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by RBI.

Accordingly, the provisions stated in paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) According to the information explanation provided to us, the group has two CICs as a part of its group.

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

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

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

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of paragraph 3(xxi) has been included in the report.

For **M S K A & Associates** Chartered Accountants Firm Registration No: 105047W	For **Kalyaniwalla & Mistry LLP** Chartered Accountants Firm Registration No: 104607W/W100166
Srividya Vaidison Partner Membership No: 207132 UDIN: 22207132AICENO9558	**Roshni R. Marfatia** Partner Membership No: 106548 UDIN: 22106548AICYPZ8603
Mumbai April 29, 2022	Mumbai April 29, 2022

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of L&T Finance Limited on the Standalone Financial Statements for the year ended March 31, 2022]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of L&T Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

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

Srividya Vaidison
Partner
Membership No: 207132
UDIN: 22207132AICENO9558

Mumbai
April 29, 2022

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

Roshni R. Marfatia
Partner
Membership No: 106548
UDIN: 22106548AICYPZ8603

Mumbai
April 29, 2022

Balance Sheet as at March 31, 2022

(₹ in crore)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A. ASSETS:			
1. Financial assets			
(a) Cash and cash equivalents	2	4,233.83	4,312.83
(b) Bank balance other than (a) above	3	1,909.36	1,449.29
(c) Derivative financial instruments	4	204.04	32.60
(d) Receivables	5		
(i) Trade receivables		5.24	23.00
(ii) Other receivables		56.43	65.63
(e) Loans	6	77,529.06	78,593.64
(f) Investments	7	9,303.95	8,427.01
(g) Other financial assets	8	82.78	68.06
		93,324.69	**92,972.06**
2. Non-financial assets			
(a) Current tax assets (net)		580.18	516.65
(b) Deferred tax assets (net)		1,401.20	1,584.36
(c) Property, plant and equipment	9	19.41	22.56
(d) Intangible assets under development	10	21.79	23.84
(e) Other Intangible assets	10	115.76	110.89
(f) Right of use assets		32.36	29.79
(g) Other non-financial assets	11	676.44	948.60
		2,847.14	**3,236.69**
Total Assets		**96,171.83**	**96,208.75**
B. LIABILITIES AND EQUITY:			
1. Liabilities			
a. Financial liabilities			
(a) Payables	12		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.19	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		423.48	364.90
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6.49	5.07
(b) Debt securities	13	34,665.61	37,230.48
(c) Borrowings (other than debt securities)	14	40,356.40	38,658.11
(d) Subordinated liabilities	15	3,297.59	3,501.59

Balance Sheet as at March 31, 2022

(₹ in crore)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(e) Lease liabilities		35.53	34.05
(f) Other financial liabilities	16	662.54	556.61
		79,447.83	**80,350.81**
b. Non-financial liabilities			
(a) Current tax liabilities (net)		155.55	170.44
(b) Provisions	17	25.86	26.57
(c) Other non-financial liabilities	18	51.36	39.70
		232.77	**236.71**
2. Equity			
(a) Equity share capital	19	2,684.17	2,684.17
(b) Other equity	20	13,807.06	12,937.06
		16,491.23	**15,621.23**
Total Liabilities and Equity		**96,171.83**	**96,208.75**
Significant accounting policies	1		
See accompanying notes forming part of the standalone financial statements	2 to 55		

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

Srividya Vaidison
Partner
Membership No: 207132

Place : Mumbai
Date : April 29, 2022

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

Roshni R. Marfatia
Partner
Membership No: 106548

Place : Mumbai
Date : April 29, 2022

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in crore)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
	(i) Interest income	21	10,969.31	12,206.78
	(ii) Dividend income	22	0.14	-
	(iii) Rental income	23	1.73	4.52
	(iv) Fees and commission income	24	86.40	138.01
I	**Total revenue from operations**		**11,057.58**	**12,349.31**
II	Other income	25	387.58	343.76
III	**Total income (I + II)**		**11,445.16**	**12,693.07**
	Expenses			
	(i) Finance costs	26	5,065.27	6,357.30
	(ii) Net loss on fair value changes	27	1,075.90	393.20
	(iii) Net loss on derecognition of financial instruments under amortised cost category	28	285.01	237.25
	(iv) Impairment on financial instruments	29	1,676.79	2,975.14
	(v) Employee benefits expenses	30	1,061.46	906.63
	(vi) Depreciation, amortisation and impairment	31	95.73	726.48
	(vii) Other expenses	32	1,093.13	764.83
IV	**Total expenses**		**10,353.29**	**12,360.83**
V	**Profit before tax (III - IV)**		**1,091.87**	**332.24**
VI	**Tax expense**			
	(1) Current tax	50	118.35	481.77
	(2) Deferred tax	50	165.54	(150.89)
VII	**Profit for the year (V - VI)**		**807.98**	**1.36**
VIII	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		1.99	1.06
	b) Change in fair value of equity instruments measured at fair value through other comprehensive income		-	55.05
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.50)	(0.27)
	Subtotal (A)		**1.49**	**55.84**

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in crore)

Particulars			Note No.	Year ended March 31, 2022	Year ended March 31, 2021
B.	(i)	Items that will be reclassified to profit or loss			
		a) Change in fair value of debt instruments measured at fair value through other comprehensive income		21.22	(10.47)
		b) The effective portion of gains and losses on hedging instruments in a cash flow hedge		52.53	(2.94)
	(ii)	Income tax relating to items that will be reclassified to profit or loss		(13.22)	0.74
	Subtotal (B)			**60.53**	**(12.67)**
	Total other comprehensive income (A+B)			**62.02**	**43.17**
IX	**Total comprehensive income for the year (VII+VIII)**			**870.00**	**44.53**
X	**Earnings per equity share:**		38		
	Basic earnings per equity share (₹)			3.01	0.01
	Diluted earnings per equity share (₹)			3.01	0.01
	Significant accounting policies		1		
	See accompanying notes forming part of the standalone financial statements		2 to 55		

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

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

For and on behalf of the board of directors of
L&T Finance Limited

Srividya Vaidison
Partner
Membership No: 207132

Roshni R. Marfatia
Partner
Membership No: 106548

Dinanath Dubhashi
Chairperson
DIN : 03545900

Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

Place : Mumbai
Date : April 29, 2022

Place : Mumbai
Date : April 29, 2022

Statement of Cash Flow for the year ended March 31, 2022

(₹ in crore)

		Year ended March 31, 2022	Year ended March 31, 2021
A.	**Cash flows from operating activities:**		
	Profit before tax	1,091.87	332.24
	Adjustments for:		
	Net loss on sale of property, plant and equipment (refer note : 32)	0.03	0.53
	Net loss on fair value changes (refer note : 27)	1,075.90	393.20
	Net loss on derecognition of financial instruments under amortised cost category (refer note : 28)	285.01	237.25
	Impairment on financial instruments (refer note : 29)	1,676.79	2,975.14
	Depreciation, amortisation and impairment (refer note : 31)	95.73	726.48
	Operating profit before working capital changes	**4,225.33**	**4,664.84**
	Changes in working capital		
	Adjustments for increase/(decrease) in operating liabilities		
	Other financial liabilities	(803.39)	(118.18)
	Lease liabilities	(19.80)	(9.92)
	Provisions	1.28	(4.26)
	Trade and other payables	60.19	318.33
	Other non-financial liabilities	11.66	34.93
	Adjustments for (increase)/decrease in operating assets		
	Other non-financial assets	256.05	(51.99)
	Other financial assets	13.44	6.00
	Trade and other receivables	26.96	0.86
	Cash generated from operations	**3,771.72**	**4,840.61**
	Direct taxes paid (net)	(192.88)	(252.43)
	Loans disbursed (net of repayments)	(1,650.29)	172.83
	Net cash generated from operating activities (A)	**1,928.55**	**4,761.01**
B.	**Cash flows from investing activities:**		
	Change in other bank balance not available for immediate use	(460.08)	727.26
	Purchase of property, plant and equipment[2]	(7.93)	(2.85)
	Proceeds from sale of property, plant and equipment	0.81	3.20
	Purchase of intangible assets[2]	(67.86)	(45.73)
	Purchase of investments[3]	(3,609.10)	(3,763.25)
	Proceeds on sale of investments	2,417.61	610.17
	Net cash used in from investing activities (B)[4]	**(1,726.55)**	**(2,471.20)**
C.	**Cash flows from financing activities:**		
	Proceeds from borrowings[5]	18,667.63	17,607.02
	Repayment of borrowings[5]	(18,948.63)	(20,842.30)
	Net cash used in from financing activities (C)	**(281.00)**	**(3,235.28)**
	Net decrease in cash and cash equivalents (A+B+C)	**(79.00)**	**(945.47)**

Statement of Cash Flow for the year ended March 31, 2022

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents at beginning of the year	4,312.83	5,258.30
Cash and cash equivalents at the end of the year	4,233.83	4,312.83
Net decrease in cash and cash equivalents	**(79.00)**	**(945.47)**

Notes:
1. Statement of standalone cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2. Purchase of Property, Plant and Equipment (PPE), represents additions to PPE and intangible assets adjusted for movement of (a) capital-work-in-progress for PPE and (b) intangible assets under development during the year.
3. Purchase of investments is after adjustments of proceeds from sale / redemption of mutual fund.
4. Net cash used in investing activity excludes investments aggregating to ₹ 10.97 crore (Previous period ₹ 100.64 crore) acquired against claims.
5. Includes proceeds and repayment of debt securities, borrowings (other than debt securities) and subordinate liabilities.
6. Net cash generated from operating activity is determined after adjusting the following: (₹ in crore)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Interest received		11,284.89	10,530.35
Dividend received		0.14	-
Interest paid		5,781.49	6,492.81
Significant accounting policies	1		
See accompanying notes forming part of the standalone financial statements	2 to 55		

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For and on behalf of the board of directors of
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Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

Place : Mumbai
Date : April 29, 2022

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Date : April 29, 2022

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

Particulars	As at March 31, 2022 Number of Shares	As at March 31, 2022 Equity share capital (₹ in crore)	As at March 31, 2021 Number of Shares	As at March 31, 2021 Equity share capital (₹ in crore)
Issued, subscribed and fully paid up equity shares at the beginning of the year	2,684,172,360	2,684.17	2,684,172,360	2,684.17
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-
Changes in equity share capital during the year	-	-	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	**2,684,172,360**	**2,684.17**	**2,684,172,360**	**2,684.17**

B. Other equity

(₹ in crore)

Particulars	Reserves and Surplus													
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	Capital reserve	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve u/s 29C of National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings	Fair value changes of debt instruments measured at fair value through other comprehensive income	Fair value changes of equity instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
Balance as at April 1, 2020	**3.20**	**319.21**	**10,858.78**	**585.64**	**132.25**	**1,313.98**	**27.42**	**803.43**	**(463.30)**	**(474.02)**	**(0.47)**	**(56.16)**	**(99.54)**	**12,950.42**
Profit for the year	-	-	-	-	-	-	-	-	-	1.36	-	-	-	**1.36**
Actuarial gain on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	-	0.79	-	-	-	**0.79**
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	-	-	(10.47)	55.05	(2.20)	**42.38**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.15**	**(10.47)**	**55.05**	**(2.20)**	**44.53**
Merger Related expenses	-	-	(57.89)	-	-	-	-	-	-	-	-	-	-	**(57.89)**
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	-	0.27	-	-	-	(0.27)	-	-	-	**-**
Transfer to general reserve	-	(106.10)	-	-	106.10	-	-	-	-	-	-	-	-	**-**
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	(107.92)	-	-	107.92	-	-	-	-	-	**-**
Transfer to Retained earnings	-	-	-	-	-	-	-	-	-	(1.11)	-	1.11	-	**-**
Balance as at March 31, 2021	**3.20**	**213.11**	**10,800.89**	**585.64**	**130.43**	**1,314.25**	**27.42**	**911.35**	**(463.30)**	**(473.25)**	**(10.94)**	**-**	**(101.74)**	**12,937.06**

Note:

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

Statement of Changes in Equity for the year ended March 31, 2022

(₹ in crore)

Particulars	Reserves and Surplus										Fair value changes of debt instruments measured at fair value through other comprehensive income	Fair value changes of equity instruments measured at fair value through other comprehensive income	Cash flow hedging reserve	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	Capital reserve	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Reserve u/s 29C of National Housing Bank Act, 1987	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings				
Balance as at April 1, 2021	**3.20**	**213.11**	**10,800.89**	**585.64**	**130.43**	**1,314.25**	**27.42**	**911.35**	**(463.30)**	**(473.25)**	**(10.94)**	**-**	**(101.74)**	**12,937.06**
Profit for the year	-	-	-	-	-	-	-	-	-	807.98	-	-	-	**807.98**
Actuarial gain on defined benefit plan (gratuity) (net of tax)	-	-	-	-	-	-	-	-	-	1.49	-	-	-	**1.49**
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	-	-	21.22	-	39.31	**60.53**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**809.47**	**21.22**	**-**	**39.31**	**870.00**
Merger Related expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	-	161.60	-	-	-	(161.60)	-	-	-	**-**
Transfer to general reserve	-	(207.96)	-	-	207.96	-	-	-	-	-	-	-	-	**-**
Transfer to amalgamation adjustment account	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	-	-	40.00	-	(40.00)	-	-	-	-
Balance as at March 31, 2022	**3.20**	**5.15**	**10,800.89**	**585.64**	**338.39**	**1,475.85**	**27.42**	**951.35**	**(463.30)**	**134.62**	**10.28**	**-**	**(62.43)**	**13,807.06**

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

Significant accounting policies 1

See accompanying notes forming part of the standalone financial statements 2 to 55

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Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

Place : Mumbai
Date : April 29, 2022

Place : Mumbai
Date : April 29, 2022

Brief Profile:

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

1. Significant Accounting Policies:

1.1. Statement of compliance:

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

1.2. Basis of preparation:

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

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

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

1.3. Presentation of financial statements:

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

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

1.4. Non-current assets held for sale:

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

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

1.5. Business Combination

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

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

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

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

1.6. Financial instruments:

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

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

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

(i) Financial assets

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

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

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

The Company considers all relevant information available when making the business model assessment. However, this assessment is performed on the basis of scenarios that the Company expects to occur and not to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

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

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

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

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

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

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

(d) Debt instruments at amortised cost or at FVTOCI

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

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

(e) De-recognition

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

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

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

(ii) Financial liabilities

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

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

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

1.7. Write off:

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

1.8. Impairment:

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

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

Credit-impaired financial assets

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

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

- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

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

Definition of default

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

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

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

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

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

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

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

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

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

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

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

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

Significant increase in credit risk

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

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

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

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

For the purpose of counting of day past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with Covid–19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the company.

Purchased or originated credit-impaired (POCI) financial assets

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

1.9. Modification and derecognition of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

1.10. Presentation of allowance for ECL in the Balance Sheet

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

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

1.11. Asset acquired under settlement of claims:

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

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

1.12. Derivative financial instruments :

The company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. 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 'Cash flow hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

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

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

1.13. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

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

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

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

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

(ii) Fee and commission income:

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

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

(iii) Net gain or fair value change:

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

(iv) Income from financial instruments at FVTPL:

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

(v) Other operational revenue:

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

1.14. Borrowing costs:

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

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

1.15. Property, plant and equipment (PPE):

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

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

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

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

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

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

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

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

1.16. Intangible assets:

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

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

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

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

1.17. Impairment of tangible and intangible assets other than goodwill:

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

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

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

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

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

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

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

1.18. Employee benefits:

(i) Short term employee benefits:

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

(ii) Post-employment benefits:

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

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

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

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

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

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

(iii) Long term employee benefits:

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

(iv) Termination benefits:

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

1.19. Leases:

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

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

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

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

- Low value leases; and
- Leases which are short-term.

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

1.20. Cash and bank balances:

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

1.21. Securities premium account:

(i) Securities premium includes:

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

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

1.22. Share-based payment arrangements:

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

1.23. Accounting and reporting of information for Operating Segments:

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

1.24. Foreign currencies:

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

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

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

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

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

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

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

1.25. Taxation:

Current Tax:

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

Deferred Tax:

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

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

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

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

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

1.26. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Company entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

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

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events, when no reliable estimate is possible.

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

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

1.27. Commitment

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

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

1.28. Statement of cash flows

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

(i) changes during the period in operating receivables and payables transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

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

1.29. Earnings per share:

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

1.30. Key source of estimation :

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

Notes forming part of the financial statements for the year ended March 31, 2022

2 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	7.23	6.90
Balances with banks in current accounts#	845.80	548.91
Cheques, drafts on hand	-	4.09
Bank deposits with original maturity less than three months	3,380.80	3,752.93
Total cash and cash equivalents	**4,233.83**	**4,312.83**

includes current year balance of ₹ 0.13 crore (previous year: ₹ 0.14 crore) towards unutilised funds raised through public issue.

3 Bank balance other than note 2 above

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks	367.46	244.66
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	1,540.89	944.59
Banks deposits with maturity greater than three months and less than twelve months	1.01	260.04
Total bank balance other than note 2 above	**1,909.36**	**1,449.29**

4 Derivative financial instruments

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Part I		
(i) Currency derivatives:		
Notional amounts		
- Currency swaps	3,014.34	3,114.34
Fair value assets		
- Currency swaps[1]	204.04	32.60
Total derivative financial instruments	**204.04**	**32.60**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Notional amounts		
- Currency derivatives	3,014.34	3,114.34
Fair value assets		
- Currency derivatives	204.04	32.60
Total derivative financial instruments	**204.04**	**32.60**

Note:

1. Net off fair value on interest rate swap of ₹ 83.42 crores (Previous Year ₹ 141.97 crore).
2. The company has a board approved policy for entering in to derivative transcations. Derivative comprises of currency and interest rate swap. Refer the accounting policy for derivative financial instruments.

5 Receivables

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Trade receivables		
(a) Receivables considered good - secured	-	-
(b) Receivables considered good - unsecured	5.24	23.00
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables - credit impaired		
Receivables	2.98	2.98
Less : Impairment loss allowance	(2.98)	(2.98)
Total trade receivables (i)	**5.24**	**23.00**
(ii) Other receivables		
(a) Receivables considered good - Secured	-	-
(b) Receivables considered good - unsecured	46.60	56.03
(c) Receivables which have significant increase in Credit Risk	-	-
(d) Receivables from related parties* (refer note : 33)	9.83	9.60
(e) Receivables - credit impaired	-	-
Total other receivables (ii)	**56.43**	**65.63**
Total receivables (i+ii)	**61.67**	**88.63**

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

(iii) Ageing Schedule for Trade Receivables#

₹ in crore

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

Particulars		Outstanding as on 31st March 2021					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	22.85	0.15	-	-	-	23.00
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Receivables which have significant increase in credit risk	-	-	-	-	-	-
(iv)	Undisputed Trade Receivables – credit impaired	2.98	-	-	-	-	2.98
(v)	Less : Impairment loss allowance	(2.98)	-	-	-	-	(2.98)
(vi)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**22.85**	**0.15**	**-**	**-**	**-**	**23.00**

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

6 Loans

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) At amortised cost		
- Bills purchased and bills discounted	-	-
- Loans repayable on demand	718.28	657.44
- Term loans	57,420.18	59,250.00
- Leasing	5.17	23.92
- Factoring	-	-
- Debentures (refer note 6(i))	192.70	825.54
Total gross loans at amortised cost	**58,336.33**	**60,756.90**
Less: Impairment loss allowance	(3,561.05)	(5,040.93)
Total net loans at amortised cost (i)	**54,775.28**	**55,715.97**
(ii) At fair value through profit or Loss		
- Loans repayable on demand	-	-
- Term loans	23,119.45	22,842.43
- Debentures (refer note 6(i))	343.00	395.81
Total gross loans at fair value through profit or loss	**23,462.45**	**23,238.24**
Less: Impact of fair value changes	(708.67)	(360.57)
Total net loans at fair value through profit or loss (ii)	**22,753.78**	**22,877.67**
Total net loans (A) = (i)+(ii)	**77,529.06**	**78,593.64**

6 Loans

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(B)		
(i) At amortised cost		
- Secured by tangible assets	41,312.49	45,257.78
- Unsecured	17,023.84	15,499.12
Total gross loans at amortised cost	**58,336.33**	**60,756.90**
Less: Impairment loss allowance	(3,561.05)	(5,040.93)
Total net loans at amortised cost (i)	**54,775.28**	**55,715.97**
(ii) At fair value through profit or loss:		
- Secured by tangible assets	23,462.45	23,238.24
- Unsecured	-	-
Total gross loans at fair value through profit or loss	**23,462.45**	**23,238.24**
Less: Impact of fair value changes	(708.67)	(360.57)
Total net loans at fair value through profit or loss (ii)	**22,753.78**	**22,877.67**
Total net loans (B) = (i)+(ii)	**77,529.06**	**78,593.64**
(C)		
(I) Loans in India		
(i) At amortised cost		
- Public sector	43.75	81.25
- Others	58,292.58	60,675.65
Total gross loans at amortised cost	**58,336.33**	**60,756.90**
Less: Impairment loss allowance	(3,561.05)	(5,040.93)
Total net loans in India at amortised cost (i)	**54,775.28**	**55,715.97**
(ii) At fair value through profit or loss:		
- Public sector	-	-
- Others	23,462.45	23,238.24
Total gross loans at fair value through profit or loss	**23,462.45**	**23,238.24**
Less: Impact on fair value changes	(708.67)	(360.57)
Total net loans at fair value through profit or loss (ii)	**22,753.78**	**22,877.67**
Total net loans in India (C)(I) = (i)+(ii)	**77,529.06**	**78,593.64**
(II) Loans outside India		

Notes forming part of the financial statements for the year ended March 31, 2022

6 Loans

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) At amortised cost	-	-
Less: Impairment loss allowance	-	-
Total net loans outside India at amortised cost (i)	**-**	**-**
(ii) At fair value through profit or loss:	-	-
Less: Impact on fair value changes	-	-
Total net loans at fair value through profit or loss (ii)	**-**	**-**
Total net loans outside India (C)(I) = (i)+(ii)	**-**	**-**
Total net loans (C) = (I)+(II)	**77,529.06**	**78,593.64**

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

7 Investment

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
A. Investments in fully paid equity shares						
(a) Subsidiaries (at cost)						
(i) Unquoted						
L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	10.00	375,689,110	478.26	10.00	375,689,110	478.26
L&T Infra Investment Partners Advisory Private Limited	10.00	5,000,000	5.00	10.00	5,000,000	5.00
L&T Infra Investment Partners Trustee Private Limited	10.00	100,000	0.10	10.00	100,000	0.10
Total investment in equity shares of Subsidiaries			**483.36**			**483.36**
(b) Other equity shares						
(i) Quoted						
(a) Investments carried at fair value through profit or loss						
Unity Infraprojects Limited	2.00	694,370	-	2.00	694,370	0.06
JSW Ispat Special Product Limited	10.00	593,420	1.91	10.00	593,420	1.55
KSK Energy Ventures Limited	10.00	10,688,253	-	10.00	10,688,253	0.59
Integrated Digital Info Services Limited	10.00	383,334	-	10.00	383,334	-
Elque Polyesters Limited	10.00	194,300	-	10.00	194,300	-
Monind Limited	10.00	4,638	-	10.00	4,638	-

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Monnet Project Developers Limited	10.00	11,279	-	10.00	11,279	-
Diamond Power Infrastructure Limited	10.00	1,356,057	-	10.00	2,889,921	-
3I Infotech Limited	10.00	242,638	1.24	10.00	2,426,383	1.81
Gol Offshore Limited	10.00	11,344,315	-	10.00	11,344,315	-
SVOGL Oil Gas and Exploration Services Limited	10.00	3,437,172	-	10.00	3,437,172	-
Glodyne Technoserve Limited	6.00	319,262	-	6.00	319,262	-
MIC Electronics Limited	2.00	1,346,154	2.25	2.00	5,384,616	-
Usher Agro Limited	10.00	335,344	-	10.00	335,344	-
Hindusthan National Glass & Industries Limited	-	-	-	2.00	376,928	1.22
Ballarpur Industries Limited	-	-	-	10.00	126,052,000	13.24
Dish TV India Limited	10.00	35,927,667	58.74	10.00	35,927,667	33.23
Zee Learn Limited	10.00	22,162,667	27.48	10.00	22,162,667	22.94
Zee Media Corporation Limited	10.00	25,398,667	42.16	10.00	25,398,667	16.25
Siti Networks Limited	10.00	57,383,732	16.35	10.00	57,383,732	4.88
Future Retail Limited	10.00	2,647,883	8.26	10.00	501,000	2.14
Castex Technologies Limited	2.00	765,241	-	-	-	-
Total investment in Other quoted equity shares			**158.39**			**97.91**
(ii) Unquoted						
(a) Investments carried at fair value through profit or loss						
The Kalyan Janatha Sahakari Bank Limited	10.00	20,000	0.05	10.00	20,000	0.05
The Malad Sahakari Bank Limited	10.00	100	-	10.00	100	-
Coastal Projects Limited	10.00	7,896,884	-	10.00	7,896,884	-
ICOMM Tele Limited	10.00	41,667	-	10.00	41,667	-
Hanjer Biotech Energies Private Limited	10.00	208,716	-	10.00	208,716	-
Soma Enterprises Limited	10.00	500,000	-	10.00	500,000	-
Mediciti Healthcare Services Private Limited	10.00	1,635,003	-	10.00	1,635,003	-
Tikona Infinet Limited	10.00	425,912	-	10.00	425,912	-

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Bhoruka Power Corporation Limited	10.00	1,171,098	61.71	10.00	100	-
Bhoruka Power India Investments Private Limited	10.00	10	-	10.00	10	-
Soma Tollways Private Limited	10.00	19,265,780	329.10	10.00	19,265,780	329.10
Indian Highways Management Company Limited	10.00	1,500,000	1.73	10.00	1,500,000	1.73
KSK Mahanadi Power Company Limited	10.00	26,385,108	-	10.00	26,385,109	-
NSL Sugars Limited	10.00	2,925,656	-	10.00	2,925,656	-
Athena Chattisgarh Power Limited	10.00	69,300,000	-	10.00	69,300,000	-
Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited	10.00	5,026	-	10.00	5,026	-
Grameen Capital India Private Limited	10.00	2,126,000	-	10.00	2,126,000	-
Alpha Micro Finance Consultants Private Limited	10.00	200,000	-	10.00	200,000	-
Metropoli Overseas Limited	10.00	99,400	-	10.00	99,400	-
Anil Chemicals and Industries Limited	10.00	40,000	-	10.00	40,000	-
VMC Systems Limited	10.00	907,264	-	10.00	907,264	-
Saumya Mining Limited	10.00	1,077,986	-	10.00	1,077,986	-
Total investment in Other unquoted equity shares			**392.59**			**330.88**
Total investment in equity shares (A)			**1,034.34**			**912.15**
B. Investments in debt securities						
(a) Investment carried at fair value through profit or loss (FVTPL)						
Bhoruka Power Corporation Limited	100,000.00	25,771	392.50	100,000.00	25,771	392.50
Soma Enterprises Limited	10.00	80,712,081	18.38	10.00	80,712,081	18.52
Tikona Infinet Limited	2,840.00	579,772	2.58	2,840.00	579,772	85.58
NSL Sugars Limited	-	-	-	100.00	2,132,310	12.71
Total investment in debt securities carried at FVTPL			**413.46**			**509.31**

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
(b) Investment carried at fair value through other comprehensive income (FVOCI)						
Dewan Housing Finance Corporation Limited	-	-	-	1,000,000.00	2,496	241.45
Dewan Housing Finance Corporation Limited	-	-	-	1,000.00	2,750,000	295.10
The South Indian Bank Limited	100,000.00	38,759	407.83	100,000.00	38,759	416.87
ECL Finance Limited	1,000.00	1,500,000	161.89	1,000.00	1,500,000	161.93
U. P. Power Corporation Limited	500,000.00	2,070	159.58	-	-	-
Total investment in debt securities carried at FVOCI			**729.31**			**1,115.35**
Total investment in debt securities (B)			**1,142.77**			**1,624.66**
C. Investments in mutual funds						
(a) Investment carried at fair value through profit or loss						
L&T Low Duration Fund Direct Plan - Growth		87,415,476	208.58		87,415,476	200.06
L&T Money Market Fund Direct Plan - Growth		93,207,621	207.30		93,207,621	200.01
L&T Ultra Short Term Fund Direct Plan - Growth		68,716,207	250.06			
Total investment in mutual funds (C)			**665.94**			**400.07**
D. Investments in fully paid preference shares (Unquoted)						
(a) Investment carried at fair value through profit or loss						
Grameen Capital India Private Limited	10.00	3,874,000	-	10.00	3,874,000	-
3I Infotech Limited	5.00	3,896,954	-	5.00	3,896,954	0.68
10% SEW Vizag Coal Terminal Private Limited	10.00	4,795,256	-	10.00	4,795,256	-
Total investment in preference shares (D)			**-**			**0.68**
E. Investments in government securities						
(a) Investment carried at fair value through other comprehensive income						
8.15% Govt Stock -11-06-2022	100.00	50,000,000	516.74	100.00	50,000,000	535.20
364 Day T-Bills 16-09-2021	-	-	-	100.00	75,000,000	738.57

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
364 Day T-Bill 24-03-2022	-	-	-	100.00	20,000,000	192.89
6.84% Govt Stock 19-12-2022	100.00	30,000,000	311.00	-	-	-
7.37% Govt Stock 2023	100.00	9,500,000	100.85	-	-	-
8.08% GOI STOCK 2022	100.00	7,500,000	77.04	-	-	-
5.87% GOI STOCK 2022	100.00	16,000,000	162.17	-	-	-
7.16% GOI STOCK 2023	100.00	9,500,000	100.04	-	-	-
6.30% GOI STOCK 2023	100.00	2,000,000	20.95	-	-	-
182 DTB 18-08-22	100.00	3,500,000	34.49	-	-	-
Total investment in government securities (E)			1,323.28			1,466.66
F. Investment in other securities						
(a) Subsidiaries: Investment carried at fair value through profit or loss (FVTPL)						
L&T Infra Investments Partner Fund						
Class B	100.00	21,133,404	213.59	100.00	20,710,522	234.32
Class C	100.00	500,000	5.68	100.00	500,000	6.07
Class D	10.00	10,000	0.01	10.00	10,000	0.01
Total investment in other securities of subsidiaries carried at FVTPL			**219.28**			**240.40**
(b) Investment carried at fair value through profit or loss (FVTPL)						
KKR India debt Opportunities Fund II	1,000.00	366,954	14.27	1,000.00	742,182	53.06
KKR India debt Opportunities Fund III	1,000.00	21,226	-	1,000.00	21,226	0.17
LICHFL Urban Development Fund	10,000.00	10,000	1.21	10,000.00	10,000	2.97
LICHFL Housing And Infrastructure Trust	100.00	1,572,360	15.72	100.00	516,000	5.16
Total investment in other securities carried at FVTPL			**31.20**			**61.36**
(c) Investment carried at fair value through other comprehensive income (FVOCI)						
Indinfravit Trust	100.00	100,000	0.91	100.00	100,000	0.94
Total investment in other securities carried at FVOCI			**0.91**			**0.94**
Total investment in other securities (F)			**251.39**			**302.70**

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
G. Investment in pass through certificates						
(a) Investment carried at fair value through other comprehensive income						
Goldstein IFMR Capital	43.00	857,170	2.45	43.00	857,170	2.45
Smith IFMR Capital	4.00	12,096,782	3.29	4.00	12,096,782	3.29
Syme IFMR Capital	1.00	14,210,515	1.11	1.00	14,210,515	1.11
Moses IFMR Capital	1.00	2,250,000	0.22	1.00	2,250,000	0.22
Total investment in pass through certificate (G)			**7.07**			**7.07**
H. Investment in security receipts						
(a) Investment carried at fair value through profit or loss						
Phoenix ARF Scheme 6	-	-	-	1,000.00	9,843	-
Phoenix ARF Scheme 9	1.00	6,612	-	1.00	6,612	*0.00
Phoenix ARF Scheme 11	1.00	44,208	-	1.00	44,208	*0.00
Phoenix ARF Scheme 13	5.00	27,404	-	5.00	27,404	0.01
Phoenix ARF Scheme 14	1,000.00	34,882	-	1,000.00	34,882	0.87
Phoenix Trust FY 19-6	505.00	1,249,500	63.10	649.00	1,249,500	81.09
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000.00	6,885	-	1,000.00	6,885	-
EARC Trust SC - 258 - Series I	547.16	3,230,000	-	547.16	3,230,000	1.76
JMFARC LTF June 2017 Trust	628.20	297,500	4.64	710.67	297,500	8.55
JMFARC LTF June 2017 Trust	628.20	480,849	14.36	710.67	480,849	17.95
Suraksha ARC - 024 Trust	1,000.00	1,087,176	108.72	1,000.00	1,087,175	108.72
Suraksha ARC - 020 Trust	768.17	867,000	50.60	768.17	867,000	50.60
Suraksha ARC - 020 Trust (Series - II)	888.89	126,310	7.75	888.89	126,310	7.75
Phoenix Trust FY 20-4	257.00	3,026,000	38.88	257.00	3,026,000	77.77
Omkara PS10/2019-20 Trust	1,000.00	132,605	3.17	1,000.00	216,750	10.63
EARC TRUST SC 367	904.00	11,730,000	1,056.66	985.51	11,730,000	1,151.76
ARCIL-CPS-062-I-Trust	1,000.00	5,185,000	388.05	1,000.00	5,185,000	518.51
Suraksha ARC - 037 Trust	1,000.00	1,107,125	109.47	1,000.00	1,107,125	109.47
Phoenix Trust FY 14-9	931.00	1,108,935	-	1,000.00	1,108,935	16.63
EARC Trust - SC 105	812.00	1,190,000	14.50	976.26	1,190,000	29.04
EARC Trust - SC 132	903.20	8,500	0.77	903.20	8,500	0.77
JM Financials (JMFARC) Series	680.90	2,621,651	66.44	680.90	2,621,651	89.25
ARCIL-AST-065-I-Trust	1.00	1,955,000	-	1,000.00	1,955,000	184.00

₹ in crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
ARCIL-CPS-I-Trust	977.00	4,420,000	431.23	1,000.00	4,420,000	442.00
Arcil-AST- IX Trust	986.00	7,658,500	755.20	1,000.00	7,658,500	765.85
CFMARC Trust 67	1,000.00	658,291	36.38	1,000.00	722,500	42.80
CFMARC Trust 73	1,000.00	2,276,266	215.65	1,000.00	2,308,090	218.83
CFMARC Trust 74	1,000.00	1,098,795	101.98	1,000.00	1,107,210	102.82
CFMARC Trust 76	1,000.00	585,429	55.46	1,000.00	592,705	56.19
Pegasus Group Thirty Eight Trust 1	929.00	328,729	18.92	1,000.00	328,729	21.25
ARCIL-CPS-I-Trust	977.00	1,385,500	135.96	-	-	-
ACRE 109 TRUST	969.88	782,000	75.84	-	-	-
Phoenic Trust FY 22-7	807.00	3,153,500	213.86	-	-	-
Phoenix Trust-FY 22-16	1,000.00	9,520,000	918.64	-	-	-
Total investment in security receipts (H)			**4,886.23**			**4,114.87**
Total investments (I)			**9,311.02**			**8,828.86**
(i) Investments outside India			-			-
(ii) Investments in India			9,311.02			8,828.86
Total Investments (II)			**9,311.02**			**8,828.86**
Less: Allowance for Impairment loss (III)						
Investment carried at fair value through other comprehensive income			7.07			401.85
Net total investment (IV)= (I)-(III)			**9,303.95**			**8,427.01**

***Amount less than ₹ 1 lakh**

8 Other financials assets

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit	64.55	66.25
Other advances	10.43	0.47
Margin money deposits	7.80	1.34
Total other financial assets	**82.78**	**68.06**

9 Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Buildings : Owned*	0.38	-	-	0.38	0.04	0.01	-	0.05	**0.33**	**0.34**
Lease hold renovation : Owned	11.78	0.57	2.98	9.37	9.48	0.87	2.76	7.59	**1.78**	**2.30**
Plant and equipments : Lease out	2.80	-	-	2.80	2.16	-	-	2.16	**0.64**	**0.64**
Computers : Owned	40.36	-	0.07	40.29	30.51	4.72	0.03	35.20	**5.09**	**9.85**
Furniture and fixtures										
Owned	10.71	0.83	0.61	10.93	7.11	0.73	0.34	7.50	**3.43**	**3.60**
Leased out	4.74	-	-	4.74	3.94	0.12	-	4.06	**0.68**	**0.80**
Sub total - Furniture and fittings	**15.45**	**0.83**	**0.61**	**15.67**	**11.05**	**0.85**	**0.34**	**11.56**	**4.11**	**4.40**
Office equipment										
Owned	9.82	3.89	0.18	13.53	6.39	2.90	0.21	9.08	**4.45**	**3.43**
Leased out	0.01	-	-	0.01	-	-	-	-	**0.01**	**0.01**
Sub total - Office equipment	**9.83**	**3.89**	**0.18**	**13.54**	**6.39**	**2.90**	**0.21**	**9.08**	**4.46**	**3.44**
Vehicles										
Owned	2.44	2.64	1.20	3.88	1.60	0.72	1.14	1.18	**2.70**	**0.84**
Leased out	1.72	-	0.79	0.93	0.97	0.17	0.51	0.63	**0.30**	**0.75**
Sub total - Vehicles	**4.16**	**2.64**	**1.99**	**4.81**	**2.57**	**0.89**	**1.65**	**1.81**	**3.00**	**1.59**
Total	**84.76**	**7.93**	**5.83**	**86.86**	**62.20**	**10.24**	**4.99**	**67.45**	**19.41**	**22.56**

Note:

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

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	For the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings : Owned*	0.38	-	-	0.38	0.03	0.01	-	0.04	**0.34**	**0.35**
Lease hold renovation : Owned	11.78	-	-	11.78	8.23	1.25	-	9.48	**2.30**	**3.55**
Plant and equipments : Lease out	6.70	-	3.90	2.80	3.73	0.22	1.79	2.16	**0.64**	**2.97**
Computers : Owned	40.11	0.25	-	40.36	22.78	7.73	-	30.51	**9.85**	**17.33**
Furniture and fixtures										
Owned	10.39	0.68	0.36	10.71	6.48	0.84	0.21	7.11	**3.60**	**3.91**

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	For the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Leased out	4.74	-	-	4.74	3.56	0.38	-	3.94	**0.80**	**1.18**
Sub total - Furniture and fittings	**15.13**	**0.68**	**0.36**	**15.45**	**10.04**	**1.22**	**0.21**	**11.05**	**4.40**	**5.09**
Office equipment										
Owned	8.56	1.36	0.10	9.82	5.02	1.46	0.09	6.39	**3.43**	**3.54**
Leased out	0.01	-	-	0.01	-	-	-	-	**0.01**	**0.01**
Sub total - Office equipment	**8.57**	**1.36**	**0.10**	**9.83**	**5.02**	**1.46**	**0.09**	**6.39**	**3.44**	**3.55**
Vehicles										
Owned	2.28	0.56	0.40	2.44	1.14	0.56	0.10	1.60	**0.84**	**1.14**
Leased out	4.37	-	2.65	1.72	2.04	0.42	1.49	0.97	**0.75**	**2.33**
Sub total - Vehicles	**6.65**	**0.56**	**3.05**	**4.16**	**3.18**	**0.98**	**1.59**	**2.57**	**1.59**	**3.47**
Total	**89.32**	**2.85**	**7.41**	**84.76**	**53.01**	**12.87**	**3.68**	**62.20**	**22.56**	**36.31**

Note:

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

10 Other intangible assets, Goodwill and Intangible assets under development

₹ in crore

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

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	For the year	Disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Other intangible assets										
Specialised software	151.82	90.90	-	242.72	82.06	49.77	-	131.83	110.89	69.76
Distribution and customer network rights (refer footnote)	438.80	-	-	438.80	351.04	87.76	-	438.80	-	87.76
(a) Total other intangible assets	**590.62**	**90.90**	**-**	**681.52**	**433.10**	**137.53**	**-**	**570.63**	**110.89**	**157.52**
(b) Intangible assets under development									**23.84**	**61.99**

Footnote:

Unamortised portion of Goodwill created on amalgamation of erstwhile L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited effective from February 13, 2017 with the appointed date being April 01, 2016, stand as at March 31, 2022 is NIL (previous year NIL). Amortisation amount in respect of this Goodwill is NIL during the year ended March 31, 2022 (previous year ₹ 565.70 crores).

(c) Intangible assets under development

(i) Schdedule of ageing of Intangible assets under development as at March 31, 2022*

(₹ in crore)

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

(ii) Schdedule of ageing of Intangible assets under development as at March 31, 2021*

(₹ in crore)

Particulars	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.89	18.95	-	-	23.84
Projects temporarily suspended	-	-	-	-	
Total	**4.89**	**18.95**	**-**	**-**	**23.84**

* Above Intangible asset under development is not overdue or has not exceeded its cost compared to its original plan.

Notes forming part of the financial statements for the year ended March 31, 2022

11 Other non-financials assets

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	25.68	71.04
Advances to others	27.44	30.68
Amount paid under protest	52.72	53.19
Capital advances	0.92	2.66
Assets acquired in settlement of claims	569.68	791.03
Total other non-financial assets	**676.44**	**948.60**

12 Payables

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Trade payables		
Micro enterprises and small enterprises (refer note: 43)	0.19	-
Due to others	378.73	347.08
Due to related parties (refer note: 33)	44.75	17.82
Total trade payables (i)	**423.67**	**364.90**
(ii) Other payables		
Micro enterprises and small enterprises (refer note: 43)	-	-
Due to others	6.49	5.07
Due to related parties (refer note: 33)	-	-
Total other payables (ii)	**6.49**	**5.07**
Total payables (i+ii)	**430.16**	**369.97**

(iii) Trade Payables aging schedule

(₹ in crore)

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

(₹ in crore)

	Particulars	Outstanding as on 31st March 2021 *					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-	-
(ii)	Others	-	27.77	-	-	-	27.77
(iii)	Disputed Dues - MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
(v)	Bill Raised But not paid	-	22.82	-	-	-	22.82
(vi)	Undue Bills	314.31	-	-	-	-	314.31
Total		**314.31**	**50.59**	**-**	**-**	**-**	**364.90**

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

13 Debt securities

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) At amortised cost		
- Redeemable non convertible debentures (refer note 13 (a))	28,327.60	31,380.80
- Commercial papers (net) (refer note 13 (b))	6,338.01	5,849.68
Total debt securities (A)	**34,665.61**	**37,230.48**
(B)		
(I) Debt securities in India		
(i) At amortised cost	34,665.61	37,230.48
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total debt securities in India (I = i+ii+iii)	**34,665.61**	**37,230.48**
(II) Debt securities outside India		
(i) At amortised cost	-	-
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total debt securities in outside India (II = i+ii+iii)	**-**	**-**
Total debt securities (B) = (I)+(II)	**34,665.61**	**37,230.48**

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	177.75	9.00%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	691.59	9.10%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	6.60	9.00%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	104.94	9.10%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	120.16	8.70%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	204.27	8.90%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 Lakh each	16-04-15	43.43	8.95%	15-04-22	Redeemable at par at the end of 2556 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	4.46	8.71%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	20.75	8.91%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 - MLD	₹ 10 Lakh each	24-04-19	100.02	8.36%	22-04-22	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	06-06-18	75.53	8.65%	28-04-22	Redeemable at par at the end of 1422 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 Lakh each	14-11-18	41.18	8.65%	28-04-22	Redeemable at par at the end of 1261 days from the date of allotment
Series A FY 2018-19	₹ 10 Lakh each	06-06-18	61.69	8.60%	28-04-22	Redeemable at par at the end of 1422 days from the date of allotment
Series K FY 2015-16 opt 2	₹ 25 Lakh each	22-05-15	11.83	8.81%	20-05-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2015-16 opt 1	₹ 25 Lakh each	26-05-15	16.12	8.81%	26-05-22	Redeemable at par at the end of 2557 days from the date of allotment
Series N FY 2015-16 opt 2	₹ 25 Lakh each	29-05-15	11.81	8.81%	27-05-22	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 Lakh each	06-07-18	48.25	8.95%	10-06-22	Redeemable at par at the end of 1435 days from the date of allotment
Series B FY 2018-19 opt 1	₹ 10 Lakh each	06-07-18	92.36	8.95%	10-06-22	Redeemable at par at the end of 1435 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 Lakh each	01-07-20	46.15	7.00%	01-07-22	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2020-21	₹ 10 Lakh each	04-08-20	22.52	7.00%	01-07-22	Redeemable at par at the end of 696 days from the date of allotment
Series H FY 2020-21 - MLD	₹ 10 Lakh each	07-08-20	59.67	7.00%	01-07-22	Redeemable at par at the end of 693 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2020-21	₹ 10 Lakh each	14-08-20	30.96	7.00%	01-07-22	Redeemable at par at the end of 686 days from the date of allotment
Series L FY 2020-21 - MLD	₹ 10 Lakh each	18-09-20	33.21	7.00%	01-07-22	Redeemable at par at the end of 651 days from the date of allotment
Series G FY 2017-18 opt 2	₹ 25 Lakh each	19-06-17	79.53	7.72%	19-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 Lakh each	21-06-17	26.52	7.81%	21-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series K FY 2015-16 opt 3	₹ 25 Lakh each	28-07-15	3.18	8.90%	28-07-22	Redeemable at par at the end of 2557 days from the date of allotment
Series W FY 2015-16 opt 6	₹ 25 Lakh each	07-08-15	10.57	8.82%	05-08-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2017-18	₹ 25 Lakh each	08-08-17	488.16	7.71%	08-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 Lakh each	24-01-19	50.82	8.93%	08-08-22	Redeemable at par at the end of 1292 days from the date of allotment
Series D FY 2017-18 opt 2	₹ 25 Lakh each	25-07-17	215.95	7.80%	16-08-22	Redeemable at par at the end of 1848 days from the date of allotment
Series E FY 2020-21 - MLD	₹ 10 Lakh each	17-08-20	55.00	6.05%	17-08-22	Redeemable at par at the end of 730 days from the date of allotment
Series E FY 2017-18	₹ 25 Lakh each	30-08-17	52.24	7.65%	30-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2017-18	₹ 25 Lakh each	29-09-17	207.71	7.65%	29-09-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 Lakh each	06-10-17	321.58	7.70%	06-10-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance- Series H FY 2018-19 opt 2 (Original issuance series N FY 2017-18)	₹ 25 Lakh each	20-11-18	66.93	7.70%	06-10-22	Redeemable at par at the end of 1416 days from the date of allotment
Series O FY 2015-16 opt 3	₹ 25 Lakh each	20-10-15	33.74	8.65%	20-10-22	Redeemable at par at the end of 2557 days from the date of allotment
Series AG FY 2015-16	₹ 25 Lakh each	13-11-15	18.58	8.60%	11-11-22	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 Lakh each	29-11-19	641.20	8.55%	29-11-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 Lakh each	29-11-19	384.63	8.48%	29-11-22	Redeemable at par at the end of 1096 days from the date of allotment
Series T FY 2017-18	₹ 25 Lakh each	12-12-17	87.02	7.95%	12-12-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance-Series G FY 2018-19 opt 3 (Original issuance series T FY 2017-18)	₹ 25 Lakh each	31-10-18	16.75	7.95%	12-12-22	Redeemable at par at the end of 1503 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	30.36	8.25%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	425.54	8.45%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	0.85	7.96%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	43.32	8.15%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	7.48	8.26%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	74.82	8.46%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2012-13	₹ 10 Lakh each	11-01-13	458.86	9.00%	11-01-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2019-20 opt 1	₹ 10 Lakh each	17-02-20	806.43	8.50%	17-01-23	Redeemable at par at the end of 1065 days from the date of allotment
Series E FY 2019-20	₹ 10 Lakh each	24-01-20	410.80	8.25%	24-01-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 2	₹ 10 Lakh each	17-02-20	806.35	8.50%	17-02-23	Redeemable at par at the end of 1096 days from the date of allotment
Series B FY 2019-20	₹ 10 Lakh each	28-02-20	251.37	7.75%	28-02-23	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2019-20	₹ 10 Lakh each	04-03-20	75.43	7.68%	03-03-23	Redeemable at par at the end of 1094 days from the date of allotment
Reissuance - Series I FY 2020-21 opt 2 (Original issuance series F FY 2019-20)	₹ 10 Lakh each	17-03-21	25.50	7.68%	03-03-23	Redeemable at par at the end of 716 days from the date of allotment
Series D FY 2021-22	₹ 10 Lakh each	30-07-21	513.86	7.68%	03-03-23	Redeemable at par at the end of 581 days from the date of allotment
Series E FY 2021-22	₹ 10 Lakh each	10-08-21	257.02	7.68%	03-03-23	Redeemable at par at the end of 570 days from the date of allotment
Series F FY 2021-22 option 1	₹ 10 Lakh each	31-08-21	514.36	7.68%	03-03-23	Redeemable at par at the end of 549 days from the date of allotment
Series C FY 2019-20	₹ 10 Lakh each	04-03-20	20.12	7.75%	15-03-23	Redeemable at par at the end of 1106 days from the date of allotment
Series H FY 2021-22 - MLD	₹ 10 Lakh each	15-09-21	51.53	5.62%	15-03-23	Redeemable at par at the end of 546 days from the date of allotment
Series AK FY 2015-16	₹ 25 Lakh each	16-03-16	10.04	8.80%	16-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2019-20 opt 3	₹ 10 Lakh each	17-02-20	907.45	8.50%	17-03-23	Redeemable at par at the end of 1124 days from the date of allotment
Series A FY 2020-21	₹ 10 Lakh each	28-04-20	1,150.64	7.80%	28-04-23	Redeemable at par at the end of 1095 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2020-21 opt 1	₹ 10 Lakh each	17-03-21	300.74	6.15%	17-05-23	Redeemable at par at the end of 791 days from the date of allotment
Series C FY 2018-19	₹ 10 Lakh each	29-08-18	499.05	8.44%	18-05-23	Redeemable at par at the end of 1723 days from the date of allotment
Series C FY 2013-14	₹ 10 Lakh each	29-05-13	117.75	8.35%	29-05-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2020-21	₹ 10 Lakh each	12-06-20	317.73	7.70%	12-06-23	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2021-22	₹ 10 Lakh each	30-09-21	59.98	7.70%	12-06-23	Redeemable at par at the end of 620 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 Lakh each	01-07-16	10.66	8.75%	30-06-23	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2020-21 - MLD	₹ 10 Lakh each	03-07-20	140.32	7.00%	03-07-23	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 Lakh each	20-07-20	84.49	7.00%	03-07-23	Redeemable at par at the end of 1078 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 Lakh each	22-07-16	16.96	8.70%	21-07-23	Redeemable at par at the end of 2555 days from the date of allotment
Series E FY 2018-19	₹ 10 Lakh each	02-08-18	37.05	8.86%	02-08-23	Redeemable at par at the end of 1826 days from the date of allotment
Series J FY 2020-21 opt 1	₹ 10 Lakh each	09-09-20	518.70	7.30%	08-09-23	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 2021-22 - MLD	₹ 10 Lakh each	08-09-21	30.83	5.12%	08-09-23	Redeemable at par at the end of 730 days from the date of allotment
Series F FY 2020-21	₹ 10 Lakh each	02-12-20	609.54	5.85%	01-12-23	Redeemable at par at the end of 1094 days from the date of allotment
Series J FY 2018-19	₹ 10 Lakh each	04-01-19	817.16	9.00%	04-01-24	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 2018-19	₹ 10 Lakh each	11-01-19	27.52	8.90%	11-01-24	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 Lakh each	11-01-19	25.47	9.00%	09-02-24	Redeemable at par at the end of 1855 days from the date of allotment
Series K FY 2021-22 option 2	₹ 10 Lakh each	03-12-21	53.87	9.00%	09-02-24	Redeemable at par at the end of 798 days from the date of allotment
Series G FY 2020-21	₹ 10 Lakh each	03-03-21	451.45	6.40%	01-03-24	Redeemable at par at the end of 1094 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 Lakh each	01-02-19	25.36	9.02%	11-03-24	Redeemable at par at the end of 1865 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	30.31	9.10%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	235.63	9.25%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	1.76	8.75%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series IV option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	60.06	8.89%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	78.64	8.80%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	201.10	9.00%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	1.55	8.48%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	21.88	8.66%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	0.30	8.81%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	23.58	9.01%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series H FY 2020-21	₹ 10 Lakh each	10-03-21	50.18	6.45%	10-05-24	Redeemable at par at the end of 1157 days from the date of allotment
Reissuance - Series A FY 2021-22	₹ 10 Lakh each	30-04-21	301.96	6.45%	10-05-24	Redeemable at par at the end of 1106 days from the date of allotment
Reissuance - Series C FY 2021-22	₹ 10 Lakh each	27-05-21	202.38	6.45%	10-05-24	Redeemable at par at the end of 1079 days from the date of allotment
Series E FY 2020-21 opt 2	₹ 10 Lakh each	13-07-20	258.22	7.90%	12-07-24	Redeemable at par at the end of 1460 days from the date of allotment
Series F FY 2021-22 option 2	₹ 10 Lakh each	31-08-21	517.08	5.90%	30-08-24	Redeemable at par at the end of 1095 days from the date of allotment
Series K FY 2020-21 opt 2	₹ 10 Lakh each	16-09-20	181.13	7.15%	16-09-24	Redeemable at par at the end of 1461 days from the date of allotment
Series M FY 2020-21	₹ 10 Lakh each	03-11-20	204.68	6.75%	01-11-24	Redeemable at par at the end of 1459 days from the date of allotment
Series D FY 2020-21	₹ 10 Lakh each	03-11-20	306.77	6.55%	01-11-24	Redeemable at par at the end of 1459 days from the date of allotment
Series J FY 2021-22	₹ 10 Lakh each	16-11-21	219.95	6.25%	15-11-24	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2017-18	₹ 10 Lakh each	29-06-17	683.67	7.59%	18-11-24	Redeemable at par at the end of 2699 days from the date of allotment
Series K FY 2021-22	₹ 10 Lakh each	03-12-21	153.01	6.25%	03-12-24	Redeemable at par at the end of 1096 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	23.61	8.45%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	330.94	8.60%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	0.79	8.15%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	74.96	8.29%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series L FY 2021-22	₹ 10 Lakh each	23-12-21	305.00	6.15%	23-01-25	Redeemable at par at the end of 1127 days from the date of allotment
Reissuance - Series B1 FY 2019-20 opt 1 (Original issuance series B FY 2019-20 opt 1)	₹ 10 Lakh each	05-02-20	101.36	8.45%	17-02-25	Redeemable at par at the end of 1839 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 Lakh each	19-05-15	47.90	8.84%	19-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 Lakh each	26-05-15	21.50	8.85%	26-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 Lakh each	26-05-15	32.27	8.90%	26-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 Lakh each	05-06-15	53.59	8.84%	05-06-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16 opt 5	₹ 25 Lakh each	05-06-15	26.82	8.90%	05-06-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2020-21	₹ 10 Lakh each	09-07-20	294.15	7.85%	09-07-25	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2020-21	₹ 10 Lakh each	10-07-20	363.81	7.75%	10-07-25	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 Lakh each	17-07-15	10.63	8.95%	17-07-25	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2020-21 opt 1	₹ 10 Lakh each	13-07-20	527.20	7.95%	28-07-25	Redeemable at par at the end of 1841 days from the date of allotment
Series M FY 2021-22	₹ 10 Lakh each	01-02-22	570.89	6.45%	26-09-25	Redeemable at par at the end of 1333 days from the date of allotment
Series AJ FY 2015-16 opt 2	₹ 25 Lakh each	08-02-16	52.62	8.75%	06-02-26	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 Lakh each	20-04-16	5.41	8.65%	20-04-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2018-19 opt 2	₹ 10 Lakh each	28-05-19	913.12	8.80%	28-05-26	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 2019-20	₹ 10 Lakh each	31-07-19	15.85	8.55%	31-07-26	Redeemable at par at the end of 2557 days from the date of allotment
Series S FY 2016-17	₹ 25 Lakh each	25-10-16	10.33	7.90%	23-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series T FY 2016-17	₹ 25 Lakh each	16-11-16	48.36	7.95%	16-11-26	Redeemable at par at the end of 3652 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	25.39	8.50%	23-12-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	404.22	8.65%	23-12-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	11.33	8.85%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series VI option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	379.80	9.05%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	0.45	8.52%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	17.41	8.70%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series A FY 2011-12	₹ 10 Lakh each	18-10-11	509.70	9.70%	18-10-28	Redeemable at par at the end of 6210 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	7.98	9.20%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	110.52	9.35%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	0.70	8.84%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	101.36	8.98%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B2 FY 2019-20 opt 2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 Lakh each	28-01-20	278.78	8.55%	28-01-30	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B FY 2020-21 opt 3 (Original issuance series B FY 2020-21)	₹ 10 Lakh each	13-07-20	393.61	8.10%	28-06-30	Redeemable at par at the end of 3637 days from the date of allotment
Series J FY 2020-21 opt 2	₹ 10 Lakh each	09-09-20	103.94	7.66%	09-09-30	Redeemable at par at the end of 3652 days from the date of allotment
Reissuance - Series K FY 2020-21 opt 1 (Original issuance series J FY 2020-21 opt 2)	₹ 10 Lakh each	16-09-20	52.23	7.66%	09-09-30	Redeemable at par at the end of 3645 days from the date of allotment
Series E FY 2017-18	₹ 10 Lakh each	30-12-20	1,528.81	7.62%	30-12-30	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2021-22	₹ 10 Lakh each	19-05-21	1,064.27	7.40%	19-05-31	Redeemable at par at the end of 3652 days from the date of allotment
			28,327.60			

Nature of Security :

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

Secured redeemable non convertible debentures public issue :

The Company has utilised fund raised through public issue for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. Total unutilised balance amount of ₹ 0.13 crore is in current account (includes ₹ 0.14 crore unutilised from amount raised in previous year).

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

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

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series L FY 2017-18	₹ 25 lakh each	27-03-18	114.47	8.30%	06-04-21	Redeemable at par at the end of 1106 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-03-18	104.77	8.25%	08-04-21	Redeemable at par at the end of 1108 days from the date of allotment
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-04-16	130.15	8.75%	13-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	18-04-16	21.66	8.75%	16-04-21	Redeemable at par at the end of 1824 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	21-04-16	48.97	8.70%	21-04-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	05-05-16	10.79	8.70%	05-05-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-06-16	10.70	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series F FY 2016-17 opt 3	₹ 25 lakh each	14-06-16	26.74	8.75%	14-06-21	Redeemable at par at the end of 1826 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-03-18	95.08	8.25%	21-06-21	Redeemable at par at the end of 1181 days from the date of allotment
Reissuance - Series "W"1-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	27-07-18	80.21	8.25%	21-06-21	Redeemable at par at the end of 1060 days from the date of allotment
Reissuance - Series "W"2-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 25 lakh each	09-08-18	54.99	8.25%	21-06-21	Redeemable at par at the end of 1047 days from the date of allotment
Series B FY 2018-19 opt 2	₹ 10 lakh each	06-07-18	15.65	8.80%	23-06-21	Redeemable at par at the end of 1083 days from the date of allotment
Series H FY 2016-17 opt 3	₹ 25 lakh each	22-07-16	5.30	8.70%	22-07-21	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	26-07-16	63.55	8.71%	26-07-21	Redeemable at par at the end of 1826 days from the date of allotment
Series J FY 2016-17	₹ 25 lakh each	28-07-16	264.70	8.70%	28-07-21	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2018-19 opt 1	₹ 10 lakh each	20-07-18	31.51	8.92%	30-07-21	Redeemable at par at the end of 1106 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance - Series D1 FY 2018-19 opt 1 (Original issuance series D FY 2018-19 opt 1)	₹ 10 lakh each	20-08-18	13.62	8.92%	30-07-21	Redeemable at par at the end of 1075 days from the date of allotment
Series K FY 2016-17	₹ 25 lakh each	02-08-16	177.64	8.70%	02-08-21	Redeemable at par at the end of 1826 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	12-09-18	110.21	8.71%	03-08-21	Redeemable at par at the end of 1056 days from the date of allotment
Reissuance - Series E1 FY 2018-19 opt 1 (Original issuance series E FY 2018-19)	₹ 10 lakh each	24-10-18	43.27	8.71%	03-08-21	Redeemable at par at the end of 1014 days from the date of allotment
Series B FY 2020-21	₹ 10 lakh each	11-05-20	848.64	7.50%	11-08-21	Redeemable at par at the end of 457 days from the date of allotment
Series D FY 2018-19 opt 2	₹ 10 lakh each	20-07-18	454.02	8.95%	16-08-21	Redeemable at par at the end of 1123 days from the date of allotment
Reissuance - Series D1 FY 2018-19 opt 2 (Original issuance series D FY 2018-19 opt 2)	₹ 10 lakh each	20-08-18	64.34	8.95%	16-08-21	Redeemable at par at the end of 1092 days from the date of allotment
Series F FY 2018-19	₹ 10 lakh each	12-09-18	73.25	8.82%	03-09-21	Redeemable at par at the end of 1087 days from the date of allotment
Reissuance - Series G FY 2018-19 opt 1 (Original issuance series F FY 2018-19)	₹ 10 lakh each	31-10-18	6.19	8.82%	03-09-21	Redeemable at par at the end of 1038 days from the date of allotment
Series M FY 2016-17	₹ 25 lakh each	09-09-16	130.83	8.34%	09-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series H FY 2014-15	₹ 25 lakh each	19-09-14	52.58	9.80%	17-09-21	Redeemable at par at the end of 2555 days from the date of allotment
Series D FY 2018-19	₹ 10 lakh each	05-09-18	143.80	8.71%	20-09-21	Redeemable at par at the end of 1111 days from the date of allotment
Reissuance - Series D1 FY 2018-19 (Original issuance series D FY 2018-19)	₹ 10 lakh each	21-09-18	52.45	8.71%	20-09-21	Redeemable at par at the end of 1095 days from the date of allotment
Series N FY 2016-17 opt 2	₹ 25 lakh each	22-09-16	20.86	8.25%	22-09-21	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2018-19 opt 2	₹ 10 lakh each	06-07-18	132.49	8.92%	06-10-21	Redeemable at par at the end of 1188 days from the date of allotment
Reissuance - Series D3 FY 2018-19 opt 3 (Original issuance series C FY 2018-19)	₹ 10 lakh each	31-08-18	52.18	8.92%	06-10-21	Redeemable at par at the end of 1132 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E1 FY 2018-19 opt 2	₹ 10 lakh each	24-10-18	50.46	9.40%	11-10-21	Redeemable at par at the end of 1083 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	24-10-16	25.84	7.80%	22-10-21	Redeemable at par at the end of 1824 days from the date of allotment
Series J FY 2014-15 opt 3	₹ 25 lakh each	07-11-14	10.37	9.45%	06-11-21	Redeemable at par at the end of 2556 days from the date of allotment
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-11-19	383.86	8.30%	29-11-21	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2019-20 opt 1	₹ 10 lakh each	29-11-19	639.99	8.40%	29-11-21	Redeemable at par at the end of 731 days from the date of allotment
Series L FY 2014-15 opt 2	₹ 25 lakh each	15-12-14	20.54	9.15%	15-12-21	Redeemable at par at the end of 2557 days from the date of allotment
Series 2011B – Scheme 1 (Public issue)	₹ 1000 each	10-01-12	126.52	9.00%	10-01-22	Redeemable at par at the end of 3653 days from the date of allotment
Series 2011B – Scheme 2 (Public issue)	₹ 1000 each	10-01-12	679.37	9.00%	10-01-22	Redeemable at par at the end of 3653 days from the date of allotment
Series N FY 2014-15 opt 3	₹ 25 lakh each	16-01-15	56.01	9.20%	14-01-22	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2019-20 opt 4	₹ 10 lakh each	17-02-20	501.96	8.10%	17-02-22	Redeemable at par at the end of 731 days from the date of allotment
Series U FY 2016-17 opt 2	₹ 25 lakh each	22-02-17	10.08	8.05%	22-02-22	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 2014-15 opt 2	₹ 25 lakh each	24-02-15	10.09	9.10%	24-02-22	Redeemable at par at the end of 2557 days from the date of allotment
Series W FY 2016-17	₹ 25 lakh each	03-03-17	20.12	7.95%	03-03-22	Redeemable at par at the end of 1826 days from the date of allotment
Series E1 FY 2018-19 opt 3	₹ 10 lakh each	24-10-18	86.78	9.38%	11-03-22	Redeemable at par at the end of 1234 days from the date of allotment
Reissuance - Series F FY 2018-19 (Original issuance series E1 FY 2018-19 opt 3)	₹ 10 lakh each	06-11-18	84.17	9.38%	11-03-22	Redeemable at par at the end of 1221 days from the date of allotment
Series G FY 2018-19 opt 2	₹ 10 lakh each	31-10-18	94.43	9.48%	14-03-22	Redeemable at par at the end of 1230 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	07-07-20	1,023.16	7.67%	18-03-22	Redeemable at par at the end of 619 days from the date of allotment
Series 2012A – Scheme 1 (Public issue)	₹ 1000 each	24-03-12	101.12	8.70%	24-03-22	Redeemable at par at the end of 3652 days from the date of allotment
Series 2012A – Scheme 2 (Public issue)	₹ 1000 each	24-03-12	605.71	8.70%	24-03-22	Redeemable at par at the end of 3652 days from the date of allotment
Series I option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	177.05	9.00%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	688.87	9.10%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	6.04	9.00%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	95.87	9.10%	13-04-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	119.69	8.70%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	203.47	8.90%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	4.09	8.71%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	18.98	8.91%	15-04-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	16-04-15	43.43	8.95%	15-04-22	Redeemable at par at the end of 2556 days from the date of allotment
Series A FY 2019-20 - MLD	₹ 10 lakh each	24-04-19	92.26	8.36%	22-04-22	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	06-06-18	69.52	8.65%	28-04-22	Redeemable at par at the end of 1422 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 lakh each	14-11-18	37.65	8.65%	28-04-22	Redeemable at par at the end of 1261 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	06-06-18	56.80	8.60%	28-04-22	Redeemable at par at the end of 1422 days from the date of allotment
Series K FY 2015-16 opt 2	₹ 25 lakh each	22-05-15	11.83	8.81%	20-05-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2015-16 opt 1	₹ 25 lakh each	26-05-15	16.12	8.81%	26-05-22	Redeemable at par at the end of 2557 days from the date of allotment
Series N FY 2015-16 opt 2	₹ 25 lakh each	29-05-15	11.81	8.81%	27-05-22	Redeemable at par at the end of 2555 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 lakh each	06-07-18	44.28	8.95%	10-06-22	Redeemable at par at the end of 1435 days from the date of allotment
Series B FY 2018-19 opt 1	₹ 10 lakh each	06-07-18	84.77	8.95%	10-06-22	Redeemable at par at the end of 1435 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 lakh each	01-07-20	43.02	7.00%	01-07-22	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2020-21	₹ 10 lakh each	04-08-20	21.02	7.00%	01-07-22	Redeemable at par at the end of 696 days from the date of allotment
Series H FY 2020-21 - MLD	₹ 10 lakh each	07-08-20	55.71	7.00%	01-07-22	Redeemable at par at the end of 693 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2020-21	₹ 10 lakh each	14-08-20	28.91	7.00%	01-07-22	Redeemable at par at the end of 686 days from the date of allotment
Series L FY 2020-21 - MLD	₹ 10 lakh each	18-09-20	31.00	7.00%	01-07-22	Redeemable at par at the end of 651 days from the date of allotment
Series G FY 2017-18 opt 2	₹ 25 lakh each	19-06-17	79.53	7.72%	19-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-06-17	26.52	7.81%	21-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series K FY 2015-16 opt 3	₹ 25 lakh each	28-07-15	3.18	8.90%	28-07-22	Redeemable at par at the end of 2557 days from the date of allotment
Series W FY 2015-16 opt 6	₹ 25 lakh each	07-08-15	10.57	8.82%	05-08-22	Redeemable at par at the end of 2555 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	08-08-17	488.12	7.71%	08-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 lakh each	24-01-19	50.81	8.93%	08-08-22	Redeemable at par at the end of 1292 days from the date of allotment
Series D FY 2017-18 opt 2	₹ 25 lakh each	25-07-17	215.93	7.80%	16-08-22	Redeemable at par at the end of 1848 days from the date of allotment
Series E FY 2020-21 - MLD	₹ 10 lakh each	17-08-20	51.81	6.05%	17-08-22	Redeemable at par at the end of 730 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	30-08-17	52.24	7.65%	30-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	29-09-17	207.71	7.65%	29-09-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	06-10-17	321.57	7.70%	06-10-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance- Series H FY 2018-19 opt 2 (Original issuance series N FY 2017-18)	₹ 25 lakh each	20-11-18	65.97	7.70%	06-10-22	Redeemable at par at the end of 1416 days from the date of allotment
Series O FY 2015-16 opt 3	₹ 25 lakh each	20-10-15	33.75	8.65%	20-10-22	Redeemable at par at the end of 2557 days from the date of allotment
Series AG FY 2015-16	₹ 25 lakh each	13-11-15	18.59	8.60%	11-11-22	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-11-19	383.00	8.48%	29-11-22	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2019-20 opt 2	₹ 10 lakh each	29-11-19	638.48	8.55%	29-11-22	Redeemable at par at the end of 1096 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-12-17	86.99	7.95%	12-12-22	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance-Series G FY 2018-19 opt 3 (Original issuance series T FY 2017-18)	₹ 25 lakh each	31-10-18	16.54	7.95%	12-12-22	Redeemable at par at the end of 1503 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	30.24	8.25%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series I option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	423.83	8.45%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	6.88	8.26%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series II option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	68.71	8.46%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	0.85	7.96%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	43.14	8.15%	23-12-22	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2012-13	₹ 10 lakh each	11-01-13	458.84	9.00%	11-01-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2019-20 opt 1	₹ 10 lakh each	17-02-20	804.46	8.50%	17-01-23	Redeemable at par at the end of 1065 days from the date of allotment
Series E FY 2019-20	₹ 10 lakh each	24-01-20	410.39	8.25%	24-01-23	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2019-20 opt 2	₹ 10 lakh each	17-02-20	804.46	8.50%	17-02-23	Redeemable at par at the end of 1096 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-02-20	251.00	7.75%	28-02-23	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2019-20	₹ 10 lakh each	04-03-20	75.41	7.68%	03-03-23	Redeemable at par at the end of 1094 days from the date of allotment
Reissuance - Series I FY 2020-21 opt 2 (Original issuance series F FY 2019-20)	₹ 10 lakh each	17-03-21	25.89	7.68%	03-03-23	Redeemable at par at the end of 716 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	04-03-20	20.11	7.75%	15-03-23	Redeemable at par at the end of 1106 days from the date of allotment
Series AK FY 2015-16	₹ 25 lakh each	16-03-16	10.04	8.80%	16-03-23	Redeemable at par at the end of 2556 days from the date of allotment
Series C FY 2019-20 opt 3	₹ 10 lakh each	17-02-20	905.82	8.50%	17-03-23	Redeemable at par at the end of 1124 days from the date of allotment
Series A FY 2020-21	₹ 10 lakh each	28-04-20	1,148.77	7.80%	28-04-23	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2020-21 opt 1	₹ 10 lakh each	17-03-21	300.72	6.15%	17-05-23	Redeemable at par at the end of 791 days from the date of allotment
Series C FY 2018-19	₹ 10 lakh each	29-08-18	498.14	8.44%	18-05-23	Redeemable at par at the end of 1723 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	29-05-13	117.73	8.35%	29-05-23	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2020-21	₹ 10 lakh each	12-06-20	317.04	7.70%	12-06-23	Redeemable at par at the end of 1095 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2016-17 opt 1	₹ 25 lakh each	01-07-16	10.66	8.75%	30-06-23	Redeemable at par at the end of 2555 days from the date of allotment
Series A FY 2020-21 - MLD	₹ 10 lakh each	03-07-20	130.57	7.00%	03-07-23	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2020-21 - MLD	₹ 10 lakh each	20-07-20	79.22	7.00%	03-07-23	Redeemable at par at the end of 1078 days from the date of allotment
Series H FY 2016-17 opt 2	₹ 25 lakh each	22-07-16	16.96	8.70%	21-07-23	Redeemable at par at the end of 2555 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	02-08-18	37.05	8.86%	02-08-23	Redeemable at par at the end of 1826 days from the date of allotment
Series J FY 2020-21 opt 1	₹ 10 lakh each	09-09-20	517.52	7.30%	08-09-23	Redeemable at par at the end of 1094 days from the date of allotment
Series F FY 2020-21	₹ 10 lakh each	02-12-20	608.34	5.85%	01-12-23	Redeemable at par at the end of 1094 days from the date of allotment
Series J FY 2018-19	₹ 10 lakh each	04-01-19	817.16	9.00%	04-01-24	Redeemable at par at the end of 1826 days from the date of allotment
Series G FY 2018-19	₹ 10 lakh each	11-01-19	27.52	8.90%	11-01-24	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-01-19	25.45	9.00%	09-02-24	Redeemable at par at the end of 1855 days from the date of allotment
Series G FY 2020-21	₹ 10 lakh each	03-03-21	451.01	6.40%	01-03-24	Redeemable at par at the end of 1094 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 lakh each	01-02-19	25.36	9.02%	11-03-24	Redeemable at par at the end of 1865 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	30.24	9.10%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	235.06	9.25%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	1.76	8.75%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	59.92	8.89%	13-03-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	78.45	8.80%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	200.63	9.00%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	1.55	8.48%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	21.82	8.66%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	0.27	8.81%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	21.58	9.01%	15-04-24	Redeemable at par at the end of 1827 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series H FY 2020-21	₹ 10 lakh each	10-03-21	50.18	6.45%	10-05-24	Redeemable at par at the end of 1157 days from the date of allotment
Series E FY 2020-21 opt 2	₹ 10 lakh each	13-07-20	257.97	7.90%	12-07-24	Redeemable at par at the end of 1460 days from the date of allotment
Series K FY 2020-21 opt 2	₹ 10 lakh each	16-09-20	180.88	7.15%	16-09-24	Redeemable at par at the end of 1461 days from the date of allotment
Series M FY 2020-21	₹ 10 lakh each	03-11-20	204.36	6.75%	01-11-24	Redeemable at par at the end of 1459 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	03-11-20	306.29	6.55%	01-11-24	Redeemable at par at the end of 1459 days from the date of allotment
Series A FY 2017-18	₹ 10 lakh each	29-06-17	682.92	7.59%	18-11-24	Redeemable at par at the end of 2699 days from the date of allotment
Series IV option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	23.55	8.45%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	330.14	8.60%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	0.79	8.15%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	74.77	8.29%	23-12-24	Redeemable at par at the end of 1827 days from the date of allotment
Series B FY 2019-20 opt 1	₹ 10 lakh each	28-01-20	64.97	8.45%	17-02-25	Redeemable at par at the end of 1847 days from the date of allotment
Reissuance - Series B1 FY 2019-20 opt 1 (Original issuance series B FY 2019-20 opt 1)	₹ 10 lakh each	05-02-20	36.36	8.45%	17-02-25	Redeemable at par at the end of 1839 days from the date of allotment
Series J FY 2015-16 opt 3	₹ 25 lakh each	19-05-15	47.90	8.84%	19-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	26-05-15	32.27	8.90%	26-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2015-16 opt 2	₹ 25 lakh each	26-05-15	21.50	8.85%	26-05-25	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16 opt 5	₹ 25 lakh each	05-06-15	26.83	8.90%	05-06-25	Redeemable at par at the end of 3653 days from the date of allotment
Series R FY 2015-16	₹ 25 lakh each	05-06-15	53.61	8.84%	05-06-25	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2020-21	₹ 10 lakh each	09-07-20	293.90	7.85%	09-07-25	Redeemable at par at the end of 1826 days from the date of allotment
Series D FY 2020-21	₹ 10 lakh each	10-07-20	363.63	7.75%	10-07-25	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 2015-16 opt 4	₹ 25 lakh each	17-07-15	10.63	8.95%	17-07-25	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2020-21 opt 1	₹ 10 lakh each	13-07-20	526.80	7.95%	28-07-25	Redeemable at par at the end of 1841 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series AJ FY 2015-16 opt 2	₹ 25 lakh each	08-02-16	52.61	8.75%	06-02-26	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2016-17 opt 3	₹ 25 lakh each	20-04-16	5.41	8.65%	20-04-26	Redeemable at par at the end of 3652 days from the date of allotment
Series B FY 2019-20	₹ 10 lakh each	28-05-19	913.12	8.80%	28-05-26	Redeemable at par at the end of 2557 days from the date of allotment
Series C FY 2019-20	₹ 10 lakh each	31-07-19	15.85	8.55%	31-07-26	Redeemable at par at the end of 2557 days from the date of allotment
Series S FY 2016-17	₹ 25 lakh each	25-10-16	10.33	7.90%	23-10-26	Redeemable at par at the end of 3650 days from the date of allotment
Series T FY 2016-17	₹ 25 lakh each	16-11-16	48.36	7.95%	16-11-26	Redeemable at par at the end of 3652 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	25.35	8.50%	23-12-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-2)	₹ 1000 each	23-12-19	403.53	8.65%	23-12-26	Redeemable at par at the end of 2557 days from the date of allotment
Series VI option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	11.32	8.85%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VI option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	379.23	9.05%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 1 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	0.45	8.52%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series VII option 2 FY 2019-20 (Public issue-1)	₹ 1000 each	15-04-19	17.38	8.70%	15-04-27	Redeemable at par at the end of 2922 days from the date of allotment
Series A FY 2011-12	₹ 10 lakh each	18-10-11	509.70	9.70%	18-10-28	Redeemable at par at the end of 6210 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	7.97	9.20%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	110.38	9.35%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	0.70	8.84%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue-1)	₹ 1000 each	13-03-19	101.24	8.98%	13-03-29	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2019-20 opt 2	₹ 10 lakh each	28-01-20	58.88	8.55%	28-01-30	Redeemable at par at the end of 3653 days from the date of allotment
Reissuance - Series B2 FY 2019-20 opt 2 (Original issuance series B FY 2019-20 opt 2)	₹ 10 lakh each	11-02-20	219.86	8.55%	28-01-30	Redeemable at par at the end of 3639 days from the date of allotment
Reissuance - Series B FY 2020-21	₹ 10 lakh each	30-06-20	142.71	8.10%	28-06-30	Redeemable at par at the end of 3650 days from the date of allotment

Notes forming part of the financial statements for the year ended March 31, 2022

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance - Series B FY 2020-21 opt 3 (Original issuance series B FY 2020-21)	₹ 10 lakh each	13-07-20	250.95	8.10%	28-06-30	Redeemable at par at the end of 3637 days from the date of allotment
Series J FY 2020-21 opt 2	₹ 10 lakh each	09-09-20	103.90	7.66%	09-09-30	Redeemable at par at the end of 3652 days from the date of allotment
Reissuance - Series K FY 2020-21 opt 1 (Original issuance series J FY 2020-21 opt 2)	₹ 10 lakh each	16-09-20	52.24	7.66%	09-09-30	Redeemable at par at the end of 3645 days from the date of allotment
Series N FY 2020-21	₹ 10 lakh each	30-12-20	1,528.81	7.62%	30-12-30	Redeemable at par at the end of 3652 days from the date of allotment
			31,380.80			

Nature of Security :

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

Secured redeemable non convertible debentures public issue :

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

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

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

14 Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) At amortised cost		
(a) Term loans		
(i) from banks (refer note 14 (a))	13,597.77	17,126.81
(ii) from financial institutions (refer note 14 (a-1))	5,148.83	1,691.78
(b) Term loans from bank - FCNR (refer note 14 (b))	-	99.81
(c) External commercial borrowings (refer note 14 (c))	4,121.00	3,989.00
(d) Loan from related parties (refer note 14 (d) and note 33)	1,037.59	1,075.53
(e) Loan repayable on demand		

14 Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) from banks (refer note 14 (e))	16,451.21	14,675.18
Total borrowings (other than debt securities) (A)	**40,356.40**	**38,658.11**
(B)		
(I) Borrowings (other than debt securities) in India		
(i) At amortised cost	36,235.40	34,669.11
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total borrowings (other than debt securities) in India (I = i+ii+iii)	**36,235.40**	**34,669.11**
(II) Borrowings (other than debt securities) outside India		
(i) At amortised Cost	4,121.00	3,989.00
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total borrowings (other than debt securities) in outside India (II = i+ii+iii)	**4,121.00**	**3,989.00**
Total borrowings (other than debt securities) (B) = (I)+(II)	**40,356.40**	**38,658.11**

14 (a) Term loans from bank as on March 31, 2022 : Secured[1]

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Bullet	Up to 5 Years	Upto 7.00%	1,200.01
	Up to 5 Years	7.01% - 8.00%	199.89
Annually	Up to 5 Years	Upto 7.00%	1,701.08
	Up to 5 Years	7.01% - 8.00%	150.03
Half Yearly	Up to 5 Years	Upto 7.00%	4,541.80
	Up to 5 Years	7.01% - 8.00%	2,234.81
Quarterly	Up to 5 Years	Upto 7.00%	2,954.08
	Up to 5 Years	7.01% - 8.00%	616.06
Total			**13,597.77**

Term loans from bank as on March 31, 2021 : Secured[1]

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹ in crore)
Bullet	Up to 5 Years	Upto 7.00%	350.01
	Up to 5 Years	7.01% - 8.00%	1,949.77
Annually	Up to 5 Years	Upto 7.00%	677.09
	Up to 5 Years	7.01% - 8.00%	630.13
Half Yearly	Up to 5 Years	Upto 7.00%	2,365.20
	Up to 5 Years	7.01% - 8.00%	3,901.11

Notes forming part of the financial statements for the year ended March 31, 2022

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹ in crore)
	Above 5 Years	7.01% - 8.00%	1,000.00
	Up to 5 Years	8.01% - 9.00%	248.74
Quarterly	Up to 5 Years	Upto 7.00%	675.11
	Up to 5 Years	7.01% - 8.00%	5,329.65
Total			**17,126.81**

Nature of Security :

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

14 (a-1) Term loans from financial institutions as on March 31, 2022 : Secured[2]

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Annual	Up to 5 Years	Upto 7.00%	249.28
Half Yearly	Up to 5 Years	Upto 7.00%	2,040.22
Quarterly	Above 5 Years	Upto 7.00%	2,859.33
Total			**5,148.83**

Term loans from financial institutions as on March 31, 2021 : Secured[2]

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

Nature of Security :

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

14 (b) Term loans from bank- FCNR as on March 31, 2022 : Secured[3]

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
-	-	-	-

Term loans from bank- FCNR as on March 31, 2021 : Secured[3]

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

Nature of Security :

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

14 (c) External commercial borrowings as on March 31, 2022 : Secured[4]

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Bullet	Up to 5 Years	Upto 7.00%	751.88
	Up to 5 Years	8.01% - 9.00%	2,899.30
Total			**3,651.18**

External commercial borrowings as on March 31, 2022 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Bullet	Up to 5 Years	8.01% - 9.00%	469.82
Total			**469.82**

Total of External commercial borrowings as on March 31, 2022	**4,121.00**

External commercial borrowings as on March 31, 2021 : Secured[4]

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

External commercial borrowings as on March 31, 2021 : Unsecured

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

Total of External commercial borrowings as on March 31, 2021	**3,989.00**

Nature of Security :

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

14 (d) Loan from related parties as on March 31, 2022 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Bullet	Up to 1 Year	Upto 6.50%	1,037.59
Total			**1,037.59**

Loan from related parties as on March 31, 2021 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2021 (₹ in crore)
Bullet	Up to 1 Year	Upto 6.50%	1,075.53
Total			**1,075.53**

14 (e) Loan repayable on demand from bank as on March 31, 2022 : Secured[5]

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Line of credit	Bullet	Up to 5 Years	Upto 7.00%	3,400.58
Working Capital Demand	Bullet	Up to 5 Years	Upto 7.00%	5,286.94
Line of credit	Bullet	Up to 5 Years	7.01% - 8.00%	1,387.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	2,387.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	4.69
Total				**12,466.21**

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

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2022 (₹ in crore)
Working Capital Demand	Bullet	Up to 5 Years	Upto 7.00%	660.00
Working Capital Demand	Bullet	Up to 5 Years	Upto 7.00%	3,325.00
Total				**3,985.00**

Total of Loan repayable on demand as on March 31, 2022	**16,451.21**

Loan repayable on demand from bank as on March 31, 2021 : Secured[5]

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

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

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

Total of Loan repayable on demand as on March 31, 2021	**14,675.18**

Nature of Security :

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

15 Subordinated liabilities

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(A)		
(i) At amortised cost		
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	404.39	609.71
(b) Subordinate debt Instruments (Refer note 15 (b))	2,893.20	2,891.88
Total subordinated liabilities (A) = (i)+(ii)+(iii)	**3,297.59**	**3,501.59**
(B)		
(I) Subordinated liabilities in India		
(i) At amortised cost	3,297.59	3,501.59
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total subordinated liabilities in India (I = i+ii+iii)	**3,297.59**	**3,501.59**
(II) Subordinated liabilities outside India		
(i) At amortised cost	-	-
(ii) At fair value through profit or loss	-	-
(iii) Designated at fair value through profit or loss	-	-
Total subordinated liabilities in outside India (II = i+ii+iii)	**-**	**-**
Total subordinated liabilities (B) = (I)+(II)	**3,297.59**	**3,501.59**

15 (a) Unsecured redeemable non convertible debentures as on March 31, 2022 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2013-14	₹ 10 Lakh each	29/01/2014	50.71	10.35%	29/01/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series X FY 2015-16	₹ 10 Lakh each	27/08/2015	158.08	9.90%	27/08/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AL FY 2015-16	₹ 10 Lakh each	18/03/2016	49.73	9.50%	18/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 Lakh each	30/03/2016	50.03	10.10%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 Lakh each	30/03/2016	29.74	9.50%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 Lakh each	30/03/2016	49.90	9.90%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 2016-17	₹ 10 Lakh each	03/06/2016	16.19	9.60%	03/06/2026	Redeemable at par at the end of 3652 days from the date of allotment
			404.39			

(b) Unsecured redeemable non convertible debentures as on March 31, 2022 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2012-13	₹ 5 Lakh each	30/04/2012	218.20	9.90%	29/04/2022	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2012-13	₹ 10 Lakh each	21/12/2012	282.46	9.80%	21/12/2022	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2013-14	₹ 10 Lakh each	31/01/2014	25.33	9.73%	31/01/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 2013-14	₹ 10 Lakh each	10/02/2014	20.21	9.73%	09/02/2024	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2013-14	₹ 10 Lakh each	18/02/2014	20.17	9.73%	16/02/2024	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2013-14	₹ 10 Lakh each	28/02/2014	25.24	10.90%	28/02/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series O FY 2013-14	₹ 10 Lakh each	04/03/2014	5.02	9.73%	04/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 Lakh each	14/03/2014	30.06	9.73%	14/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2013-14	₹ 10 Lakh each	27/03/2014	50.06	10.90%	27/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 Lakh each	27/03/2014	50.06	10.35%	27/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 Lakh each	30/06/2014	43.13	10.40%	28/06/2024	Redeemable at par at the end of 3651 days from the date of allotment
Series N FY 2014-15	₹ 10 Lakh each	13/11/2014	103.15	9.10%	13/11/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2014-15	₹ 10 Lakh each	31/12/2014	51.24	9.95%	31/12/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	19/01/2015	126.90	8.75%	17/01/2025	Redeemable at par at the end of 3651 days from the date of allotment
Series O FY 2014-15	₹ 10 Lakh each	29/01/2015	101.21	9.35%	29/01/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series U FY 2014-15	₹ 10 Lakh each	18/02/2015	226.54	8.75%	18/02/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 Lakh each	30/03/2015	50.03	9.95%	28/03/2025	Redeemable at par at the end of 3651 days from the date of allotment
Series A FY 2015-16	₹ 10 Lakh each	17/04/2015	108.35	8.90%	17/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 Lakh each	21/04/2015	86.10	8.90%	21/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16	₹ 10 Lakh each	22/04/2015	48.73	8.90%	22/04/2025	Redeemable at par at the end of 3653 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2022 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2015-16	₹ 10 Lakh each	29/04/2015	81.08	8.90%	29/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 Lakh each	15/05/2015	46.30	8.90%	15/05/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 Lakh each	03/06/2015	64.32	8.87%	03/06/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	14/07/2015	14.93	9.32%	14/07/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	25/07/2015	53.17	9.30%	24/07/2025	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2015-16	₹ 10 Lakh each	09/09/2015	105.17	9.25%	09/09/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AB FY 2015-16	₹ 10 Lakh each	15/09/2015	20.94	8.90%	15/09/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 Lakh each	30/01/2016	32.49	9.35%	29/01/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	09/02/2016	18.24	9.35%	09/02/2026	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 Lakh each	04/03/2016	50.36	9.48%	04/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 Lakh each	23/03/2016	100.23	9.30%	23/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series H FY 2016-17	₹ 10 Lakh each	21/07/2016	84.76	8.78%	21/07/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2016-17	₹ 10 Lakh each	04/01/2017	127.18	8.05%	04/01/2027	Redeemable at par at the end of 3652 days from the date of allotment
Series V FY 2016-17	₹ 10 Lakh each	30/01/2017	15.17	8.05%	29/01/2027	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2018-19	₹ 10 Lakh each	31/10/2018	46.55	9.10%	31/10/2028	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 Lakh each	14/07/2017	63.19	7.80%	13/07/2029	Redeemable at par at the end of 4382 days from the date of allotment
Series D FY 2019-20	₹ 10 Lakh each	13/09/2019	27.04	8.90%	13/09/2029	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2020-21	₹ 10 Lakh each	10/06/2020	91.26	8.30%	10/06/2030	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2020-21	₹ 10 Lakh each	20/07/2020	105.07	8.15%	19/07/2030	Redeemable at par at the end of 3651 days from the date of allotment
Series K FY 2016-17	₹ 10 Lakh each	09/08/2016	26.33	8.65%	08/08/2031	Redeemable at par at the end of 5477 days from the date of allotment
Series L FY 2016-17	₹ 10 Lakh each	12/08/2016	26.31	8.63%	12/08/2031	Redeemable at par at the end of 5478 days from the date of allotment
Series P FY 2016-17	₹ 10 Lakh each	07/09/2016	20.92	8.55%	05/09/2031	Redeemable at par at the end of 5476 days from the date of allotment
			2,893.20			

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30/12/2011	205.80	11.50%	30/12/2021	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	29/01/2014	50.67	10.35%	29/01/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series X FY 2015-16	₹ 10 lakh each	27/08/2015	157.86	9.90%	27/08/2025	Redeemable at par at the end of 3652 days from the date of allotment
Series AL FY 2015-16	₹ 10 lakh each	18/03/2016	49.62	9.50%	18/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30/03/2016	50.03	10.10%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series AO FY 2015-16	₹ 10 lakh each	30/03/2016	29.67	9.50%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2015-16	₹ 10 lakh each	30/03/2016	49.87	9.90%	30/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series E FY 2016-17	₹ 10 lakh each	03/06/2016	16.19	9.60%	03/06/2026	Redeemable at par at the end of 3652 days from the date of allotment
			609.71			

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

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2012-13	₹ 10 lakh each	30/04/2012	217.90	9.90%	29/04/2022	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2012-13	₹ 10 lakh each	21/12/2012	282.46	9.80%	21/12/2022	Redeemable at par at the end of 3652 days from the date of allotment
Series J FY 2013-14	₹ 10 lakh each	31/01/2014	25.29	9.73%	31/01/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series K FY 2013-14	₹ 10 lakh each	10/02/2014	20.18	9.73%	09/02/2024	Redeemable at par at the end of 3651 days from the date of allotment
Series L FY 2013-14	₹ 10 lakh each	18/02/2014	20.14	9.73%	16/02/2024	Redeemable at par at the end of 3650 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28/02/2014	25.23	10.90%	28/02/2024	Redeemable at par at the end of 3652 days from the date of allotment
Series O FY 2013-14	₹ 10 lakh each	04/03/2014	5.02	9.73%	04/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2013-14	₹ 10 lakh each	14/03/2014	30.00	9.73%	14/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27/03/2014	50.04	10.90%	27/03/2024	Redeemable at par at the end of 3653 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series I FY 2013-14	₹ 10 lakh each	27/03/2014	50.04	10.35%	27/03/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30/06/2014	43.13	10.40%	28/06/2024	Redeemable at par at the end of 3651 days from the date of allotment
Series N FY 2014-15	₹ 10 lakh each	13/11/2014	103.10	9.10%	13/11/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31/12/2014	51.24	9.95%	31/12/2024	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	19/01/2015	126.81	8.75%	17/01/2025	Redeemable at par at the end of 3651 days from the date of allotment
Series O FY 2014-15	₹ 10 lakh each	29/01/2015	101.15	9.35%	29/01/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series U FY 2014-15	₹ 10 lakh each	18/02/2015	226.29	8.75%	18/02/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30/03/2015	50.03	9.95%	28/03/2025	Redeemable at par at the end of 3651 days from the date of allotment
Series A FY 2015-16	₹ 10 lakh each	17/04/2015	108.37	8.90%	17/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series C FY 2015-16	₹ 10 lakh each	21/04/2015	86.07	8.90%	21/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series D FY 2015-16	₹ 10 lakh each	22/04/2015	48.71	8.90%	22/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	29/04/2015	81.06	8.90%	29/04/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	15/05/2015	46.30	8.90%	15/05/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series P FY 2015-16	₹ 10 lakh each	03/06/2015	64.29	8.87%	03/06/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	14/07/2015	14.93	9.32%	14/07/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	24/07/2015	53.20	9.30%	24/07/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09/09/2015	105.17	9.25%	09/09/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series AB FY 2015-16	₹ 10 lakh each	15/09/2015	20.93	8.90%	15/09/2025	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29/01/2016	32.51	9.35%	29/01/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09/02/2016	18.24	9.35%	09/02/2026	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04/03/2016	50.36	9.48%	04/03/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23/03/2016	100.23	9.30%	23/03/2026	Redeemable at par at the end of 3652 days from the date of allotment

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2021 (₹ Cr)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series H FY 2016-17	₹ 10 lakh each	21/07/2016	84.74	8.78%	21/07/2026	Redeemable at par at the end of 3652 days from the date of allotment
Series U FY 2016-17	₹ 10 lakh each	04/01/2017	127.13	8.05%	04/01/2027	Redeemable at par at the end of 3652 days from the date of allotment
Series V FY 2016-17	₹ 10 lakh each	30/01/2017	15.16	8.05%	29/01/2027	Redeemable at par at the end of 3651 days from the date of allotment
Series B FY 2018-19	₹ 10 lakh each	31/10/2018	46.53	9.10%	31/10/2028	Redeemable at par at the end of 3653 days from the date of allotment
Series B FY 2017-18	₹ 10 lakh each	14/07/2017	63.17	7.80%	13/07/2029	Redeemable at par at the end of 4382 days from the date of allotment
Series D FY 2019-20	₹ 10 lakh each	13/09/2019	27.00	8.90%	13/09/2029	Redeemable at par at the end of 3653 days from the date of allotment
Series A FY 2020-21	₹ 10 lakh each	10/06/2020	91.20	8.30%	10/06/2030	Redeemable at par at the end of 3652 days from the date of allotment
Series F FY 2020-21	₹ 10 lakh each	20/07/2020	104.99	8.15%	19/07/2030	Redeemable at par at the end of 3651 days from the date of allotment
Series K FY 2016-17	₹ 10 lakh each	09/08/2016	26.32	8.65%	08/08/2031	Redeemable at par at the end of 5477 days from the date of allotment
Series L FY 2016-17	₹ 10 lakh each	12/08/2016	26.30	8.63%	12/08/2031	Redeemable at par at the end of 5478 days from the date of allotment
Series P FY 2016-17	₹ 10 lakh each	07/09/2016	20.92	8.55%	05/09/2031	Redeemable at par at the end of 5476 days from the date of allotment
			2,891.88			

16 Other financial liabilities

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit and margin money received	10.10	10.10
Unclaimed principal and interest on infrastructure bonds	367.46	244.66
Bank book credit balance	-	33.45
Liability for expenses	197.70	160.39
Short term obligation	9.62	13.07
Other payables	77.66	94.94
Total other financial liabilities	**662.54**	**556.61**

17 Provisions

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Compensated absences	18.10	17.65
Gratuity (refer note 34)	7.76	8.92
Total provisions	**25.86**	**26.57**

18 Other non-financial liabilities

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	**51.36**	39.70
Total other non-financial liabilities	**51.36**	**39.70**

19 Equity share capital

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Authorised				
Equity shares of ₹ 10 each	4,874,309,610	4,874.31	4,874,309,610	4,874.31
Preference shares of ₹ 100 each	1,200,000	12.00	1,200,000	12.00
		4,886.31		**4,886.31**
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up	2,684,172,360	2,684.17	2,684,172,360	2,684.17
		2,684.17		**2,684.17**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	2,684,172,360	2,684.17	2,684,172,360	2,684.17
Add: Issued during the year	-	-	-	-
At the end of the year	**2,684,172,360**	**2,684.17**	**2,684,172,360**	**2,684.17**

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

Particulars	As at March 31, 2022	As at March 31, 2021
	No. of shares	No. of shares
Fully paid up pursuant to contract(s) without payment being received in cash	2,320,771,845	2,320,771,845

Notes forming part of the financial statements for the year ended March 31, 2022

(d) Terms/rights attached to equity shares

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

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

(e) Shares held by Promoters

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	**2,684,172,360**	**100%**	**2,684,172,360**	**100%**

There is no change in equity shares holding during the year by Promoters

(f) Shares held by holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in crore	No. of shares	₹ in crore
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	**2,684,172,360**	**2,684.17**	**2,684,172,360**	**2,684.17**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficiary nominee (Equity shares of ₹ 10 each fully paid up)	**2,684,172,360**	**100%**	**2,684,172,360**	**100%**

20 Other equity

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve	3.20	3.20
Debenture redemption reserve[1]	5.15	213.11
Securities premium[2]	10,800.89	10,800.89
Capital reserve[3]	585.64	585.64
General reserve[4]	338.39	130.43
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[5]	1,475.85	1,314.25

20 Other equity

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Reserve u/s 29C of National Housing Bank,1987[6]	27.42	27.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961[7]	951.35	911.35
Amalgamation adjustment account[8]	(463.30)	(463.30)
Retained earnings[9]	134.62	(473.25)
Change in fair value of debt instruments classified at fair value through other comprehensive income	10.28	(10.94)
Change in fair value of equity instruments measured at fair value through other comprehensive income	-	-
Cash flow hedging reserve	(62.43)	(101.74)
Total other equity	**13,807.06**	**12,937.06**

Notes:

1. **Debenture redemption reserve:** The Ministry of Corporate Affairs vide notification dated August 16, 2019, amended the Companies (Share capital and Debenture) Rules, 2014 by which the Company is no longer required to create DRR towards the debentures issued. Earlier to this amendment, the Company was required to maintain a DRR of 25% of the value of debentures issued, either by a public issue or on a private placement basis and the amounts credited to the DRR was not to be utilised by the Company except to redeem debentures. The above amount represents the DRR created out of profits of the Company prior to the said notification.
2. **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
3. **Capital reserve:** It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions.
4. **General Reserve:** The Companies (Transfer of Profits to Reserves) Rules, 1975 read with Section 205(2A) of the Companies Act, 1956, prohibited declaration of dividend for any financial year out of profits of the company for that year except after the transfer of a specified percentage of the profits not exceeding 10%, to its reserves. Amounts were transferred to General Reserve to comply with these provisions. The Companies Act, 2013, does not mandate such a transfer.General reserve is a free reserve available to the Company.
5. **Reserve u/s 45 IC of Reserve Bank of India Act, 1934:** The Company created a reserve pursuant to Section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.
6. **Reserve u/s 29C of National Housing Bank, 1987:** Upon amalgamation of the erstwhile L&T Housing Finance Limited (the "Transferor Companies") with L&T Finance Limited (the "Transferee Company"), the statutory reserves (i.e. Reserve under Section 29C of National Housing Bank, 1987) of the Transferor Companies is also transfer to the Transferee Company.
7. **Reserve u/s 36(1)(viii) of Income tax Act, 1961:** In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) is carried to such reserve account.

8. **Amalgamation Adjustment Account:** Upon amalgamation of the erstwhile L&T Finance Limited and the erstwhile L&T Fincorp Limited (the "Transferor Companies") with Family Credit Limited (the "Transferee Company" which was renamed as L&T Finance Limited") the statutory reserves (i.e. Debenture Redemption Reserve, Reserve under Section 45 IC of the Reserve Bank of India Act, 1934 and Reserve under Section 36(1)(viii) of the Income tax Act, 1961) of the Transferor Companies as on April 01, 2016 (the Appointed Date") with a corresponding debit to Amalgamation Adjustment Account. As the corresponding statutory reserve unwind, the Amalgamation Adjustment Account is also reversed.
9. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.
10. The movement of other equity is given in the "Statement of Changes in Equity".

21 Interest Income

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) On financial assets measured at amortised cost		
- Interest on loans	8,143.11	8,872.83
- Interest on deposits with banks	47.09	146.05
- Other interest income	0.09	0.23
Total interest income on financial assets measured at amortised cost (i)	**8,190.29**	**9,019.11**
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	149.12	84.69
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**149.12**	**84.69**
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	2,627.79	3,101.69
- Interest income from investments	2.11	1.29
Total interest income on financial assets classified at fair value through profit or loss (iii)	**2,629.90**	**3,102.98**
Total interest income (i+ii+iii)	**10,969.31**	**12,206.78**

22 Dividend Income

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend income on equity shares	0.14	-
Total dividend income	**0.14**	**-**

23 Rental income

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Lease rental income	1.73	4.52
Total rental income	**1.73**	**4.52**

24 Fees and commission income

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy fees and financial advisory fee	-	32.86
Other Charges and Commission	86.40	105.15
Total fees and commission income	**86.40**	**138.01**

25 Other income

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income on cross sell	371.66	300.99
Other income	15.92	42.77
Total other income	**387.58**	**343.76**

26 Finance costs

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest on debt securities	2,787.39	2,966.73
Interest on borrowings	1,944.16	3,031.05
Interest on subordinated liabilities	313.53	315.04
Other interest expense	20.19	44.48
Total finance costs (a+b)	**5,065.27**	**6,357.30**

27 Net loss on fair value changes

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net (gain)/loss on financial instruments classified at fair value through profit or loss		
On trading portfolio		
- (Gain)/loss on sale of investments	1.14	(11.79)
- Derivatives	-	-
- (Gain)/loss on sale of loan assets	(0.77)	19.03
- Fair value changes on loan assets	348.10	139.74
- Fair value changes on investments	259.05	240.31
(ii) On financial instruments designated at fair value through profit or loss	**-**	**-**
(B) Net (gain)/loss on disposal of financial instruments classified at fair value through other comprehensive income	-	-
- (Gain)/loss on sale of Investments	467.53	0.59
- Derivatives	0.85	5.32
- Loans	-	-
Total net (gain)/loss on fair value changes (A+B)	**1,075.90**	**393.20**

Notes forming part of the financial statements for the year ended March 31, 2022

27 Net loss on fair value changes

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(C) Fair value changes:		
-Realised	467.90	7.83
-Unrealised	608.00	385.37
Total net (gain)/loss on fair value changes (C)	**1,075.90**	**393.20**

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

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss on foreclosure and writeoff of loan	3,836.45	2,626.54
Less: Provision held reversed on derecognition of financial instruments	(3,551.44)	(2,389.29)
Total net loss on derecognition of financial instruments under amortised cost category	**285.01**	**237.25**

29 Impairment on financial instruments

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) On Financial instruments measured at fair value through other comprehensive income:		
- Investments	(394.77)	151.26
Total impairment on financial instruments on financial instruments measured at fair value through other comprehensive income (a)	**(394.77)**	**151.26**
(b) On financial instruments measured at amortised cost:		
- Loans	2,071.56	2,840.29
- Trade receivables	-	(16.41)
Total impairment on financial instruments on financial instruments measured at at amortised cost (b)	**2,071.56**	**2,823.88**
Total impairment on financial instruments (a+b)	**1,676.79**	**2,975.14**

30 Employee benefits expenses

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries	937.98	788.88
Contribution provident and pension fund (refer note: 34)	38.59	34.14
Contribution to gratuity fund (refer note: 34)	9.21	9.05
Share based payments to employees (refer note: 37)	13.79	41.64
Staff welfare expenses	61.89	32.92
Total employee benefits expenses	**1,061.46**	**906.63**

31 Depreciation, amortization and impairment

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (refer note: 9)	10.24	12.87
Depreciation on Right of use assets (refer note : 35)	18.71	10.38
Amortisation of Goodwill (refer note: 10)	-	565.70
Amortisation of Intangible assets (refer note: 10)	66.78	137.53
Total depreciation, amortization and impairment	**95.73**	**726.48**

32 Other expenses

₹ in crore

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	47.96	53.41
Rates and taxes	1.53	1.45
Repairs and maintenance	77.63	73.82
Advertisement and publicity	3.08	2.87
Printing and stationery	6.15	7.02
Telephone and postage	7.38	6.39
Directors sitting fees	0.39	0.40
Auditor's remuneration (refer footnote)	1.38	2.13
Legal and professional charges	392.26	216.90
Insurance	3.87	4.72
Electricity charges	4.79	4.82
Travelling and conveyance	21.45	14.90
Stamping charges	0.76	13.76
Collection charges	435.70	302.90
Loan processing charges	8.42	7.58
Corporate social responsibility expenses (refer note: 36)	5.48	11.78
Donation	-	-
Corporate support charges	14.30	17.64
Bank charges	11.22	17.51
Non executive directors remunerations	0.80	0.77
Loss on sale of property, plant and equipment (net)	0.03	0.53
Brand license fees	44.57	0.07
Miscellaneous expenses	3.98	3.46
Total administration and other expenses	**1,093.13**	**764.83**
footnote: Auditor's remuneration comprises the following*		
Statutory audit fees	0.50	0.64
Limited review fees	0.61	0.53
Tax audit Fees	0.10	0.05
Certification and other service	0.05	0.75
Expenses reimbursed	0.01	0.03
GST/Service tax (net of input credit)	0.11	0.13
	1.38	**2.13**

* Note: Auditors remuneration includes fees paid to merging entities's auditors.

Notes forming part of the financial statements for the year ended March 31, 2022

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

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

A. Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Subsidiary Companies

3. L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)
4. L&T Infra Investment Partners Advisory Private Limited
5. L&T Infra Investment Partners Trustee Private Limited
6. L&T Infra Investment Partners Fund

D. Fellow Subsidiary Companies

7. Larsen & Toubro Infotech Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. Larsen & Toubro Electromech LLC
11. L&T Hydrocarbon Engineering Limited

E. Key Management Personnel

12. Mr. Dinanath Dubhashi
13. Mr. Sachinn Joshi *(Appointed as Whole Time Director with effect from October 8, 2021)*
14. Mr. Sunil Prabhune *(Ceased as Whole Time Director from August 12, 2021)*
15. Mr. P. V. Bhide *(Reappointed as an Independent Director from March 18, 2022)*
16. Dr (Mrs). Rajni R Gupte
17. Mr. Rishi Mandawat
18. Mr. Thomas Mathew T. *(Appointed as Independent Director with effect from April 12, 2021)*
19. Mrs. Nishi Vasudev *(Appointed as Independent Director with effect from April 12, 2021)*

(b) Disclosure of related party transactions :

₹ in crore

Sr. No.	Nature of transaction[1]	2021-22	2020-21
1	**Inter corporate deposits borrowed**		
	L&T Finance Holdings Limited	2,060.86	8,165.70
	L&T Investment Management Limited	451.29	643.46
2	**Inter corporate deposits repaid**		
	L&T Finance Holdings Limited	2,115.66	7,880.53
	L&T Investment Management Limited	451.29	671.26
3	**Interest expense on inter corporate deposits**		
	L&T Finance Holdings Limited	47.67	43.18
	L&T Investment Management Limited	12.53	10.52

₹ in crore

Sr. No.	Nature of transaction[1]	2021-22	2020-21
4	**Corporate support charges paid to**		
	L&T Finance Holdings Limited	13.12	16.19
5	**Rent and maintenance cost paid to**		
	L&T Financial Consultants Limited	41.54	42.71
	L&T Investment Management Limited	0.08	0.34
	Larsen & Toubro Limited	0.11	-
6	**Rent and maintenance cost recovered from**		
	L&T Investment Management Limited	2.80	3.08
7	**Professional charges paid to**		
	Larsen & Toubro Limited	4.46	3.92
8	**IT Professional fees paid to**		
	Larsen & Toubro Limited	1.26	1.97
	Larsen & Toubro Infotech Limited	1.01	1.05
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	-	1.28
9	**Sale of loan portfolio to**		
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	-	404.63
10	**Brand license fees paid to**		
	Larsen & Toubro Limited	42.05	0.07
11	**ESOP cost paid to**		
	L&T Finance Holdings Limited	13.79	41.64
12	**Investment in Units**		
	L&T Infra Investment Partners Fund	4.23	5.39
13	**Capital infusion in fund**		
	L&T Infra Investment Partners Fund	-	4.20
14	**Corporate support charges recovered from**		
	L&T Infra Investment Partners Advisory Private Limited	1.64	1.91
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	5.50	5.46
	L&T Investment Management Limited	13.51	12.25
	Larsen & Toubro Limited	1.26	0.44
15	**Security deposit paid**		
	L&T Financial Consultants Limited	-	0.48
16	**Security deposit received**		
	L&T Financial Consultants Limited	0.47	3.78
17	**Interest on non convertible debenture (Borrowings)**		
	Larsen & Toubro Limited	128.33	113.69
18	**Processing fees sharing on sale of loan portfolio**		

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Sr. No.	Nature of transaction[1]	2021-22	2020-21
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	-	1.42
19	**Limit Creation Fees (NCD)**		
	Larsen & Toubro Limited	-	11.54
20	**Subscription in Non-Convertible Debentures (NCD)**		
	Larsen & Toubro Limited	-	2,445.00

21 Compensation Paid to Key Managerial Personnel[2]

₹ in crore

Name of Key Management Personnel	2021-22				2020-21			
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr. Sachinn Joshi	1.34	-	-	1.34	-	-	-	-
Mr. Sunil Prabhune	3.67	-	-	3.67	4.45	-	-	4.45
Mr. P. V. Bhide	0.24	-	-	0.24	0.31	-	-	0.31
Dr (Mrs). Rajni R Gupte	0.28	-	-	0.28	0.36	-	-	0.36
Mr. Rishi Mandawat	0.17	-	-	0.17	0.31	-	-	0.31
Mr. Thomas Mathew T.	0.20	-	-	0.20	0.14	-	-	0.14
Mrs. Nishi Vasudeva	0.20	-	-	0.20	0.17	-	-	0.17

Footnote: Compensation paid to Key Managerial Personnels of erstwhile L&T Infrastructure Finance Company Limited ₹ 2.98 crore for FY 2020-21 and erstwhile L&T Housing Finance Limited ₹ 3.30 crore for FY 2020-21 are not included in previous period numbers in above table.

(c) Amount due to/from related parties:

₹ in crore

Sr. No.	Nature of transactions	As at March 31, 2022	As at March 31, 2021
1	**Inter corporate borrowings**		
	L&T Finance Holdings Limited	1,018.21	1,073.01
2	**Interest accrued on inter corporate borrowings**		
	L&T Finance Holdings Limited	19.38	2.52
3	**Investment in subsidiaries**		
	L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	478.26	478.26
	L&T Infra Investment Partners Advisory Private Limited	5.00	5.00
	L&T Infra Investment Partners Trustee Private Limited	0.10	0.10
4	**Investment in units of fund**		
	L&T Infra Investments Partner Fund	219.28	240.40
5	**Non convertible debenture (Borrowings) from[3]**		
	Larsen & Toubro Limited	1,025.38	2,015.38
6	**Interest accrued on non convertible debenture (borrowings)**		

₹ in crore

Sr. No.	Nature of transactions	As at March 31, 2022	As at March 31, 2021
	Larsen & Toubro Limited	39.66	76.73
7	**Rent deposit to**		
	L&T Financial Consultants Limited	16.60	17.06
8	**Account payable**		
	L&T Finance Holdings Limited	-	17.45
	Larsen & Toubro Electromech LLC	0.01	0.01
	L&T Hydrocarbon Engineering Limited	0.02	0.02
	Larsen & Toubro Infotech Limited	0.15	0.27
9	**Account receivable**		
	Larsen & Toubro Limited	1.14	9.47
	L&T Finance Holdings Limited	7.18	-
	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited)	1.50	-
	L&T Investment Management Limited	0.01	-
	L&T Financial Consultants Limited	-	0.13
10	**Brand license fees payable**		
	Larsen & Tourbo Limited	44.57	0.07

Notes:

1 Transactions shown above are excluding GST, if any.

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

3 The above NCD balance includes purchase and sale from secondary market and are held by related party as on reporting dates.

34 Disclosure pursuant to Ind AS 19 “Employee Benefits”

(i) Defined Contribution plan:

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

The Company has recognised charges of ₹ 38.59 crore (previous year: ₹ 34.14 crore) for provident fund contribution is included in “Note 30 Employee Benefits Expenses” in the Statement of Profit and Loss.

(ii) Defined Benefits Gratuity Plan :

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

Notes forming part of the financial statements for the year ended March 31, 2022

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2022	As at March 31, 2021
A) Present Value of Defined Benefit Obligation		
- Wholly funded	39.30	33.23
- Wholly unfunded	-	-
	39.30	**33.23**
Less : Fair value of plan assets	(31.54)	(24.31)
Amount to be recognised as liability or (asset)	**7.76**	**8.92**
B) Amounts reflected in Balance Sheet		
Liabilities	7.76	8.92
Assets	-	-
Net liability	**7.76**	**8.92**

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2022	As at March 31, 2021
1	Current Service Cost	9.21	9.05
2	Net Interest Cost	0.53	0.52
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	(2.67)	1.46
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	(0.75)
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.08	(1.96)
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	(0.40)	0.19
	v) Adjustment to recognize as asset celing	-	-
4	Past Service Cost	-	-
	Total (1 to 4)	**7.75**	**8.51**
i	Amount included in "employee benefits expenses"	9.21	9.05
ii	Amount included in as part of "finance cost"	0.53	0.52
iii	Amount included as part of "Other Comprehensive income"	(1.99)	(1.06)
	Total (i + ii + iii)	**7.75**	**8.51**

(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, 2022	As at March 31, 2021
Opening balance of the present value of defined benefit obligation	33.23	25.86
Add : Current Service Cost	9.21	9.05
Add : Interest Cost	1.49	1.36
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	(2.67)	1.46
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	(0.75)
iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.08	(1.96)
Less : Benefits paid	(3.79)	(1.84)
Add : Past service cost	-	-
Add : Liability assumed/(settled)*	0.75	0.05
Closing balance of the present value of defined benefit obligation	**39.30**	**33.23**

(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, 2022	As at March 31, 2021
Opening balance of the fair value of the plan assets	24.31	14.79
Add : interest income of plan assets	0.96	0.84
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	0.40	(0.19)
Add : Contribution by the employer	9.65	10.71
Less : Benefits paid	(3.79)	(1.84)
Add: Assets acquired/(settled)*	-	-
Closing balance of the fair value of the plan assets	**31.53**	**24.31**

Notes forming part of the financial statements for the year ended March 31, 2022

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

₹ in crore

Sr. No	Particulars	Gratuity Plan	
		As at March 31, 2022	As at March 31, 2021
1	Government of India Securities	1.38	1.99
2	Insurer managed funds - unquoted	23.29	17.74
3	Others debt instruments	1.55	1.89
4	Others - unquoted	5.32	2.69
	Total plan assets	**31.54**	**24.31**

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2022	As at March 31, 2021
1	Discount rate	5.90%	4.65%
2	Salary escalation rate	9.00%	9.00%

(A) Discount rate:

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

(B) Salary escalation rate:

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

(g) Attrition Rate:

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

(h) Mortality:

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

(i) Sensitivity Analysis:

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan			
		Effect of 1% increase		Effect of 1% decrease	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1	Impact of change in discount rate	(1.91)	(1.80)	2.11	2.00
2	Impact of change salary escalation rate	2.02	1.90	(1.88)	(1.75)

(iii) Defined Benefits Provident Fund Plan

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

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2022	As at March 31, 2021
A) Present Value of Defined Benefit Obligation		
- Wholly funded	15.15	14.60
- Wholly unfunded	-	-
	15.15	**14.60**
Assets acquired on acquisition		
Less : Fair Value of plan assets	(16.30)	(15.95)
Add : Amount not recognised as an asset	-	-
Amount to be recognised as liability or (asset)	**(1.15)**	**(1.35)**
B) Amounts reflected in Balance Sheet		
Liabilities	-	-
Assets	(1.15)	(1.35)
Net liability/(asset)	**(1.15)**	**(1.35)**

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

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2022	As at March 31, 2021
1	Current Service Cost	-	-
2	Interest Cost	1.20	1.18
3	Interest Income on Plan Assets	-	-
4	Expected return on Plan Assets	(1.20)	(1.18)
5	Actuarial losses/(gains)	(0.58)	(0.47)
6	Actuarial gain/(loss) not recognised in Books	0.58	0.47
	Total (1 to 6)	**-**	**-**
i	Amount included in “employee benefits expenses”	-	-
ii	Amount included in as part of “finance cost"	-	-
iii	Amount included as part of “Other Comprehensive income”	-	-
	Total (i + ii + iii)	**-**	**-**

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2022	As at March 31, 2021
Opening balance of the present value of defined benefit obligation	14.60	14.32
Add : Assets acquired on acquisition	-	-
Add : Current Service Cost	-	-
Add : Interest Cost	1.20	1.18
Add : Actuarial (gains)/losses		
i) Actuarial (gains)/losses arising from changes in financial assumptions	-	-
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	-	-
Less : Benefits paid	(1.76)	(0.91)
Add : Contribution by the employer	0.77	(0.02)
Add : Liability assumed/(settled)*	0.34	0.03
Closing balance of the present value of defined benefit obligation	**15.15**	**14.60**

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2022	As at March 31, 2021
Opening balance of the fair value of the plan assets	15.95	15.18
Add : Assets acquired on acquisition	-	-
Add : Interest income of plan assets	1.20	1.18
Add/(less) : Actuarial gains/(losses)		
Difference between actual return on plan assets and interest income	0.58	0.47
Add : Contribution by the employer	-	-
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(1.76)	(0.91)
Add: Assets acquired/(settled)*	0.34	0.03
Closing balance of plan assets	**16.31**	**15.95**

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

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2022	As at March 31, 2021
1	Government of India Securities	7.38	7.23
2	Corporate Bonds	4.97	4.69
3	Special Deposit Scheme	0.54	0.59
4	Public Sector Unit Bond	1.69	2.01
5	Others	1.73	1.43
	Total plan assets	**16.31**	**15.95**

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2022	As at March 31, 2021
1	Discount rate for the term of the obligation	7.05%	6.44%
2	Average historic yield on the investment portfolio	8.64%	8.85%
3	Discount rate for the remaining term to maturity of the investment portfolio	6.85%	6.60%
4	Future derived return on assets	8.84%	8.69%
5	Guaranteed rate of return	8.10%	8.25%

(A) Discount rate:

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

(B) Average historic yield on the investment portfolio:

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

(C) Expected investment return:

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

(D) Guaranteed rate of return:

The Regional Provident Fund Commissioner has not yet declared the interest rate for its own subscribers for the current financial year 2021-2022.

However, in view of the fall in equity values as at 31 March 2022 and fall in the returns on fixed income instruments, we are of the view that going forward the future guaranteed rate is unlikely to be in excess of 8.10% p.a

*On account of business combination or inter group transfer

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

I) Company as Lessee

a) Operating Lease

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

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

₹ in crore

Class of Assets	Opening balance	Addition during the year	Derecognize during the year	Depreciation for the year	Closing balance
As at March 2022	29.79	21.28	4.08	14.63	32.36
As at March 2021	32.54	11.04	3.41	10.38	29.79

iii) Details with respect to lease liabilities

₹ in crore

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening Lease liability	34.05	36.34
Add: Additions during the year	21.28	11.04
Add: Interest accrued during the year	5.69	3.05
Less: Interest paid during the year	(5.69)	(3.05)
Less: Sale off	0.00	(3.72)
Less: Principal Repayment during the year	(19.80)	(9.61)
Closing Lease liability	**35.53**	**34.05**

iv) Interest expense on lease liabilities for F.Y. 2021-22 is ₹ (5.69) crore and for F.Y. 2020-21 is ₹ 3.05 crore

v) Expense relating to leases for which underlying asset is of low value for F.Y. 2021-22 is ₹ 6.16 crore and for F.Y. 2020-21 is ₹ 22.17 crore

vi) Expense related to short-term leases for F.Y. 2021-22 is ₹ 43.50 crore and for F.Y. 2020-21 is ₹ 34.26 crore

vii) Expense related to variable lease payments for F.Y. 2021-22 is Nil and F.Y. 2020-21 is Nil

viii) Income from sub-leasing of right of use assets for F.Y. 2021-22 is ₹ 1.70 crore and for F.Y. 2020-21 is ₹ 3.02 crore

b) Finance Lease : Not Applicable

II) Company as Lessor

a) Finance Lease

i) The Company has given on finance leases certain items of plant and equipment. The leases have a primary period that is fixed and noncancellable and a secondary period. There are no exceptional/restrictive covenants in the lease agreement. There are no significant risks associated with rights that the Company retains in underlying assets.

ii) Maturity analysis of minimum undiscounted lease receivables and the present value of minimum lease payments receivable is as under:

₹ in crore

Particulars	As at 31 March, 2022	As at 31 March, 2021
Receivable not later than 1 year	4.85	20.70
Receivable later than 1 year but not later than 2 year	0.01	4.85
Receivable later than 2 year but not later than 3 year	-	0.01
Receivable later than 3 year but not later than 4 year	-	-
Receivable later than 4 year but not later than 5 year	-	-
Receivable later than 5 years	-	-
Gross investment in lease	**4.86**	**25.56**
Less: Unearned finance income	0.23	2.05
Present value of minimum lease payment receivable	**4.63**	**23.51**

iii) Finance lease income on net investment in lease recognised in statement of Profit & loss during the F.Y. 2021-22 is ₹ 1.50 crore and for F.Y. 2020-21 is ₹ 3.84 crore

iv) Finance lease income relating to variable lease payments not depending on index/rate - NIL

v) Changes in carrying amount of net investment in finance lease

₹ in crore

Particulars	Current	Non Current	Total
Opening value of Lease Receivables as on April 1, 2020	**25.42**	**25.56**	**50.98**
Add: Finance lease income recognised in P&L	3.84	-	3.84
Less: Lease rental received (cash payment)	(29.26)	-	(29.26)
Add/Less: Change on account of any other factors	20.70	(20.70)	-
Opening value of Lease Receivables as on April 1, 2021	**20.70**	**4.86**	**25.56**
Add: Finance lease income recognised in P&L	1.50	-	1.50
Less: Lease rental received (cash payment)	(22.20)	-	(22.20)
Add/Less: Change on account of any other factors	4.85	(4.85)	-
Closing value of Lease Receivables as on March 31, 2022	**4.85**	**0.01**	**4.86**

b) Operating Lease :

i) The company has given certain assets under operating lease. There are no significant risks associated with rights that the Company retains in underlying assets. Leases are renewed only on mutual consent and at a prevalent market price.

ii) Maturity analysis of undiscounted lease receivables:

₹ in crore

Particulars	As at 31 March, 2022	As at 31 March, 2021
Receivable not later than 1 year	0.16	0.46
Receivable later than 1 year but not later than 2 year	-	0.23
Receivable later than 2 year but not later than 3 year	-	-

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	As at 31 March, 2022	As at 31 March, 2021
Receivable later than 3 year but not later than 4 year	-	-
Receivable later than 4 year but not later than 5 year	-	-
Receivable later than 5 years	-	-
Total	**0.16**	**0.69**

iii) Lease income recognised in Profit & Loss account (Other than variable lease payment) for F.Y. 2021-22 is ₹ 0.23 crore and for F.Y. 2020-21 is ₹ 0.68 crore

iv) Lease income relating to variable lease payments not depending on index/rate : Nil

36 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 16.34 crore (previous year: ₹ 17.05 crore).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 5.48 crore (previous year: ₹ 11.78 crore) (Refer note no. 32 of financial statements), which comprises of:

₹ in crore

Particulars	2021-22			2020-21		
	In cash	Set off from previous years	Total	In cash	Set off from previous years	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	-	-	-	0.38	-	0.38
(ii) On purposes other than (i) above	5.41	10.93	16.34	-	16.67	16.67

(b) Amount of surplus to be carried forward in subsequent years for Set off :

₹ in crore

Amount spent in excess of requirements as per Companies Act, 2013 as on March 31, 2021 available for set off in subsequent years	Actual amounts spent during FY 21-22	Amounts to be spent in FY 21-22 as per the requirements of Companies Act, 2013	Surplus carried forward to be set off in subsequent years
10.93	5.48	16.34	0.07

Opening excess amounting to ₹ 2.75 crore pertaining to PM Cares fund cannot be utilized as per Government clarification and hence reduced from opening balance of ₹ 13.68 crores.

(c) **Nature of CSR activities during the financial year 2021-22**

The payment for the CSR activities are done for Digital Financial Literacy & Entrepreneurship Development and also for disaster management activities

Nature of CSR activities during the financial year 2020-21

(i) Digital Sakhi - Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups, Rural Development programme

(ii) Integrated Water Resource Management (IWRM) - eradicating extreme hunger and poverty, ensuring environmental sustainability, Rural Development programme

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

₹ in crore

Particulars	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to Statement of Profit and Loss for the year	Remaining expenses to be recovered in future year
(A)	(B)	(C)	(D)	(E = B-C)
As at March 31, 2022	258.69	202.52	13.79	56.17
As at March 31, 2021	232.30	188.74	41.64	43.56

38 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2021-22	2020-21
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	807.98	1.36
Weighted average number of equity shares outstanding during the year (Nos.)	B	2,684,172,360	2,684,172,360
Basic Earning Per Share (₹)	**A/B**	**3.01**	**0.01**
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	807.98	1.36
Weighted average number of equity shares outstanding (Nos.)	B	2,684,172,360	2,684,172,360
Diluted Earning Per Share (₹)	**A/B**	**3.01**	**0.01**
Face value of shares (₹)		**10.00**	**10.00**

39 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	8.66	8.66
- Sales tax/ VAT / Service Tax matter in dispute*	525.03	516.18
- Legal matter in dispute*	1.46	2.17
b) Bank Guarantees	125.29	181.54
c) Other money for which the Company is contingently liable Liability towards Letter of Credit (net of margin money)	403.88	158.62
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for#	16.29	11.22
b) Undisbursed Commitment	1,026.95	1,010.35

Note:

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

Figures reported above are excluding GST

40 Frauds committed against the company:

₹ in crore

Particulars	2021-22	2020-21
No. of cases of fraud which occurred during the year	149.00	286.00
Amount involved	2.73	193.29
Amount recovered	0.67	0.14
Amount provided/loss*	1.80	193.29

*net of recoveries.

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

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2022	As at March 31, 2021
1	Automobile Corporation Of Goa Limited	-	8,784
2	Bajaj Holdings And Investment Private Limited	-	20,220
3	Future Retail Limited	1,653,117	-
4	Kinetic Engineering Limited	-	17,556
5	Motherson Sumi Systems Limited	-	91,125
6	Munjal Showa Limited	-	25,000
7	NTPC Limited	-	19,000
8	Reliance Capital Limited	-	4,500
9	State Bank Of India	-	10,000
10	Tata Consultancy Services Limited	-	220
11	Tata Motors Limited	-	31,814
12	Tata Steel Limited	479,272	7,189,089
13	Saumya Mining Limited	513,012	513,012
14	NTPC Limited - NCD	-	16,300
15	Punj Lloyd Limited	5	5
16	GHCL Limited	70,000	70,000
17	Golden Tobacco Limited	10,000	10,000
18	Hindusthan National Glass & Industries Limited	3,404,499	3,404,499
19	Sterling International Enterprises Limited	217,309	217,309
20	Tulip Telecom Limited	1,401,762	1,401,762
21	Hanjer Biotech Energies Private Limited	325,096	325,096
22	VMC Systems Limited	717,736	179,608
23	KSK Energy Ventures Limited	308,446	308,446

Sr. No.	Name of Company	Quantity held as bailee	
		As at March 31, 2022	As at March 31, 2021
24	Soma Enterprises Limited	2,447,655	2,446,155
25	Gwalior Bypass Project Limited	21,287	-
26	KSK Electricity Financing India Pvt Ltd	2,000	-
27	Avantha Holdings Limited	4,500	-
28	Ace Urban Developers Private Limited	15,250	-
29	Valdel Projects Corporation Pvt Ltd	1,532	-

42 Expenditure in foreign currency:

₹ in crore

Particulars	2021-22	2020-21
Professional Fees	0.21	11.65
License Fees	6.05	2.96
Business Promotion Expenses	-	-
Finance Cost	59.68	77.25
Others	-	0.11

43 Dues to micro enterprises and small enterprises:

₹ in crore

Sr. No.	Particulars	2021-22	2020-21
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii.	the amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii.	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

footnote: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

44 Relationship with Struck Off Companies

(a) Amount outstanding as at March 31, 2022:

Sr. No.	Name of Struck off company	Nature of transactions with struck off company	Balance outstanding (Gross) (₹ in crore)	Balance outstanding (Net) (₹ in crore)	Relationship with the struck off company, if any, to be disclosed
1	Earl Grey Hotels Private Limited	Vendor	-	-	NA
2	Inmech Engineering Private Limited	Receivable	0*	0*	NA

* less than 1 lakh

(b) Amount outstanding as at March 31, 2021:

Sr. No.	Name of Struck off company	Nature of transactions with struck off company	Balance outstanding (Gross) (₹ in crore)	Balance outstanding (Net) (₹ in crore)	Relationship with the struck off company, if any, to be disclosed
1	Earl Grey Hotels Private Limited	Vendor	-	-	NA
2	Inmech Engineering Private Limited	Receivable	0*	0*	NA

* less than 1 lakh

Note: Previous year number are taken for struck off companies as on date.

45 A) Amalgamation of L&T Infrastructure Finance Company Limited ("LTIFC") and L&T Housing Finance Limited ("LTHF") with the Company during previous F.Y. 2020-21

1. L&T Infrastructure Finance Company Limited ("LTIFC"), L&T Housing Finance Limited ("LTHF") and the Company, wholly owned subsidiaries of L&T Finance Holdings Limited ("LTFH") wherein "LTHF" is HFC registered with NHB and "LTIFC" and the Company are NBFCs registered with RBI within the L&T Financial Services Group ("LTFS/Group). In order to consolidate the business of the lending entities for creation of a single larger unified entity , it was proposed that LTIFC and LTHF to be amalgamated with the Company. Amalgamation will lead to consolidation and help synergise integration of the businesses of transferor companies and the transferee company to enable better operational management, greater focus and simplification of group corporate structure.

   The Board of directors of LTIFC, LTHF and the Company had approved the scheme of amalgamation by way of merger by absorption ("Scheme") of "LTIFC" and "LTHF" (together referred as Transferor Company) with the Company (Transferee Company) on March 20, 2020 effective from April 01, 2020 (Appointed date). Pursuant to receipt of necessary orders from National Company Law Tribunal (NCLT), Mumbai and Kolkata, sanctioning the scheme of amalgamation by way of merger by absorption of LTHF and LTIFC with the Company, under Sections 230 to 232 of the Companies Act, 2013, the Scheme became effective on April 12, 2021. On and from the Appointed Date, i.e., April 1, 2020, the Company has accounted for amalgamation as a common control business combination in accordance with Appendix C of the Indian Accounting Standard (Ind AS) 103 - "Business Combinations".

   The figures for the previous financial year represent the figures of the Amalgamated Company from appointed date April 01, 2020.

2. The purchase consideration of ₹ 1,085.03 crore for acquisition of Transferor Company was settled by Transferee Company through issue of 108,50,34,161 (One hundered eight crores fifty lakhs thirty four thousand one hundred sixty one) equity shares of ₹ 10 each to the shareholder of LTIFC and LTHF as on the record date as stated in the Scheme as per following share exchange ratio.

a) 201 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Housing Finance Limited pre merger

b) 50 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Infrastructure Finance Company Limited pre merger

The amalgamation was accounted as a common control business combination in accordance with the accounting prescribed under "pooling of interest" method in Appendix C of the Indian Accounting Standard (Ind AS) 103 - "Business Combinations" and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets, liabilities and reserves and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company.

Consequent to the Scheme becoming effective, Assets net of liabilities and reserves of Transferor Company amounting to ₹ 1,670.67 crore as on the Appointed Date have been transferred to the Transferee Company at their respective carrying value. The balance amount of ₹ 585.64 crore has been credited in Capital Reserve on amalgamation.

Break down of the purchase consideration into net value of assets, liabilities and reserve transfer and capital reserve is as under:

₹ in crore

Particulars	LTIFC	LTHF	Total
I. Consideration paid for acquisition	**752.65**	**332.38**	**1,085.03**
II. Assets, Liabilities and Reserves transferred			
a. Assets acquired on appointed date	31,656.55	15,067.80	46,724.35
b. Liabilities transferred on appointed date	26,446.16	13,546.09	39,992.25
c. Reserves transferred on appointed date	3,705.09	1,356.34	5,061.43
Net Value (a-b-c)	**1,505.30**	**165.37**	**1,670.67**
III. Capital Reserve (II-I)	**752.65**	**(167.01)**	**585.64**

46 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" and pursuant to Ind AS 1 "Presentation of financial statements"

Maturity profile of financial assets and financial liabilities

₹ in crore

Particular	March 31, 2022			March 31, 2021		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
ASSETS:						
Financial assets						
Cash and cash equivalents	4,233.83	-	4,233.83	4,312.83	-	4,312.83
Bank Balance other than (a) above	1,909.15	0.21	1,909.36	1,418.93	30.36	1,449.29
Derivative financial instruments	145.48	58.56	204.04	(6.02)	38.62	32.60
Receivables						
Trade receivables	5.24	-	5.24	23.00	-	23.00
Other receivables	56.43	-	56.43	65.63	-	65.63
Loans	41,607.88	35,921.17	77,529.06	40,660.59	37,933.05	78,593.64

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particular	March 31, 2022			March 31, 2021		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Investments	2,877.85	6,426.11	9,303.95	2,576.29	5,850.72	8,427.01
Other financial assets	82.78		82.78	58.47	9.59	68.06
Non-financial assets						
Current tax assets (net)	-	580.18	580.18	-	516.65	516.65
Deferred tax assets (net)	-	1,401.20	1,401.20	-	1,584.36	1,584.36
Property, plant and equipment	-	19.41	19.41	-	22.56	22.56
Intangible assets under development	-	21.79	21.79	-	23.84	23.84
Other intangible assets	-	115.76	115.76	-	110.89	110.89
Right of use assets	-	32.36	32.36	-	29.79	29.79
Other non-financial assets	53.12	623.32	676.44	110.73	837.87	948.60
Total Assets	**50,971.76**	**45,200.07**	**96,171.83**	**49,220.45**	**46,988.30**	**96,208.75**
LIABILITIES :						
Financial liabilities						
Payables						
Trade payables	423.67	-	423.67	364.90	-	364.90
Other payables	6.49	-	6.49	5.07	-	5.07
Debt securities	17,442.53	17,223.08	34,665.61	14,544.12	22,686.36	37,230.48
Borrowings (other than debt securities)	26,701.20	13,655.20	40,356.40	21,339.21	17,318.90	38,658.11
Subordinated liabilities	600.37	2,697.22	3,297.59	331.38	3,170.21	3,501.59
Lease liabilities	13.18	22.35	35.53	9.90	24.15	34.05
Other financial liabilities	662.54	-	662.54	500.48	56.13	556.61
Non-financial liabilities						
Current tax liabilities (net)	155.55	-	155.55	170.44	-	170.44
Provisions	25.86	-	25.86	26.57	-	26.57
Other non-financial liabilities	51.36	-	51.36	39.70	-	39.70
Total liabilities	**46,082.76**	**33,597.84**	**79,680.60**	**37,331.77**	**43,255.75**	**80,587.52**

47 Disclosure persuant to Ind AS 7 "Statement of Cash Flows"

Change in liabilities arising from financing activities:

₹ in crore

Particulars	As at April 1, 2021	Net Cash flows	Non - cash changes: Changes in fair values	Non - cash changes: Exchange Difference	Others	As at March 31, 2022
Debt securities	37,230.48	(2,114.35)	-	-	(450.52)	34,665.61
Borrowings (other than debt securities)	38,658.11	2,033.12	-	116.69	(451.52)	40,356.40
Subordinated liabilities	3,501.59	(200.00)	-	-	(4.00)	3,297.59
Total liabilities from financing activities	**79,390.18**	**(281.23)**	**-**	**116.69**	**(906.04)**	**78,319.60**

₹ in crore

Particulars	As at April 1, 2020	Net Cash flows	Non - cash changes: Changes in fair values	Non - cash changes: Exchange Difference	Others	As at March 31, 2021
Debt securities	34,310.91	3,161.39	-	-	(241.82)	37,230.48
Borrowings (other than debt securities)	45,335.36	(6,582.67)	-	162.89	(257.47)	38,658.11
Subordinated liabilities	3,303.92	186.00	-	-	11.67	3,501.59
Total liabilities from financing activities	**82,950.19**	**(3,235.28)**	**-**	**162.89**	**(487.62)**	**79,390.18**

Footnote: Others include mainly amortisation of issue cost and changes in accrued interest.

48 Risk Management

Basis

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

The risks are reviewed periodically every quarter.

Types of risk

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

- Credit risk
- Market risk
- Capital risk

Credit risk

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

Credit risk arises mainly from wholesale and retail loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees and letters of credit. The Company is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time. Internal credit rating is used as an important tool to manage exposures of the Wholesale segment. Ratings provides a consistent and common scale for measurement of components of credit risk of a loan asset including the Probability of Default (PD) across products and sectors. Credit rating model takes into account critical success parameters relevant for each industry, competitive forces within the industry as well as regulatory issues while capturing financial parameters, management strengths, project parameters etc. of the borrower. These ratings are reviewed at least once annually.

Loans and advances (including loan commitments and guarantees)

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

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

Infrastructure Finance and Housing Real Estate

The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its Wholesale segment. The Company use internal rating models tailored to the various categories of counterparties. Borrower and loan specific information collected at the time of application (such as turnover and industry type for wholesale exposures) and judgement based on market intelligence on the sector or the specific borrower is used in assigning the rating. The Company's own internal ratings were benchmarked against the cumulative default rates for 1 year and 3 year periods sourced from by CRISIL for Stage 1 and Stage 2 loan assets.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between a AAA and A- rating grade is lower than the difference in the PD between a BBB and B- rating grade.

Management also assesses the impact of economic developments in key markets on specific customers, customer segments or portfolios. If changes in credit conditions are foreseen, mitigation action, including the revision of risk appetites or limits and tenors, as appropriate are taken.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Housing Loan and Loans against Property)

The Company has deployed standardised credit decision rules, as approved by the designated officials for the specific product. The rules are regularly monitored to ensure that the changes in the economic environment have been factored into the credit decision rules.

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades and internal rating are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

As required by the extant guidelines (notification dated March 30, 2016 issued by the Ministry of Corporate Affairs) the Company adopted IND AS (with effect from April 1, 2017) and has been preparing IND AS based financial statements for accounting period beginning from April 1, 2018 onwards.

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

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly. The Upside scenario reflects improvement in rural disposable income on account of good monsoons. The Downside scenario reflects stress caused on account of Covid-19 pandemic.

Management oversees the estimation of ECL including:

i. setting requirements in policy, including key assumptions and the application of key judgements;

ii. the design and execution of models; and

iii. review of ECL results.

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

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note 1.8 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.8 for a description of how the Company defines credit-impaired and default).

The following are additional considerations for each type of portfolio held by the Company:

Infrastructure Finance and Housing Real Estate

For wholesale business, the PD was determined based on the internal credit rating assigned to the borrower as explained above. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods sourced from CRISIL.

The Exposure at Default ("EAD") is measured at the amortised cost as at the reporting date, after considering repayments of principal and interest received in advance -

The Company, in determining its Loss Given Default ("LGD") estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realised on resolution of cases referred to the National Company Law Tribunal ("NCLT") under the Insolvency and Bankruptcy Code, 2016.

The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 5 years for Infrastructure Finance business.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Housing Loan and Loans against Property)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time ("PIT") probability weighted PD.

A centralised impairment model summarises the historical payment behaviour of the borrowers within a retail portfolio which data is used to build the PD estimates. For estimating PD, information on days-past-due and month-on-book (vintage) (for certain products) form key differentiating characteristics. The weighted average is determined (using count of customers as the weight) from quarterly snapshots.

For credit impaired loan assets LGD is computed based on actual history of loss (on settlement/repossession and disposal of security/ enforcement action) from the same historical quarterly snapshots. The loss divided by the principal outstanding at the time of default is the loss ratio for a credit impaired loan asset in a specific snapshot. The weighted average of loss ratios (using the principal outstanding in respect of such credit impaired loan assets in the corresponding snapshot as the weight) was used to determine the LGD ratio for credit impaired loan assets.

The PD and LGD ratio was used along with respective EAD adjustment factor to arrive at the ECL for all stages of loan assets.

Exposure at Default (EAD)

EAD is the amortised cost as at the period end, after considering repayments of principal and interest received in advance.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

₹ in crore

Particulars	As at March 31, 2022 Outstanding	Cash Collateral	Nature of Non-cash collateral	As at March 31, 2021 Outstanding	Cash Collateral	Nature of Non-cash collateral
Financial assets						
Equity instruments (Subsidiary)	483.36	-		483.36	-	
Total financial assets at cost	**483.36**	**-**		**483.36**	**-**	
Cash and cash equivalent and other bank balances	6,143.19	-		5,762.12	-	
Loans and advances at amortised cost	54,775.28	-	Refer footnote below	55,715.97	-	Refer footnote below
Trade receivables	5.24	-		23.00	-	
Other receivables	56.43	-		65.63	-	
Other financial assets	82.78	-		68.06	-	
Total financial assets at amortised cost	**61,546.28**	**-**		**61,634.78**	**-**	
Financial assets at fair value through profit or loss	29,520.87	-		28,633.15	-	
Total financial instruments at fair value through profit or loss	**29,520.87**	**-**		**28,633.15**	**-**	
Derivative financial instruments	204.04	-		32.60	-	
Financial instruments at fair value through Other Comprehensive Income	2,053.50	-		2,188.17	-	
Total Financial instruments at fair value through Other Comprehensive Income	**2,257.54**	**-**		**2,220.77**	**-**	
Total on-balance sheet	**93,324.69**	**-**		**92,972.06**	**-**	
Off balance sheet						
Contingent liabilities	1,064.32	-		867.17	-	
Other commitments	1,043.24	-		1,021.58	-	
Total off-balance sheet	**2,107.56**	**-**		**1,888.75**	**-**	
Total	**95,432.25**	**-**		**94,860.81**	**-**	

Footnote:

(i) Retail loans, other than unsecured loans aggregating ₹ 28,722.90 crore as of March 31, 2022, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, Home loans and loans against property) (as of March 31, 2021: ₹ 27,140.74 crore). If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque.

(ii) Infrastructure Finance and Housing Real Estate loans are secured with current assets as well as immovable property and property, plant and equipment in some cases. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Company's net exposure to credit risk. Investments in debt instruments are predominantly investment grade.

Where collateral has been obtained in the event of default, the Company does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

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

Sr.No.	Name of Company	Quantity held as bailee	
		As at March 31, 2022	As at March 31, 2021
1	Automobile Corporation of Goa Limited	-	8,784
2	Bajaj Holdings and Investment Private Limited	-	20,220
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26	KSK Electricity Financing India Pvt Ltd	2,000	-
27	Avantha Holdings Limited	4,500	-
28	Ace Urban Developers Private Limited	15,250	-
29	Valdel Projects Corporation Pvt Ltd	1,532	-

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at March 31, 2022. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, Company/ borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management

Liquidity Risk:

The risk that the Company is unable to service its contractual or contingent liabilities or that it does not have the adequate amount of funding and liquidity to support its committed disbursements.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets and also by setting up limits on relevant liquidity stock ratios. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee ('ALCO'). Given the current market scenario, the Company has been maintaining positive cumulative liquidity gaps for all the time-buckets upto 1 year as a prudent risk management practice.

The Company also periodically undertakes liquidity stress testing under various liquidity stress scenarios. It maintains liquidity buffer for survival period of 30 days in the forms of High Quality Liquid Assets under 1-in-10 liquidity stress scenario, wherein hair-cut of 40% on undrawn bank lines and collection shortfall of 15% is assumed. To effectively manage the fallout of the Covid-19 pandemic related RBI measures on its funding and liquidity, the Company has been continuously maintaining higher level of liquidity buffer as a safeguard against any likely disruption in the funding and market liquidity.

Additionally, the Company has line of credit from the ultimate parent, Larsen & Toubro Limited.

Notes forming part of the financial statements for the year ended March 31, 2022

Further, Reserve Bank of India has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at March 31, 2022 is as under:

(i) Funding Concentration based on significant counterparty

Sr. No.	No. of Significant Counterparties	Amount (₹ in crore)	% of Total Deposits	% of Total Liabilities
1	21	51,274	N.A.	62%

Notes:

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

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

(iii) Top 10 borrowings :

Amount (₹ in crore)	% of Total Borrowings
38,631	50%

Note:

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

(iv) Funding Concentration based on significant instrument / product

Sr. No.	Name of the product	Amount (₹ in crore)	% of Total Liabilities
1	Term Loans	18,767	23%
2	Private Non-Convertible Debentures	26,571	32%
3	Working Capital Bank Lines	16,451	20%
4	Commercial Papers	6,470	8%
5	Public Non-Convertible Debentures	3,908	5%
6	External Commercial Borrowings	3,760	5%
7	Inter Corporate Borrowings	1,018	1%
	Total	**76,944**	**92%**

Note:

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

(v) Stock Ratios:

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	8%
2	Commercial papers as a % of total assets	6%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%
5	Other short-term liabilities as a % of total liabilities	29%
6	Other short-term liabilities as a % of total assets	24%

Note:

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

(vi) Institutional set-up for Liquidity Risk Management

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

(vii) Disclosure on Liquidity Coverage Ratio

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024, as per the time-line given below:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	50%	60%	70%	85%	100%

Further, NBFC are required to publicly disclose the information related to Liquidity Coverage Ratio on a quarterly basis. Accordingly, the disclosure on Liquidity Coverage Ratio of the Company for FY2022 is as under:

Notes forming part of the financial statements for the year ended March 31, 2022

LCR Discloure		Q1 FY 2021-22		Q2 FY 2021-22		Q3 FY 2021-22		Q4 FY 2021-22	
(₹ in Crore)		Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)	Total Unweighted[1] Value (average)	Total Weighted[2] Value (average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)**	**1,817.61**	**1,817.61**	**1,794.89**	**1,794.89**	**1,711.50**	**1,711.50**	**2,079.03**	**2,079.03**
	Cash in hand & Bank Balance	311.89	311.89	336.77	336.77	411.10	411.10	421.76	421.76
	Treasury Bills / G Sec (including Lending Under CBLO / TREPS Platform)	1,505.72	1,505.72	1,458.12	1,458.12	1,300.40	1,300.40	1,657.27	1,657.27
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	3,566.37	4,101.33	3,938.07	4,528.78	1,923.33	2,211.83	2,004.13	2,304.74
4	Secured wholesale funding	767.39	882.50	1,233.27	1,418.26	891.59	1,025.32	1,472.21	1,693.05
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements								
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities								
6	Other contractual funding obligations	520.97	599.11	721.16	829.34	831.56	956.29	956.86	1,100.38
7	Other contingent funding obligations	23.95	27.54	39.76	45.72	81.67	93.92	324.37	373.03
8	**TOTAL CASH OUTFLOWS**	**4,878.68**	**5,610.48**	**5,932.26**	**6,822.10**	**3,728.14**	**4,287.36**	**4,757.57**	**5,471.21**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,650.81	1,238.11	1,426.68	1,070.01	1,662.34	1,246.76	1,840.86	1,380.65
11	Other cash inflows3	21,121.68	15,841.26	17,848.06	13,386.04	18,393.59	13,795.19	14,934.39	11,200.79
12	**TOTAL CASH INFLOWS**	**22,772.48**	**17,079.36**	**19,274.73**	**14,456.05**	**20,055.93**	**15,041.95**	**16,775.25**	**12,581.43**
			Total Adjusted value		Total Adjusted value		Total Adjusted value		Total Adjusted value
13	**TOTAL HQLA**		**1,817.61**		**1,794.89**		**1,711.50**		**2,079.03**
14	**TOTAL NET CASH OUTFLOWS OVER THE NEXT 30 DAYS**		**1,402.62**		**1,705.52**		**1,071.84**		**1,367.80**
	(Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))								
15	**LIQUIDITY COVERAGE RATIO (%)[4]**		**130%**		**105%**		**160%**		**152%**

Notes:

1. Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows). Averages are calculated basis simple average of daily observations for Q4-FY2022.
2. Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).
3. Other cash inflows amongst others includes liquidity maintained in the form of Liquid Mutual funds, Fixed deposit placed with banks as well as available undrawn funding lines.
4. All of the HQLA, cash inflows and outflows are in rupee terms and there is no currency mismatch.
5. The above LCR ratios are prepared on the basis of RBI guidelines prescribed for liquidity risk management framework and same has been reported by management on quarterly basis and same is relied upon by auditors.

Foreign Exchange Rate Risk:

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

Interest Rate Risk:

Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). To mitigate interest rate risk, ALM Policy of the Company stipulates Interest Rate Sensitive Gaps for all the time-buckets. Interest Rate Sensitivity Statement is prepared every month and placed before ALCO. The Statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings for the entire Group of which the Company is a component are also measured every month and captured in the Risk Dashboard.

Security Prices:

The Company manages investment portfolios comprising of government securities, corporate bonds and debentures. To safeguard against the credit risk and interest rate risk in the investment portfolios, risk limits in the form of portfolio size limits, concentration limits and stop loss limit are stipulated. To provide early warning indicators, alarm limits have also been put in place. Reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Company does not invest in Equity stocks and therefore is not exposure to equity price risk on this account.

48.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans at amortised cost:

₹ in crore

Particulars		As at March 31, 2022			As at March 31, 2021		
		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	48,644.71	1,072.62	47,572.09	50,082.35	876.13	49,206.22
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	7,516.16	1,054.42	6,461.74	5,314.15	344.65	4,969.50
	Financial assets for which credit risk has increased significantly and credit-impaired	2,175.46	1,434.01	741.45	5,360.40	3,820.15	1,540.25
Total		**58,336.33**	**3,561.05**	**54,775.28**	**60,756.90**	**5,040.93**	**55,715.97**

48.2 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(b) Reconciliation of loss allowance provision - Loans at amortised cost:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on March 31, 2020	**536.71**	**268.44**	**3,784.79**	**4,589.94**
New assets originated or purchased*	458.96	60.59	35.71	555.25
Amount written off	-	-	(2,230.13)	(2,230.13)
Transfers to Stage 1	43.35	(26.24)	(17.12)	-
Transfers to Stage 2	(29.15)	33.55	(4.41)	-
Transfers to Stage 3	(27.72)	(143.69)	171.41	-
Impact of changes in credit risk on account of stage movements	(42.17)	331.10	1,476.54	1,765.48
Increase/ (Decrease) provision on existing financial assets including recovery	(63.86)	(179.11)	603.36	360.39
ECL as on March 31, 2021	**876.13**	**344.65**	**3,820.15**	**5,040.93**
New assets originated or purchased*	856.54	21.53	44.39	922.46
Amount written off	-	-	(1,797.23)	(1,797.23)
Transfers to Stage 1	22.80	(7.99)	(14.81)	-
Transfers to Stage 2	(117.09)	130.03	(12.94)	-
Transfers to Stage 3	(34.35)	(7.28)	41.63	-
Impact of changes in credit risk on account of stage movements	(22.29)	225.08	961.18	1,163.97
Increase/ (Decrease) provision on existing financial assets including recovery	(509.12)	348.40	(1,608.36)	(1,769.08)
ECL as on March 31, 2022	**1,072.62**	**1,054.42**	**1,434.01**	**3,561.05**

(b) Reconciliation of Gross carrying amount - Loans at amortised cost:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on March 31, 2020	**52,805.95**	**3,546.07**	**6,062.10**	**62,414.12**
New assets originated or purchased*	19,915.11	742.96	146.87	20,804.94
Amount written off	-	-	(2,241.94)	(2,241.94)
Transfers to Stage 1	278.34	(243.04)	(35.30)	-
Transfers to Stage 2	(2,876.80)	2,888.42	(11.62)	-
Transfers to Stage 3	(1,622.99)	(470.63)	2,093.62	-
Net recovery	(18,417.27)	(1,149.63)	(653.33)	(20,220.22)
Gross carrying amount as on March 31, 2021	**50,082.35**	**5,314.15**	**5,360.40**	**60,756.90**
New assets originated or purchased*	26,911.40	278.70	63.60	27,253.70
Amount written off	-	-	(1,846.58)	(1,846.58)

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Transfers to Stage 1	224.60	(193.05)	(31.55)	-
Transfers to Stage 2	(3,263.47)	3,296.11	(32.64)	-
Transfers to Stage 3	(1,340.98)	(199.07)	1,540.05	-
Net recovery	(23,969.19)	(980.68)	(2,877.82)	(27,827.69)
Gross carrying amount as on March 31, 2022	**48,644.71**	**7,516.16**	**2,175.46**	**58,336.33**

* excludes assets originated or purchased and derecognised during the year

48.3 Other disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ in crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
I	**Measured at fair value through profit or loss (FVTPL):**		
	(i) Investment in equity instruments	550.98	428.79
	(ii) Investment in preference shares	-	0.68
	(iii) Investment in bonds/debentures	413.46	509.31
	(iv) Investment in mutual funds	665.94	400.07
	(v) Investment in government securities	-	-
	(vi) Investment in security receipt	4,886.23	4,114.87
	(vii) Investment in units of fund	250.48	301.76
	(viii) Loans	22,753.78	22,877.67
	Sub-total (I)	**29,520.87**	**28,633.15**
II	**Measured at amortised cost:**		
	(i) Loans	54,775.28	55,715.97
	(ii) Trade receivables	5.24	23.00
	(iii) Other receivables	56.43	65.63
	(iv) Other financial assets	82.78	68.06
	(v) Cash and cash equivalents and bank balances	6,143.19	5,762.12
	Sub-total (II)	**61,062.92**	**61,634.78**
III	**Measured at fair value through other comprehensive income (FVTOCI):**		
	(i) Investment in bonds/Debentures	729.31	720.57
	(ii) Investment in government securities	1,323.28	1,466.66
	(iii) Investment in equity instruments	-	-
	(iv) Investment in pass through certificates	-	-
	(v) Derivative financial instruments	204.04	32.60
	(vi) Investment in units of fund	0.91	0.94
	Sub-total (III)	**2,257.54**	**2,220.77**
	Total (I+II+III)	**92,841.33**	**92,488.70**

Notes forming part of the financial statements for the year ended March 31, 2022

(b) Category-wise classification for applicable financial liabilities:

₹ in crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
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	34,665.61	37,230.48
	(ii) Borrowings (other than debt securities)	40,356.40	38,658.11
	(iii) Subordinated liabilities	3,297.59	3,501.59
	(iv) Trade payables	423.67	364.90
	(v) Other payables	6.49	5.07
	(vi) Lease liabilities	35.53	34.05
	(vii) Other financial liabilities	662.54	556.61
	Sub-total (II)	**79,447.83**	**80,350.81**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	**-**	**-**
	Sub-total (III)	**-**	**-**
	Total (I+II+III)	**79,447.83**	**80,350.81**

48.4 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Fair value of financial assets and financial liabilities measured at amortised cost:

₹ in crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	54,775.28	54,775.28	55,715.97	55,715.97
Total	**54,775.28**	**54,775.28**	**55,715.97**	**55,715.97**
Financial liabilities:				
Debt Securities	34,665.61	35,785.31	37,230.48	39,130.89
Borrowings (other than debt securities)	40,356.40	40,210.22	38,658.11	38,902.44
Subordinated liabilities	3,297.59	3,435.06	3,501.59	3,697.41
Lease liabilities	35.53	35.53	34.05	34.05
Total	**78,355.13**	**79,466.13**	**79,424.23**	**81,764.78**

The carrying amounts of cash & cash equivalents, bank balance, trade receivables, other receivables, other financial assets, trade payables, other payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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

₹ in crore

As at March 31, 2022	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	54,775.28	54,775.28	Discounted cashflow approach
Total financial assets	**-**	**-**	**54,775.28**	**54,775.28**	
Financial liabilities:					
Debt Securities	-	-	35,785.31	35,785.31	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	40,210.22	40,210.22	Discounted cashflow approach
Subordinated liabilities	-	-	3,435.06	3,435.06	Discounted cashflow approach
Lease liabilities	-	-	35.53	35.53	Discounted cashflow approach
Total financial liabilities	**-**	**-**	**79,466.13**	**79,466.12**	

₹ in crore

As at March 31, 2021	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	55,715.97	55,715.97	Discounted cashflow approach
Total financial assets	**-**	**-**	**55,715.97**	**55,715.97**	
Financial liabilities:					
Debt Securities	-	-	39,130.89	39,130.89	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	38,902.44	38,902.44	Discounted cashflow approach
Subordinated liabilities	-	-	3,697.41	3,697.41	Discounted cashflow approach
Lease liabilities	-	-	34.05	34.05	
Total financial liabilities	**-**	**-**	**81,764.78**	**81,764.78**	

48.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

₹ in crore

Particulars	As at March 31, 2022				As at March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Financial assets at fair value through profit and loss:								
Investments								
- Equity instruments	158.39	-	392.59	550.98	97.91	-	330.88	428.79
- Preference shares	-	-	-	-	-	-	0.68	0.68
- Bonds and debentures	-	-	413.46	413.46	-	-	509.31	509.31
- Mutual funds	665.94	-	-	665.94	400.07	-	-	400.07
- Security receipts	-	-	4,886.23	4,886.23	-	-	4,114.87	4,114.87
- Units of fund	-	-	250.48	250.48	-	-	301.76	301.76
Loans	-	-	22,753.78	22,753.78	-	-	22,877.67	22,877.67
Sub total	**824.33**	**-**	**28,696.54**	**29,520.87**	**497.98**	**-**	**28,135.17**	**28,633.15**

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	As at March 31, 2022 Level 1	Level 2	Level 3	Total	As at March 31, 2021 Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income:								
Investments								
- Bonds and debentures	-	729.31	-	729.31	-	578.80	141.77	720.57
- Government securities	-	1,323.28	-	1,323.28	-	1,466.66	-	1,466.66
- Pass through certificates	-	-	-	-	-	-	-	-
- Investment in Units of Fund	-	0.91	-	0.91		0.94	-	0.94
Derivative financial instruments	-	204.04	-	204.04	-	32.60	-	32.60
Sub total	**-**	**2,257.54**	**-**	**2,257.54**	**-**	**2,079.00**	**141.77**	**2,220.77**
Total Financial assets at fair value	**824.33**	**2,257.54**	**28,696.54**	**31,778.41**	**497.98**	**2,079.00**	**28,276.94**	**30,853.92**
Financial liabilities:								
Financial liabilities at fair value through profit and loss:	-	-	-	-	-	-	-	-
Total Financial liabilities at fair value	-	-	-	-	-	-	-	-

48.6 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2022 :

₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
Balance as at April 1, 2020	**331.05**	**3.73**	**888.01**	**7.09**	**2,498.67**	**375.21**	**24,877.64**	**28,981.40**
Acquisitions	-	-	-	-	1,909.27	8.20	3,721.30	5,638.77
Transfer from Level 2 to Level 3	-	-	-	-	-	-	-	-
Deletions	-	(3.60)	(9.29)	-	(153.11)	(66.83)	(5,562.50)	(5,795.33)
Gains/(losses) recognised in profit or loss	(0.17)	0.55	(83.45)		(139.96)	(14.82)	(158.77)	(396.62)
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
Impairment recognised in profit or loss	-	-	(144.19)	(7.09)	-	-	-	(151.28)
As at March 31, 2021	**330.88**	**0.68**	**651.08**	**-**	**4,114.87**	**301.76**	**22,877.67**	**28,276.94**

₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
Acquisitions	61.71	1.00	-	-	1,484.10	14.79	7,315.58	8,877.18
Transfer from Level 2 to Level 3	-	-	-	-	-	-	-	-
Deletions	-	(1.20)	(588.85)	(0.01)	(462.75)	(38.31)	(7,091.37)	(8,182.49)
Gains/(losses) recognised in profit or loss	-	(0.48)	(74.06)	-	(249.99)	(27.76)	(348.10)	(700.39)
Gains/(losses) recognised in other comprehensive income	-	-	30.52	-	-	-	-	30.52
Impairment recognised in profit or loss	-	-	394.77	0.01	-	-	-	394.78
As at March 31, 2022	**392.59**	**-**	**413.46**	**-**	**4,886.23**	**250.48**	**22,753.78**	**28,696.54**
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period								
As at March 31, 2021	**(0.17)**	**0.55**	**(227.64)**	**(7.09)**	**(139.96)**	**(14.82)**	**(158.77)**	**(547.90)**
As at March 31, 2022	**-**	**(0.48)**	**320.71**	**0.01**	**(249.99)**	**(27.76)**	**(348.10)**	**(305.61)**
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period								
As at March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2022	**-**	**-**	**30.52**	**-**	**-**	**-**	**-**	**30.52**

48.7 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

₹ in crore

Particulars	Fair value as at March 31, 2022	Fair value as at March 31, 2021	Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement March 31, 2022 Favourable	March 31, 2022 Unfavourable	March 31, 2021 Favourable	March 31, 2021 Unfavourable
Investments							
- Equity instruments	392.59	330.88	5.00%	19.63	(19.63)	16.54	(16.54)
- Preference shares	-	0.68	5.00%	-	-	0.03	(0.03)
- Bonds and debentures	413.46	509.31	0.25%	1.03	(1.03)	1.27	(1.27)
- Pass Through Certificates	-	-	0.25%	-	-	-	-
- Security Receipts	4,886.23	4,114.87	5.00%	244.31	(244.31)	205.74	(205.74)
- Units of fund	250.48	301.76	5.00%	12.52	(12.52)	15.09	(15.09)
Loans	22,753.78	22,877.67	0.25%	56.88	(56.88)	57.19	(57.19)
Total	**28,696.54**	**28,135.17**		**334.38**	**(334.38)**	**295.88**	**(295.88)**

48.8 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Liquidity risk management :

(a) Maturity profile of financial liabilities based on undiscounted cashflows

₹ in crore

Particulars	As at March 31, 2022 Within twelve month	As at March 31, 2022 After twelve month	As at March 31, 2022 Total	As at March 31, 2021 Within twelve month	As at March 31, 2021 After twelve month	As at March 31, 2021 Total
A. Non-derivative liabilities:						
Borrowings*	47,667.03	39,707.17	87,374.20	40,172.15	51,054.40	91,226.55
Trade payables	423.67	-	423.67	364.90	-	364.90
Other payables	6.49	-	6.49	5.07	-	5.07
Lease liabilities	13.18	22.35	35.53	9.90	24.15	34.05
Other financial liabilities	662.54	-	662.54	500.48	56.13	556.61
Total	**48,772.91**	**39,729.51**	**88,502.43**	**41,052.50**	**51,134.68**	**92,187.18**
B. Derivative liabilities:						
Currency swap	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

* Borrowings include debt securities,borrowings (other than debt securities)and subordinated liabilities and are net off offsetting respective derivative gain/loss but includes undiscounted future interest.

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Undrawn backup lines	3,265.16	7,590.70
Line of credit from Ultimate Holding Company	1,800.00	2,000.00

48.9 Capital management

(i) Risk management

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 50.1 for the Company's Capital ratios.

The Company's objectives when managing capital are to

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

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

(c) The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks - which include credit, liquidity and market.

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

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

The Company's gearing ratios were as follows:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Total debt	78,319.60	75,077.35
Networth	15,876.71	15,621.23
Net debt to equity ratio	**4.93**	**4.81**

1. Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Networth.

2. Net worth is calculated as defined in Section 2(57) of Companies Act, 2013.

(ii) There were no defaults/delay in repayment of loans or payment of interest. Further, there were no breaches of loan agreement during the year which enables the lender to demand accelerated repayment.

(iii) Dividends

₹ in crore

Particulars	March 31, 2022	March 31, 2021
(a) Equity shares		
Final dividend for the year ended March 31, 2022 of ₹ Nil per fully paid share (Previous year : Nil)	-	-
Interim dividend for the year ended March 31, 2022 of ₹ Nil per fully paid share (Previous year : ₹ Nil)	-	-
(b) Dividends not recognised at the end of the reporting year	-	-

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

48.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2022	As at March 31, 2021
Liability – External Commercial Borrowings & Terms loans from bank - FCNR	USD 43,50,00,000	USD 44,82,59,082
Assets – Currency Swap Contracts	USD 43,50,00,000	USD 44,82,59,082

(b) Interest rate risk :

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

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	22,245.51	28,549.40
Fixed rate borrowings	54,698.80	48,666.81
Total borrowings	**76,944.31**	**77,216.22**

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, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	6.75%	22,245.51	28.91%	8.12%	28,549.40	36.97%
Interest rate swap at variable rate	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	**6.75%**	**22,245.51**	**28.91%**	**8.12%**	**28,549.40**	**36.97%**

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

₹ in crore

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2021-22	FY 2020-21	March 31, 2022	March 31, 2021
Interest rates – increase by 25 basis points *	(33.66)	(41.38)	(33.66)	(41.38)
Interest rates – decrease by 25 basis points*	33.66	41.38	33.66	41.38

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

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

There is no financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

49 Disclosure pursuant to Ind AS 108 "Operating Segment"

The Company has identified operating segments based on performance assessment and resource allocation by the management. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. As the operations of the Company are carried out within India, there are no geographical segments.

Rural Finance comprises of Farm Equipment Finance, Two Wheeler Finance, Micro Loans and Consumer Finance.

Housing Finance comprises of Home Loans, Loan against Property and Real Estate Finance.

Infrastructure Finance comprises of Infrastructure business.

Defocused Finance comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, Supply Chain Finance, SME term loans and Leases.

₹ in crore

Sr.No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Gross segment revenue from continuing operations		
a	Rural Finance	5,782.78	5,478.87
b	Housing Finance	2,645.86	3,291.43
c	Infrastructure Finance	2,414.95	3,183.29
d	Defocused Finance	213.99	395.72
	Revenue as per the statement of profit and loss	**11,057.58**	**12,349.31**

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Sr.No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Segment Result (Profit/(loss) before tax)		
a	Rural Finance	1,018.43	681.51
b	Housing Finance	72.54	607.64
c	Infrastructure Finance	303.44	265.94
d	Defocused Finance	(302.54)	(569.39)
e	Unallocated[1]	-	(653.46)
	Profit before tax	**1,091.87**	**332.24**

₹ in crore

Sr.No.	Particulars	As at March 31, 2022	As at March 31, 2021
	Segment assets		
a	Rural Finance	35,406.73	31,192.76
b	Housing Finance	26,480.55	28,712.81
c	Infrastructure Finance	29,866.42	31,145.23
d	Defocused Finance	2,436.75	3,056.98
	Subtotal	**94,190.45**	**94,107.78**
e	Unallocated[2]	1,981.38	2,100.97
	Total assets	**96,171.83**	**96,208.75**
	Segment liabilities		
a	Rural Finance	29,892.93	26,940.03
b	Housing Finance	22,357.66	24,651.71
c	Infrastructure Finance	25,217.31	26,171.96
d	Defocused Finance	2,057.13	2,653.38
	Subtotal	**79,525.04**	**80,417.08**
e	Unallocated[3]	155.56	170.44
	Total liabilities	**79,680.60**	**80,587.52**

1 Unallocated represents goodwill and Distribution and customer network right amortization

2 Unallocated represents advance/tax deducted (net), deferred tax asset (net) and goodwill and Distribution and customer network right amortization

3 Unallocated represents tax liabilities

50 Disclosure pursuant to Ind AS 12 "Income Taxes":

(a) Major components of tax expense/(income):

₹ in crore

Particulars		F.Y. 2021-22	F.Y. 2020-21
	Statement of Profit and Loss:		
(a)	**Profit and Loss section:**		
	(i) Current tax :		
	Current tax expense for the year	118.35	481.77
	Tax expense in respect of earlier years	-	-
		118.35	**481.77**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	165.54	(150.89)
	Effect on deferred tax balances due to the change in income tax rate	-	-
		165.54	**(150.89)**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**283.89**	**330.88**
(b)	**Other Comprehensive Income (OCI) Section:**		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	0.50	0.27
		0.50	**0.27**
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On gains and loss on hedging instruments in a cash flow hedge	13.22	(0.74)
		13.22	**(0.74)**
	Income tax expenses reported in the other comprehensive income [i+ii]	**13.72**	**(0.47)**
(c)	**Other directly reported in balance sheet through reserve:**		
	Current tax (assets)/liabilities		
	-Merger related expenses	(3.89)	-
	Deferred tax (assets)/liabilities		
	-Merger related expenses	3.89	(15.58)
	Income tax expense reported directly in balance sheet	**-**	**(15.58)**

Notes forming part of the financial statements for the year ended March 31, 2022

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ in crore

Sr.No.	Particulars		F.Y. 2021-22	F.Y. 2020-21
(a)	Profit before tax		1,091.87	332.24
(b)	Corporate tax rate as per Income tax Act, 1961		25.168%	25.168%
(c)	Tax on accounting profit	**(c)=(a)*(b)**	274.80	83.62
(d)	(i) Tax on Income exempt from tax :			
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961		(4.93)	(27.16)
	(B) Deduction u/s 80JJA of the Income Tax Act, 1961		(8.26)	(16.76)
	(ii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		1.38	2.96
	(B) Provision for dimunition of investments		(96.86)	63.34
	(iii) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised		117.76	(0.36)
	Total effect of tax adjustments [(i) to (v)]		**9.09**	**22.02**
(e)	**Tax expense (before one-time deferred tax impact)**	**(e)=(c)+(d)**	**283.89**	**105.64**
(f)	**Effective tax rate (before one-time deferred tax impact)**	**(f)=(e)/(a)**	26.00%	31.80%
(g)	Tax impact due to amendment in tax regulations		-	225.24
(h)	**Tax expense recognised during the year**	**(i)=(e)+(g)+(h)**	**283.89**	**330.88**
(i)	**Effective tax rate**	**(j)=(i)/(a)**	26.00%	99.59%

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at March 31, 2022		As at March 31, 2021	
	₹ in crore	Expiry year	₹ in crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)				
- Amount of losses having expiry	-	-	-	-
- Amount of losses having no expiry	-	-	-	-
Tax losses (Capital loss)	467.89	AY 2030-31	-	-
Total	**467.89**		**-**	

(ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ in crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Towards provision for diminution in value of investments	374.77	795.98
	Total	**374.77**	**795.98**

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2021
Deferred tax liabilities:					
-Interest income recognised on Stage 3 Loans	51.83	(8.07)	-	-	43.76
-Unamortised borrowing cost	3.20	(0.85)	-	-	2.35
-Deduction under Secion 36(1)(viia)	28.15	(0.43)	-	-	27.72
Net deferred tax liabilities	**83.18**	**(9.35)**	**-**	**-**	**73.83**
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(1,212.69)	(146.29)	-	-	(1,358.98)
-Provision on trade receivables	(2.21)	1.34	-	-	(0.87)
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(8.91)	3.37	-	-	(5.54)
-Fair value of investments	(88.14)	(35.22)	-	-	(123.36)
-Defined benefit obligation (Gratuity and Leave encashment)	(7.92)	0.52	0.27	-	(7.13)
-Amortisation of expenditure incurred for amalgamation	(1.43)	2.78	-	(15.58)	(14.23)
-Fair valuation of derivative financial instrument	(33.48)	-	(0.74)	-	(34.22)
-Impact on account of Ind AS 116 - Leases	(0.96)	(0.15)	-	-	(1.11)
- Liability for expenses	(11.58)	(12.78)	-	-	(24.36)

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2020	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2021
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(133.17)	46.26	-	-	(86.91)
-Other items giving rise to temporary differences	(0.11)	(1.37)	-	-	(1.48)
Net Deferred tax (assets)	**(1,500.60)**	**(141.54)**	**(0.47)**	**(15.58)**	**(1,658.19)**
Net deferred tax liability/(assets)	**(1,417.42)**	**(150.89)**	**(0.47)**	**(15.58)**	**(1,584.36)**

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2021	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2022
Deferred tax liabilities:					
-Interest income recognised on Stage 3 Loans	43.76	(21.65)	-	-	22.11
-Unamortised borrowing cost	2.35	(1.29)	-	-	1.06
-Deduction under Secion 36(1)(viia)	27.72	(27.72)	-	-	(0.00)
Net deferred tax liabilities	**73.83**	**(50.66)**	**-**	**-**	**23.17**
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(1,358.98)	284.84	-	-	(1,074.14)
-Provision on trade receivables	(0.87)	1.59	-	-	0.72
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(5.54)	1.88	-	-	(3.66)
-Fair value of investments	(123.36)	(62.91)	-	-	(186.27)
-Defined benefit obligation (Gratuity and Leave encashment)	(7.13)	(0.11)	0.50	-	(6.74)
-Amortisation of expenditure incurred for amalgamation	(14.23)	(2.98)	-	3.90	(13.31)
-Fair valuation of derivative financial instrument	(34.22)	-	13.22	-	(21.00)

₹ in crore

Particulars	Deferred tax liabilities/ (assets) as at March 31, 2021	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet (Opening retained earning)	Deferred tax liabilities/ (assets) as at March 31, 2022
-Impact on account of Ind AS 116 – Leases	(1.11)	(2.65)	-	-	(3.76)
-Liability for expenses	(24.36)	(6.07)	-	-	(30.43)
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(86.91)	2.61	-	-	(84.30)
-Other items giving rise to temporary differences	(1.48)	-	-	-	(1.48)
Net Deferred tax (assets)	**(1,658.19)**	**216.20**	**13.72**	**3.90**	**(1,424.37)**
Net deferred tax liability/(assets)	**(1,584.36)**	**165.54**	**13.72**	**3.90**	**(1,401.20)**

51 The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India vide circular no. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been prepared as per Indian Accounting Standards as mentioned in RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

51.1 Capital :

₹ in crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	20.77%	20.54%
ii)	CRAR - Tier I Capital (%)	17.86%	17.00%
iii)	CRAR - Tier II Capital (%)	2.91%	3.54%
iv)	Amount of subordinated debt raised as Tier-II capital* (Repaid during the year ₹ 200 crore , previous year ₹ 186.00 crore)#	2,893.20	2,891.88
v)	Amount raised by issue of Perpetual Debt Instruments (Raised during the year ₹ Nil, previous year ₹ Nil)	404.39	609.71
vi)	Percentage of the amount of Perpetual Debt Instruments of the amount of its Tier I Capital	2.73%	4.38%

* Discounted value of ₹ 1,412.72 crore (Previous year ₹ 1,909.25 crore) considered for Tier II capital against the book value of ₹ 2,893.20 crore (Previous year ₹ 2,891.88 crore).

Subordinated debt balance as at March 31, 2021 includes amount of ₹ 1,808.76 crore transferred from erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation.

& Perpetual Debt Instruments balance as at March 31, 2021 includes amount of ₹ 353.41 crore transferred from erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation

51.2 Investments :

₹ in crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(1)	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	9,311.02	8,828.86
	(b) Outside India	-	-
	(ii) Provisions for Depreciation*		
	(a) In India	7.07	401.85
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	9,303.95	8,427.01
	(b) Outside India	-	-
(2)	**Movement of provisions held towards depreciation on investments***		
	(i) Opening balance	401.85	250.59
	(ii) Add : Provisions made during the year	-	151.26
	(iii) Less : Write-off / write-back of excess provisions during the year	(394.78)	-
	(iv) Closing balance	7.07	401.85

*Provision for depreciation on Investments includes provision towards impairment of financial instruments.

51.3 Derivatives :

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

₹ in crore

	Particulars	2021-22	2020-21
(i)	The notional principal of swap agreements	3,014.34	3,114.34
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	204.04	32.60
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	204.04	32.60

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Interest Rate Derivative during the financial year ended March 31, 2022 (Previous year: NIL).

III) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

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

The Company has sourced External Commercial Borrowing and Term loan from bank - FCNR in foreign currency. The same has been hedged as required by RBI.

Quantitative Disclosures

₹ in crore

	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional principal amount)	3,014.34	-
(ii)	Market to Market position	204.04	-
	(a) Asset (+)	204.04	-
	(b) Liability (-)	-	-
(iii)	Credit exposure	-	-
(iv)	Unhedged exposure	-	-

51.4 Securitisation

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

₹ in crore

	Particulars	No. / Amount	
		As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the orginator (only the SPVs relating to outstanding securitizatlon exposures to be reported here)	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

	Particulars	No. / Amount As at March 31, 2022	No. / Amount As at March 31, 2021
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle loans etc.	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle loans etc.	-	-
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

II) Details of securitisation transactions undertaken by applicable NBFCs

There are no securitisation transactions during the year (previous year: Nil), hence relevant disclosure is not applicable.

III) Details of Assignment transactions undertaken by applicable NBFCs

There are no assignment transactions during the year (previous year : Nil), hence relevant disclosure is not applicable.

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

V) Disclosure of financials assets sold to securitisation company pursuant to RBI circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

a) Asset sold to ARCs

₹ in crore

Sr. No.	Particulars	F.Y. 2021-22 NPA	F.Y. 2021-22 SMA	F.Y. 2020-21 NPA	F.Y. 2020-21 SMA
1	No. of accounts sold	534	29	325	1,442
2	Aggregate principal outstanding of loans transferred (₹ in crore)	3,031.77	156.88	792.38	1,478.15
3	Weighted average residual tenor of the loans transferred (months)	47.23	84.21	74.14	132.42
4	Net book value of loans transferred (at the time of transfer) (₹ in crore)	1,555.90	172.23	584.59	1,537.31
5	Aggregate consideration (₹ in crore)	1,574.52	171.48	622.10	1,546.09
6	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)	-	-	-	-

b) The company has not transferred any loan to other than ARCs (previous year NIL).

c) The company has not acquired any stressed assets during the year (previous year NIL).

d) During the year provisions of ₹ 2,188.69 crore (previous year - ₹ 384.03 crore) reversed to the profit and loss account on accounts of sale of stressed loans.

e) Security Receipts (SRs) rating for the transactions during the period:

Particulars	2021-22 Rating Agency	2021-22 Rating	2020-21* Rating Agency	2020-21* Rating
Phoenix Trust-FY22-7#	NA	NA	NA	NA
ARCIL-CPS-I-Trust#	Brickworks ratings	BWRR2-(100%)	NA	NA
ACRE 109 TRUST#	Brickworks ratings	RR1-(100%-150%)	NA	NA
Phoenix Trust-FY22-16#	NA	NA	NA	NA
Arcil-AST- IX Trust	Brickworks ratings	BWRR1 (100%)	NA	NA
ARCIL-CPS-I-Trust	Brickworks ratings	BWRR2 (100%)	NA	NA
ARCIL-AST-065-I-Trust	Brickworks ratings	BWRR2 (0%)	NA	NA
CFMARC Trust 67	Infomerics Valuation And Rating	IVR RR1 (100-150%)	NA	NA
CFMARC Trust 73	Infomerics Valuation And Rating	IVR RR1 (100-150%)	NA	NA
CFMARC Trust 74	Infomerics Valuation And Rating	IVR RR1 (100-150%)	NA	NA
CFMARC Trust 76	Infomerics Valuation And Rating	IVR RR1 (100-150%)	NA	NA
PEGASUS GROUP THIRTY EIGHT TRUST 1	ICRA	RR2-(100%)	NA	NA

* The ratings of ARC trusts will be available subsequently as ratings of these trusts is a half yearly assessment process.

These transactions were done during the financial year 2021-22.

f) The company has not acquired/transferred any loans which were "not in default" during the year (previous year NIL).

51.5 Exposures

(I) Exposure to Real Estate Sector

₹ in crore

	Particulars	As at March 31, 2022	As at March 31, 2021
	(a) Direct Exposure		
(i)	**Residential Mortgages -**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	7,854.56	7,414.99
(ii)	**Commercial Real Estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	14,018.41	16,935.91
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
	a. Residential	3,720.81	3,697.89
	b. Commercial Real Estate	217.16	178.65
	Total Direct Exposure to Real Estate Sector (a)	**25,810.95**	**28,227.44**
	(b) Indirect Exposure		
	a. Fund Based and non-fund based exposures on NHB / HFCs	-	536.55
	b. Any other	43.18	43.97
	Total Indirect Exposure to Real Estate Sector (b)	**43.18**	**580.52**
	Total Exposure to Real Estate Sector (a+b)	**25,854.13**	**28,807.96**

Footnote:

1. Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements.
2. Loan against property is entirely clubbed in Commercial Real Estate exposure.

(II) Exposure to Capital Market

₹ in crore

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,762.01	1,753.59
(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;	-	-

₹ in crore

	Particulars	As at March 31, 2022	As at March 31, 2021
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	508.44
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	173.83
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	299.26	275.20
	Total Exposure to Capital Market	**2,061.27**	**2,711.06**

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

(IV) Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI.

The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as prescribed by the RBI based on the net owned funds as on March 31, 2021 computed post giving effect of Merger mentioned in Note 45.

(V) Unsecured Advances (net off provision):

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	12,875.85	12,516.15
Debentures	-	76.44
Personal Loans	2,256.95	705.63
Total	**15,132.80**	**13,298.22**

Note : There are no advances outstanding as on 31st March 2022 against which intangible securities has been taken as collateral. (Previous year : Nil)

51.6 Miscellaneous

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

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

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

Particular	F.Y. 2021-2022				F.Y. 2020-2021			
	CRISIL	CARE	ICRA	IRRA	CRISIL	CARE	ICRA	IRRA
(i) Commercial Paper	CRISIL A1+	CARE A1+	ICRA A1+	Not Rated	CRISIL A1+	CARE A1+	ICRA A1+	Not Rated
(ii) Non-Convertible Debentures	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(iii) Long term Bank facilities	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(iv) Subordinate Debts	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(v) Perpetual Debt	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Stable)	Not Rated	Not Rated	CARE AA+ (Stable)	ICRA AA+ (Negative)	Not Rated
(vi) Non-Convertible Debentures(Public Issue)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CRISIL AAA (Stable)	CARE AAA (Stable)	ICRA AAA (Negative)	IND AAA (Stable)
(vii) Principal Protected Market-Linked Debenture	Not Rated	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Stable)	IND PP-MLD AAA emr/ (Stable)	Not Rated	CARE PP-MLD AAA (Stable)	PP-MLD ICRA AAA (Negative)	IND PP-MLD AAA emr/ (Stable)

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

51.7 Provisions and Contingencies :

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

₹ in crore

Particulars	F.Y. 2021-2022	F.Y. 2020-2021*
Provision for depreciation and investments	(394.77)	151.26
Provision towards NPA	(2,386.13)	35.36
Provision made towards Income tax	283.89	330.88
Other Provision and Contingencies (with details)**	3,836.45	2,610.13
Provision for Standard Assets	906.25	415.63

* Provision on loan assets and Provision for depreciation on Investments is considered as allowance for impairment loss on financial instruments.

** Includes loans written off/foreclosure during the year and provision on trade receivables

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

51.8 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers	17,583.66	14,591.22
Percentage of advances to twenty largest borrowers to total advances of the Company	21.50%	17.37%

(II) Concentration of Exposures

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers#	20,740.26	17,664.02
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	23.32%	19.31%

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

(III) Concentration of NPA

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	1,076.43	1,050.57

(IV) Sector-wise NPAs

₹ in crore

	Particulars	As at March 31, 2022	As at March 31, 2021
1	Agriculture & allied activities	3.85%	3.37%
2	MSME	0.00%	0.00%
3	Corporate borrowers	5.10%	8.77%
4	Services	0.00%	0.00%
5	Unsecured personal loans	1.46%	2.62%
6	Auto loans	4.82%	5.26%
7	Other personal loans	3.74%	3.59%

51.9 Movement of NPAs

₹ in crore

	Particulars	F.Y. 2021-22	F.Y. 2020-21
(i)	Net NPAs to Net Advances (%)	2.10%	1.93%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	5,365.65	2,991.12
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	-	3,071.00
	(c) Additions during the year	4,121.13	2,657.83
	(d) Reductions during the year	5,944.19	3,354.30
	(e) Closing balance	3,542.59	5,365.65
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,545.05	1,164.99
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	-	1,112.32
	(c) Additions during the year	1,809.75	65.65

₹ in crore

	Particulars	F.Y. 2021-22	F.Y. 2020-21
	(d) Reductions during the year	1,677.08	797.91
	(e) Closing balance	1,677.72	1,545.05
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	-	-
	(a) Opening balance	3,820.60	1,826.13
	(b) Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	-	1,958.68
	(c) Provisions made during the year	2,311.38	2,592.18
	(d) Write-off / write-back of excess provisions	4,267.11	2,556.39
	(e) Closing balance	1,864.87	3,820.60

Note: Above numbers are based on quarterly movement.

51.10 Disclosure of customer complaints

₹ in crore

	Particulars	F.Y. 2021-22	F.Y. 2020-21
(i)	No. of complaints pending at the beginning of the year	40	23
(ii)	Transferred of erstwhile L&T Infrastructure Finance Company Limited and erstwhile L&T Housing Finance Limited on amalgamation	-	2
(iii)	No. of complaints received during the year	610	1,610
(iv)	No. of complaints redressed during the year	649	1,595
(v)	No. of complaints pending at the end of the year	1	40

51.11 Resolution of stressed asset

During the year ended March 31, 2022, the Company has not implemented resolution plan under the prudential framework for stressed assets issued by RBI vide circular no RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.

51.12 Disclosure on Resolution Framework: -1.0: Resolution Framework for COVID-19-related Stress in terms of RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 ("Resolution Framework-1.0"):

Format B:

₹ in crore

Type of borrower	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at the end of the previous half-year*** (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Of (A) amount paid by borrowers during half-year (E)	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at the end of this half-year*** (F)
Personal Loans	2,020.71	7.26	-	124.53	124.53	2,027.35
Corporate persons*/**	748.78	4.44	-	6.88	6.88	769.48
Of which, MSMEs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**2,769.49**	**11.70**	-	**131.41**	**131.41**	**2,796.83**

* *As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.*
** *includes restructuring implemented during the quarter ended June 2021 and September 21 under the Resolution Framework 1.0 and 2.0*
*** *includes additional disbursement post implementation and interest accrued.*

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

₹ in crore

March 31, 2022	1-7 Days	8-14 Days	15 days to 30/31 days (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances (gross)	1,275.47	508.45	514.76	2,237.36	3,190.66	7,011.02	17,568.87	21,586.94	10,544.37	17,114.75	81,552.64
Investments (net)	-	665.94	1,296.87	-	-	-	906.09	-	-	6,408.64	9,277.54
Borrowings*	544.99	1,447.07	459.00	1,907.19	2,395.93	6,210.39	14,250.74	38,836.15	6,108.42	4,784.43	76,944.31
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	-	1,037.70	686.33	425.76	864.55	-	-	3,014.34

* Including ECB and FCNR loan

footnote: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on March 25, 2021 and relied upon by the auditors.

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

March 31, 2022

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2022*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2022	Net Carrying Amount as on March 31, 2022	Provisions required as per IRACP norms as on March 31, 2022	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2022
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	65,573.59	1,185.89	64,387.70	266.79	919.10
	Stage 2	12,682.61	1,217.58	11,465.03	867.45	350.14
Subtotal of Performing Assets		**78,256.20**	**2,403.47**	**75,852.73**	**1,134.24**	**1,269.24**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,154.18	1,526.36	1,627.82	293.02	1,233.34
Doubtful - up to 1 year	Stage 3	217.61	166.85	50.76	89.26	77.59
1 to 3 years	Stage 3	168.70	147.72	20.97	40.46	107.26
More than 3 years	Stage 3	2.09	2.09	-	1.40	0.68
Subtotal of Non-Performing Assets		**3,542.58**	**1,843.02**	**1,699.56**	**424.15**	**1,418.87**

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2022*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2022	Net Carrying Amount as on March 31, 2022	Provisions required as per IRACP norms as on March 31, 2022	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2022
Loss	Stage 3	-	-	-	-	-
Subtotal		**81,798.78**	**4,246.49**	**77,552.29**	**1,558.39**	**2,688.11**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base exposure	Stage 1	473.17	1.38	471.79	-	1.38
	Stage 2	-	-	-	-	-
	Stage 3	56.00	21.84	34.16	-	21.84
Subtotal		**529.17**	**23.23**	**505.94**	**-**	**23.22**
Total	**Stage 1**	**66,046.75**	**1,187.27**	**64,859.49**	**266.79**	**920.48**
	Stage 2	**12,682.61**	**1,217.58**	**11,465.03**	**867.45**	**350.14**
	Stage 3	**3,598.58**	**1,864.87**	**1,733.71**	**424.15**	**1,440.71**
	Total	**82,327.95**	**4,269.72**	**78,058.23**	**1,558.38**	**2,711.33**

* includes loans classified as Fair value through Profit & Loss (FVTPL).

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

March 31, 2021

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2021*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2021	Net Carrying Amount as on March 31, 2021	Provisions required as per IRACP norms as on March 31, 2021	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2021
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	71,379.55	1,158.03	70,221.52	285.81	872.22
	Stage 2	7,249.94	421.56	6,828.38	134.56	287.00
Subtotal of Performing Assets		**78,629.49**	**1,579.59**	**77,049.90**	**420.37**	**1,159.22**

₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS as on March 31, 2021*	Loss Allowances (Provisions) as required under Ind AS 109 as on March 31, 2021	Net Carrying Amount as on March 31, 2021	Provisions required as per IRACP norms as on March 31, 2021	Difference between Ind AS 109 provisions and IRACP norms as on March 31, 2021
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,552.51	990.50	562.01	145.74	844.76
Doubtful - up to 1 year	Stage 3	639.60	293.59	346.01	111.50	182.09
1 to 3 years	Stage 3	2,264.89	1,691.27	573.62	1,171.28	519.99
More than 3 years	Stage 3	908.65	823.40	85.25	567.21	256.19
Subtotal of Non-Performing Assets		**5,365.65**	**3,798.76**	**1,566.89**	**1,995.73**	**1,803.03**
Loss	Stage 3	-	-	-	-	-
Subtotal		**83,995.14**	**5,378.35**	**78,616.79**	**2,416.10**	**2,962.25**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
Non fund base exposure	Stage 1	284.17	1.31	282.86	-	1.31
	Stage 2	-	-	-	-	-
	Stage 3	56.00	21.84	34.16	-	21.84
Subtotal		**340.17**	**23.15**	**317.02**	**-**	**23.15**
Total	**Stage 1**	**71,663.72**	**1,159.34**	**70,504.38**	**285.81**	**873.53**
	Stage 2	**7,249.94**	**421.56**	**6,828.38**	**134.56**	**287.00**
	Stage 3	**5,421.65**	**3,820.60**	**1,601.05**	**1,995.73**	**1,824.87**
	Total	**84,335.31**	**5,401.50**	**78,933.81**	**2,416.10**	**2,985.40**

* includes loans classified as Fair value through profit & loss (FVTPL)

Footnote: As per para 2(b) of RBI circular RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, Where impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. However total IND AS 109 impairment allowance is higher by ₹ 2,985.40 crore as compare to IRACP, hence appropriation to impairment reserve is not required.

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

Notes forming part of the financial statements for the year ended March 31, 2022

Liabilities Side:

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

₹ in crore

Particulars		As at March 31, 2022		As at March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures :				
	- Secured	28,327.60	-	31,380.80	-
	- Unsecured	3,297.59	-	3,501.59	-
	(Other than falling within the meaning of Public Deposits)*				
(b)	Deferred Credits				
(c)	Term Loans	18,746.60	-	18,818.59	-
(d)	Inter-Corporate Loans and borrowings	1,037.59	-	1,075.53	-
(e)	Commercial Paper (Net off unexpired discounting charges)	6,338.01	-	5,849.68	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans	-	-		
	i) Foreign Currency Loan	-	-	99.81	-
	ii) External commercial borrowings	4,121.00	-	3,989.00	-
	iii) Bank Overdraft, Cash credit & Working Capital Demand Loan	16,451.21	-	14,675.18	-
	iv) Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	-	-	-	-

*** Refer footnote 1 below**

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

₹ in crore

Particulars		As at March 31, 2022		As at March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-

*** Refer footnote 1 below**

Assets Side:

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

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2022	As at March 31, 2021
(a) Secured (net of provision)	62,396.27	65,295.42
(b) Unsecured (net of provision)	15,132.79	13,298.22

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards Asset Finance Company (AFC) activities

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2022	As at March 31, 2021
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease (net of provision)	-	-
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

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

₹ in crore

Particulars	Amount Outstanding	
	As at March 31, 2022	As at March 31, 2021
Current Investments		
1 Quoted		
(i) Shares :		
(a) Equity	158.39	97.91
(b) Preference	-	-
(ii) Debentures and Bonds	729.31	578.80
(iii) Units of Mutual Funds	665.94	400.07
(iv) Government Securities	-	-
2 Unquoted		
(i) Shares :		
(a) Equity		-
(b) Preference	-	0.68
(ii) Debentures and Bonds	-	31.23
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	1,323.28	1,466.66
(v) Investment in Units/Pass Through Certificates	0.91	0.94

Notes forming part of the financial statements for the year ended March 31, 2022

₹ in crore

Particulars	Amount Outstanding As at March 31, 2022	Amount Outstanding As at March 31, 2021
Long Term Investments		
1 Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	875.95	814.24
(b) Preference	-	-
(ii) Debentures and Bonds	413.46	619.85
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others :		
(a) Security receipts	4,886.23	4,114.87
(b) Investment in Units/Pass Through Certificates/Venture Capital Fund	250.48	301.76

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

₹ in crore

Category	As at March 31, 2022		As at March 31, 2021	
	Secured (net of provision)	Unsecured (net of provision)	Secured (net of provision)	Unsecured (net of provision)
1 Related Parties **				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	62,396.27	15,132.79	65,295.42	13,298.22
Total	**62,396.27**	**15,132.79**	**65,295.42**	**13,298.22**

** As per Indian Accounting Standard issued by MCA (Please see footnote 3)

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

₹ in crore

Category	As at March 31, 2022		As at March 31, 2021	
	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/ Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
1 Related Parties**				
(a) Subsidiaries	702.64	702.64	723.76	723.76
(b) Companies in the same group			-	-
(c) Other related parties			-	-
2 Other than related parties	8,608.38	8,601.31	8,105.10	7,703.25
Total	**9,311.02**	**9,303.95**	**8,828.86**	**8,427.01**

** As per Indian Accounting Standard issued by MCA (Please see footnote 3)

8. Other Information

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets	3,542.59	5,365.65
(a) Related parties	-	-
(b) Other than related parties	3,542.59	5,365.65
(ii) Net Non-Performing Assets	1,677.72	1,545.05
(a) Related parties		-
(b) Other than related parties	1,677.72	1,545.05
(iii) Assets acquired in satisfaction of debt (Gross)	1,368.97	1,581.97

Footnotes:

1. As defined in point xxvii of paragraph 3 of Chapter -II of these Directions.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

52 The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

(a) There is no proceeding initiated or pending against the company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(b) The company is not declared wilful defaulter by any bank or financial Institution or any other lenders.

(c) Being a systemically important non-banking financial company registered with the Reserve Bank of India as per Reserve Bank of India Act, 1934 (2 of 1934), the provisions prescribed under clause (87) of Section 2 of the companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

(d) There is no scheme of arrangements has been approved during the year by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.

Notes forming part of the financial statements for the year ended March 31, 2022

(e) There is no transaction that has not been recorded in the books of accounts and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(h) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

 (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(i) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall :

 (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(j) There are no creation or satisfaction of charges as at 31st March, 2022 pending with ROC beyond the statutory period.

53 Estimation uncertainty relating to Covid-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. However, the going concern assumption will not get impacted by the Covid-19 pandemic.

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

55 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 29, 2022.

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

Srividya Vaidison
Partner
Membership No: 207132

Place : Mumbai
Date : April 29, 2022

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

Roshni R. Marfatia
Partner
Membership No: 106548

Place : Mumbai
Date : April 29, 2022

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Keshav Loyalka
Head Accounts
Chief Financial Officer

Apurva Rathod
Company Secretary

Place : Mumbai
Date : April 29, 2022

NOTICE 2021-22

L&T FINANCE LIMITED

L&T Finance Limited

Regd. Office: 15th Floor, PS SRIJAN Tech Park, Plot No. 52, Block DN,
Sector-V, Salt Lake City, Kolkata – 700 091, District 24-Parganas North.
CIN: U65910WB1993FLC060810; E-mail: investorgrievances@ltfs.com; Website: www.ltfs.com
Phone: +91 22 6212 5000; Fax: +91 22 6212 5553

Notice of the Twenty Ninth Annual General Meeting

Notice is hereby given that the Twenty Ninth Annual General Meeting ("AGM") of the Members of **L&T Finance Limited** will be held on Thursday, July 14, 2022 at 3:00 P.M. through electronic mode [video conferencing ("VC") or other audio-visual means ("OAVM")] at the registered office of the Company, to transact the following business:

Ordinary Business:

1. To consider and adopt the audited standalone financial statements of the Company together with the reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2022 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2022.
2. To appoint a director in place of Mr. Dinanath Dubhashi (DIN: 03545900), who retires by rotation, and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
For L&T Finance Limited

Apurva Rathod
Company Secretary
ACS 18314

Date: April 29, 2022
Place: Mumbai

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 ("MCA Circulars") permitted the holding of the AGM through VC / OAVM. In compliance with the provisions of the Companies Act, 2013 ("the Act"), MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Twenty Ninth AGM is being held through VC / OAVM on Thursday, July 14, 2022 at 3:00 P.M. The deemed venue of the AGM shall be the Registered Office of the Company.

   The procedure for joining the AGM through VC / OAVM is mentioned in this Notice.
2. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.

   The route map, Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice.
3. In line with MCA Circulars and circulars issued by Securities and Exchange Board of India ("SEBI"), the Notice calling the AGM along with the Annual Report for FY22 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and the Annual Report will also be available on the website of the Company at www.ltfs.com/investors.html, the website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
4. The Members are permitted to join the AGM through VC / OAVM by clicking on the link sent to their registered email id for participating in the AGM. The facility for joining the AGM through VC / OAVM will open 15 minutes before the scheduled time of the commencement of the AGM and will be kept open till the expiry of 15 minutes after the scheduled time of AGM.
5. Members who need any technical assistance before or during the AGM, can contact the Company Secretary of the Company at +91 22 6212 5000.

6. Corporate members intending to send their authorised representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote at the AGM to the Company at the following e-mail id: secretarial@ltfs.com.

7. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.

8. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

9. All the documents referred in the Notice, if any are available for inspection electronically from the date of circulation of Notice till Thursday, July 14, 2022. Members seeking to inspect such documents are requested to write to the Company at secretarial@ltfs.com. Alternatively, all the documents are available for inspection at the Registered Office and Corporate Office of the Company on any working day, between 11:00 a.m. (IST) to 1:00 p.m. (IST).

10. Additional information of a Director seeking re-appointment at the ensuing AGM, as required under Clause 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”), is annexed to the Notice.

Additional information of Director seeking re-appointment at the Twenty Ninth Annual General Meeting pursuant to SS-2 and SEBI Listing Regulations:

Name of the Director	Dinanath Dubhashi (DIN: 03545900)
Date of Birth / (Age)	May 31, 1966 (56 years)
Qualifications	B. E. (Mechanical) and Post Graduate from IIM, Bangalore
Date of first appointment on the Board	December 31, 2012
Remuneration	N.A.*
Experience / brief profile / nature of expertise in specific functional areas	Dinanath Dubhashi is the Managing Director & CEO of L&T Finance Holdings Ltd. With a rich experience of over three decades, he has worked in multiple domains of Financial Services such as Retail & Infrastructure lending, Rural Finance, Corporate Banking, Cash Management, Credit Ratings, Insurance and Wealth Management. He has been associated with L&T Finance Holdings Limited ("LTFH") since 2007 and has been instrumental in scaling up the retail business operations manifold, across customer segments and geographies. During his tenure as MD & CEO since 2016, LTFH has achieved several market leading positions in Farm Equipment Finance, Two-Wheeler Finance, Micro Loans and Renewable Power Finance. The strategy roadmap defined under his leadership has transformed LTFH into an organisation focused on delivering sustainable returns through decisive strategic choices. The increase in retail proportion of loan book under his leadership, to 51% in FY22, has been built on the foundations of distinctive digital and analytics-based offering and a robust risk management framework. As a part of his professional journey, he has also been associated with organisations such as BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities. He has been co-chairing the FICCI Committee on NBFCs since 2018 and is also on the Board of the Finance Industry Development Council (FIDC).
Terms and conditions of re-appointment	Re-appointed as a Director liable to retire by rotation.
Directorships held in other companies (excluding foreign companies) as on April 29, 2022	1. L&T Finance Holdings Limited 2. L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) 3. L&T Investment Management Limited 4. L&T Infra Investment Partners Advisory Private Limited 5. Finance Industry Development Council
Memberships / Chairpersonship of committees across companies as on April 29, 2022 (only statutory committees as required to be constituted under the Act considered)	**A. Audit Committee** 1. L&T Finance Limited 2. L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) **B. Nomination and Remuneration Committee** 1. L&T Finance Limited 2. L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) **C. Corporate Social Responsibility and ESG Committee** 1. L&T Finance Holdings Limited 2. L& T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) (C) 3. L&T Investment Management Limited

	D. Corporate Social Responsibility Committee 1. L&T Infra Investment Partners Advisory Private Limited **E. Stakeholder's Relationship Committee** 1. L&T Finance Limited (C) 2. L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) (C)
Listed entities from which the Directors has resigned in the past three years	Nil
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.
Shareholding in the Company (equity) including shareholding as a beneficial owner	One share, held jointly with LTFH to comply with the requirements of the Act
Relationship with other Directors / Manager / Key Managerial Personnel	None
Number of Board Meetings attended during FY22	All meetings (i.e., nine out of nine meetings)

* *Mr. Dinanath Dubhashi is in the service of L&T Finance Holdings Limited ("LTFH"), the holding company, and draws remuneration from LTFH. Mr. Dinanath Dubhashi has not been paid any commission or sitting fees separately for attending the meetings of the Board and/or any Committee of the Company.*

(C) - *Chairperson*

By Order of the Board of Directors
For For L&T Finance Limited

Apurva Rathod
Company Secretary
ACS 18314

Date: April 29, 2022
Place: Mumbai