



L&T FINANCE LIMITED

Our Company was incorporated at Kolkata as Apeejay Finance Group Private Limited on November 24, 1993 as a private limited company under the Companies Act, 1956, as amended, with registration no. 2160810 and was granted a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Upon conversion of our Company from private limited to public limited, the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. Our Company is registered as a non-deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number B-05.06200. For further details, see the chapter titled "History, Main Objects and Key Agreements" on page 119 of the Shelf Prospectus. The Corporate Identification Number of our Company is U65910WB1993FLC060810.

Registered Office: Technopolis, 7th Floor, A- Wing, Plot No. - 4, Block - BP, Sector - V, Salt Lake, Kolkata 700 091, West Bengal

Tel: 033-66111800

Corporate Office: Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra

Tel: +91 22 6212 5000; **Fax:** +91 22 6621 7509

Compliance Officer: Ms. Apurva Rathod; **Tel:** +91 22 6212 5000; **Fax:** +91 22 6621 7509

E-mail: investorgrivances@ltsf.com; **Website:** www.ltsf.com

PUBLIC ISSUE BY L&T FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("NCDs/SECURED NCDs") FOR AN AMOUNT UPTO ₹. 50,000 LAKHS (INDIAN RUPEES FIFTY THOUSAND LAKHS) ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹. 50,000 LAKHS (INDIAN RUPEES FIFTY THOUSAND LAKHS) AGGREGATING UP TO 1,000,000 NCDs AMOUNTING TO ₹ 1,00,000 LAKHS ("TRANCHE 2 ISSUE") AND IS BEING OFFERED BY WAY OF THIS TRANCHE 2 PROSPECTUS DATED MARCH 28, 2019 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE 2 ISSUE ("TRANCHE 2 PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED FEBRUARY 22, 2019 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, KOLKATA, WEST BENGAL ("ROC"), STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND TRANCHE 2 PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS"). THE TRANCHE 2 ISSUE IS WITHIN THE APPROVED SHELF LIMIT. THIS TRANCHE 2 ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

PROMOTER

Our promoter is L&T Finance Holdings Limited. For further details see the chapter titled "Our Promoter" on page 134 of the Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Tranche 2 Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "Risk Factors" on page 18 of the Shelf Prospectus and "Material Developments" on page 46 of this Tranche 2 Prospectus and on page 145 of the Shelf Prospectus. This Tranche 2 Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche 2 Prospectus read together with Shelf Prospectus contains all information with regard to the Issuer. The information contained in this Tranche 2 Prospectus read together with Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche 2 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see chapter titled "Terms of the Issue" on page [•] of this Tranche 2 Prospectus. For details relating to eligible investors please see "Issue Procedure" on page 87 of this Tranche 2 Prospectus.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AAA (stable) (pronounced as ICRA triple A with Stable outlook)' for an amount of ₹ 5,00,000 lakhs, by ICRA Limited ("ICRA") vide their letter dated December 21, 2018 and revaluated vide revaluation letter dated February 1, 2019 further revaluated by a revaluation letter dated February 20, 2019 and further revaluated by a revaluation letter dated March 26, 2019., CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) for an amount of ₹ 5,00,000 lakhs, by CARE Ratings Ltd. ("CARE") vide their letter dated December 28, 2018 and revaluated vide revaluation letter dated January 31, 2019 further revaluated by a revaluation letter dated February 20, 2019 and further revaluated by a revaluation letter dated March 26, 2019 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,00,000 lakhs, by India Ratings and Research Private Limited ("India Ratings") vide their letter dated December 31, 2018 and revaluated vide revaluation letter dated January 31, 2019 further revaluated by a revaluation letter dated February 20, 2019 and further revaluated by a revaluation letter dated March 25, 2019. The rating of NCDs by ICRA, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, Annexure B and Annexure C of this Tranche 2 Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Tranche 2 Prospectus are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Our Company has received an 'in-principle' approval from the BSE vide their letter no. DCS/BM/PI-BOND/24/18-19 dated January 24, 2019 and from NSE vide their letter no NSE/LIST/72314 dated January 24, 2019. For the purpose of this Tranche 2 Issue, NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated January 17, 2019 was filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the BSE and NSE.

LEAD MANAGERS TO THE ISSUE



EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: ltfinance.Ncds@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singh
SEBI Registration No.: INM0000010650

A. K. CAPITAL SERVICES LIMITED

30-38 Free Press House, 3rd Floor,
Free Press Journal Marg, 215, Nariman Point, Mumbai
400021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: ltfinance.ncd2019@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/Mr. Malay Shah
SEBI Registration No.: INM000010411

AXIS BANK LIMITED

Axis House, 8th Floor, C-2,
Wadia International Centre,
P.B. Marg, Worli, Mumbai, 400025
Tel: +91 22 6604 3293
Fax: +91 22 2425 2800
Email: lts.ncd2019@axisbank.com
Investor Grievance Email:
investor.grievance@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
SEBI Registration No.: INM000006104

TRUST INVESTMENT ADVISORS PRIVATE LIMITED

109/110, Balarama, Bandra Kurla Complex, Bandra
(E), Mumbai 400 051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: projectvatra@trustgroup.in
Investor Grievance email:
customer-care@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
SEBI Registration No.: INM000011120

DEBENTURE TRUSTEE



CATALYST TRUSTEESHIP LIMITED**

GDA House, First Floor, Plot No. 85,
S.No. 94&95, Bhusari Colony (Right),
Kothrud, Pune - 411038
Tel: +91 (020) 2528 0081
Fax: +91 (020) 2528 0275
Email: dt@cttrustee.com
Investor Grievance Email: grievance@cttrustee.com
Website: www.catalysttrustee.com
Contact Person: Ms. Rakhi Kulkarni
SEBI Registration No.: IND000000034

REGISTRAR TO THE ISSUE



LINK INTIME INDIA PRIVATE LIMITED

C-101 1st Floor 247 Park
LBS Marg, Vikhroli (West)
Mumbai 400083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: ncd2.ltfm2019@linkintime.co.in
Investor Grievance mail: ncd2.ltfm2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Shanti Gopalkrishnan
Registration Number: INR000004058
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME*

TRANCHE 2 ISSUE OPENS ON: April 8, 2019

TRANCHE 2 ISSUE CLOSES ON: April 18, 2019

*This Tranche 2 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche 2 Issue may close on such earlier date or extended date as may be decided by the authorised signatory(ies) as authorised by the Board of Directors of our Company pursuant to the resolution dated July 19, 2018 ("Authorised Personnel"). In the event of an early closure or extension of the Tranche 2 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or extended date of Tranche 2 Issue closure. Applications Forms for the Tranche 2 Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.

**Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated December 26, 2018 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Tranche 2 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. See Annexure E of the Shelf Prospectus. A copy of the Shelf Prospectus and this Tranche 2 Prospectus has been filed with the Registrar of Companies, Kolkata, West Bengal, in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 158 of this Tranche 2 Prospectus.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 2 Prospectus to “**the Issuer**”, “**our Company**”, “**the Company**” or “**L&T Finance Limited**” are to L&T Finance Limited, a non-banking financial company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Technopolis, 7th Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata - 700091 West Bengal. Unless the context otherwise indicates, all references in this Tranche 2 Prospectus to “we” or “us” or “our” are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Tranche 2 Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company, as amended.
Associate Companies	L&T Infra Debt Fund Limited and Grameen Capital India Limited
Authorised Personnel	Persons authorised to carry out certain acts in terms of the resolution of the Board dated July 19, 2018.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Business Transfer Agreement	Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Ltd pertaining to slump sale of the supply chain financing business of the Company
Committee of Directors	The committee constituted by our Board of Directors by a board resolution dated December 31, 2012.
Corporate Office	Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra.
Deed of Assignment	The deed of assignment dated December 31, 2018 executed between our Company and Centrum Financial Services Ltd in relation to the transfer of the supply chain business.
Deferred Expenditure	Unamortised premium on loan/ debentures
Director	Director of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
KMP	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under: <i>“key managerial personnel”, in relation to a company, means -</i> <i>i. the Chief Executive Officer or the managing director or the manager;</i> <i>ii. the company secretary;</i> <i>iii. the whole-time director;</i> <i>iv. the Chief Financial Officer; and</i> <i>v. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and</i> <i>vi. such other officer as may be prescribed;”</i>
Limited Review Financials / Limited Review Financial Results	The unaudited standalone financial results for the half year ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.

Term	Description
Group Companies/ Group companies of our Company	Larsen & Toubro Limited, L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, Larsen & Toubro Infotech Limited, L&T Capital Company Limited, L&T Capital Markets Limited, L&T Housing Finance Limited, L&T Investment Management Limited, L&T Financial Consultants Limited, L&T Infra Investment Partners Advisory Private Limited and L&T Infra Debt Fund Limited*. <i>*identified on the basis of the related party list set out in the Annual Report of our Company for Financial Year 2017- 2018</i>
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended.
Net Worth	As per Sec 2(57) of the Companies Act, 2013, Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, Deferred Expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.
Preference Shares	Preference shares of our Company of face value of ₹ 100 each.
Reformatted Consolidated Financial Information	The reformatted consolidated financial information of assets and liabilities of our Company as at March 31, 2018 and March 31, 2017 and the reformatted consolidated information of profit and loss and the reformatted consolidated information of cash flows for each of the years ended March 31, 2018 and March 31, 2017, and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants. Our audited consolidated financial information as at and for the years ended March 31, 2018 and March 31, 2017 form the basis for such Reformatted Consolidated Financial Information.
Reformatted Standalone Financial Information	The reformatted standalone statement of assets and liabilities as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 the reformatted standalone information of profit and loss and the reformatted standalone information of cash flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins and Sells, Chartered Accountants. The audited standalone financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 form the basis for such Reformatted Standalone Financial Information.
Reformatted Financial Information	Reformatted Consolidated Financial Information and Reformatted Standalone Financial Information.
Registered Office	Technopolis, 7 th Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 West Bengal.
RoC/Registrar of Companies	Registrar of Companies, Kolkata, West Bengal
Shareholders	The holders of the Equity Shares from time to time.
Statutory Auditors/Auditors	Deloitte Haskins and Sells, Chartered Accountants.
Scheme of Amalgamation	The merger of L&T Finance Limited and L&T Fincorp Limited with Family Credit Limited (now known as L&T Finance Limited) as approved by the High Court at Calcutta vide its order dated November 28, 2016, with effect from the appointed date as per the scheme of amalgamation (being April 1, 2016) and by the NCLT, Mumbai Bench, vide its order dated January 24, 2017. The Scheme of Amalgamation was filed with the ROC on February 13, 2017.
Special Purpose	Special Purpose Unaudited Interim Standalone Condensed Financial Information

Term	Description
Unaudited Interim Standalone Condensed Financial Information	as on December 31, 2018
Trademark License Agreement	Agreement dated December 1, 2010 executed <i>inter alia</i> between L&T and L&T Finance Limited read together with the Amendment Agreement dated March 31, 2015 executed <i>inter alia</i> between L&T, L&T Finance Limited and L&T Fincorp Limited.
Transition Services Agreement	Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Ltd.
Unaudited Interim Standalone Financial Information	Unaudited Interim Standalone Financial Information, Special Purpose Unaudited Interim Standalone Condensed Financial Information and the Limited Review Financials.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of Shelf Prospectus and this Tranche 2 Prospectus
A.K. Capital	A. K. Capital Services Limited
Allotment/ Allot/ Allotted	Unless the context otherwise required, the issue and allotment of the NCDs pursuant to this Tranche 2 Issue to the successful Allottees.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue.
Applicant(s)/ Investor(s)/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of the Draft Shelf Prospectus, Shelf Prospectus, this Tranche 2 Prospectus and Abridged Prospectus and the Application Form for this Tranche 2 Issue.
Application/ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to this Tranche 2 Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche 2 Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche 2 Issue.
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and this Tranche 2 Prospectus.
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application” or “Application”	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant.
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Axis Bank	Axis Bank Limited
Banker(s) to the Issue	Collectively the Public Issue Account Bank(s) and Refund Bank.
Base Issue Size	₹50,000 lakhs.
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Tranche 2 Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 107 of this Tranche 2 Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.

Term	Description
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com .
BSE	BSE Limited.
CARE	CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)
Category I Investor	<ul style="list-style-type: none"> • Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI; • Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a Net Worth of more than ₹ 50,000 lakh as per the last audited financial statements; and • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
Category II Investor	<ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III Investor	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue.
Category IV Investor	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations.
CIBIL	TransUnion CIBIL Limited
Credit Rating Agencies	For the present Issue, the credit rating agencies, being ICRA, CARE and India Ratings

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Consortium/ Members of the Consortium (each individually, a member of the consortium)	The Lead Managers and Consortium Members
Consortium Agreement	Agreement dated March 28, 2019 between our Company, the Lead Managers and the Consortium Members.
Consortium Members	Edelweiss Securities Limited, A. K. Stockmart Private Limited, Axis Capital Limited, Trust Securities Services Private Limited, Trust Financial Consultancy Services Private Limited.
Debenture(s) / NCD(s)/ Secured NCDs	Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000/- each.
Debenture Holder (s) / NCD Holder(s)/ Secured NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trustee Agreement	The agreement dated January 8, 2019 entered into between the Debenture Trustee and our Company.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture holders, in this Issue being Catalyst Trusteeship Limited.
Debt Application Circular(s)	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Deemed Date of Allotment	The date on which the Authorised Personnel approve the Allotment of the NCDs for Tranche 2 Issue or such date as may be determined by the Authorised Personnel or such other person notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and Tranche 2 Prospectus and the Public Issue Account Agreement.

Term	Description
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, sub-brokers, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the Application Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges.
Designated Stock Exchange	NSE.
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchange, as applicable. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated January 17, 2019, filed by our Company with BSE and NSE for receiving public comments, in accordance the Regulation 6(2) of the SEBI Debt Regulations and forwarded to SEBI for record purpose.
Edelweiss	Edelweiss Financial Services Limited.
ICRA	ICRA Limited.
India Ratings	India Ratings and Research Private Limited.
Interest Payment Date/Coupon Payment Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 72 of this Tranche 2 Prospectus.
Issue Agreement	The Issue Agreement dated January 17, 2019 entered between our Company and the Lead Managers.
Issue	Public issue by L&T Finance Limited of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ Secured NCDs ”) for an amount up to ₹ 5000,00,00,000 (Indian Rupees Five Thousand Crores) (“ Shelf Limit ”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a “ Tranche Issue ”), which should be read together with the Draft Shelf Prospectus, and this Shelf Prospectus (collectively the “ Offer Document ”).
Tranche 2 Issue Closing Date	April 18, 2019
Tranche 2 Issue Opening Date	April 8, 2019
Tranche 2 Issue Period	The period between the Tranche 2 Issue Opening Date and the Tranche 2 Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited.
L&T	Larsen & Toubro Limited.
Market Lot	1 (one) NCD.
NSE	National Stock Exchange of India Limited.
Offer Document/ Issue Documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 2 Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers, Public Issue Account Agreement, Consortium Agreement and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement. For further details see the chapter titled “ Material Contracts and Documents for Inspection ” on page 158 of this Tranche 2 Prospectus.

Term	Description
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Promoter	L&T Finance Holdings Limited.
Public Issue Account	Account(s) to be opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified in this Tranche 2 Prospectus.
Public Issue Account Bank	Axis Bank Limited
Public Issue Account Agreement	Agreement dated March 28, 2019 entered amongst our Company, the Registrar, the Public Issue Account Bank, the Refund Bank and the Lead Managers.
Record Date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading will be deemed as the Record Date.</p>
Redemption/Maturity Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 72 of this Tranche 2 Prospectus.
Redemption/Maturity Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 72 of this Tranche 2 Prospectus.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in this Tranche 2 Prospectus.
Refund Bank(s)	Axis Bank Limited
Register of Debenture Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Registrar Agreement	Agreement dated January 8, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.
Series/Option	Collectively the Series/Options of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 67 of this Tranche 2 Prospectus.
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 5000,00,00,000 to be issued under the Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated February 22, 2019 filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.

Term	Description
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company.
Specified Cities/ Specified Locations	Bidding Centres where the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchange	BSE and NSE.
Subordinated Debt	Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments and rate of discount (a) up to one year 100% (b) more than one year but up to two years 80% (c) more than two years but up to three years 60% (d) more than three years but up to four years 40% (e) more than four years but up to five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http:// https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 72 of this Tranche 2 Prospectus.

Term	Description
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche 1 Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian rupees one thousand) each (“NCDs”) for an amount of ₹ 50,000 lakhs (“Base Issue Size”) with an option to retain oversubscription up to ₹ 1,00,000 lakh aggregating up to 150,00,000 Secured NCDs amounting to ₹ 1,50,000 lakh (“Tranche 1 Issue Limit”) (“Tranche 1 Issue”) which is within the Shelf Limit of ₹ 5,00,000 lakh and is being offered by way of this Tranche 1 Prospectus dated February 22, 2019 containing inter alia the terms and conditions of Tranche 2 issue (“Tranche 1 Prospectus”), which should be read together with the Shelf Prospectus dated February 22, 2019 (“Shelf Prospectus”) filed with the registrar of companies, Kolkata, West Bengal, (“ROC”), Stock Exchanges and Securities and Exchange Board of India (“SEBI”). The Shelf Prospectus, Tranche 1 Prospectus and Tranche 2 Prospectus constitutes the prospectus “Prospectus”).
Tranche 2 Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian rupees one thousand) each (“NCDs”) for an amount upto ₹ 50,000 Lakhs (Indian rupees fifty thousand lakhs) (“Base Issue Size”) with an option to retain oversubscription upto ₹ 50,000 Lakhs (Indian Rupees fifty thousand lakhs) aggregating up to 100,00,000 NCDs amounting to ₹ 1,00,000 lakhs (“Tranche 2 Issue”) and is being offered by way of this Tranche 2 Prospectus dated March 28, 2019 containing inter alia the terms and conditions of Tranche 2 Issue (“Tranche 2 Prospectus”), which should be read together with the Shelf Prospectus dated February 22, 2019 (“Shelf Prospectus”) filed with the registrar of companies, Kolkata, West Bengal, (“ROC”), Stock Exchanges and Securities and Exchange Board of India (“SEBI”). The Shelf Prospectus and Tranche 2 Prospectus constitutes the prospectus “Prospectus”). The Tranche 2 Issue is within the approved Shelf Limit.
Tranche Prospectus(es)	The respective Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tranche 1 Prospectus	The Tranche 1 Prospectus dated February 22, 2019 containing, inter alia, the details of NCDs including interest, other terms and conditions
Tranche 2 Prospectus	This Tranche 2 Prospectus dated March 28, 2019 containing, inter alia, the details of NCDs including interest, other terms and conditions
Tripartite Agreements	Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.
Trust	Trust Investment Advisors Private Limited.
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.

Term	Description
Working Day(s)/ Business Day(s)	Working Day(s) shall mean all days excluding Saturdays and or Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Tranche 2 Issue Period, i.e. period beginning from Tranche 2 Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Saturdays and Sundays and bank holidays in Mumbai.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR or Rs.	The lawful currency of India
ACH	Automated Clearing House
AML	Anti-Money Laundering
AGM	Annual General Meeting
ALCO	Assets Liability Management Committee
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Billion	100,00,00,000 (One hundred crores)
Crore	1,00,00,000 (One hundred lakhs)
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
CEIC	Census Economic Information Centre
CPC	Code of Civil Procedure, 1908
Code of Criminal Procedure	Code of Criminal Procedure, 1973
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act 2013	Companies Act, 2013, as amended and, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Tranche 2 Prospectus, along with the relevant rules made thereunder
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
CSR	Corporate Social Responsibility
DSA	Direct Sales Agent
Expected Credit Loss /ExCL	ExCL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate.
ECS	Electronic Clearing Scheme
ESOP	Employee Stock Option Scheme
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity Number
DRR	Debenture Redemption Reserve
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended

Term/Abbreviation	Description/ Full Form
Financial Year / FY/ Fiscal/Fiscal Year	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
Million	10,00,000 (Ten lakhs)
MoF	Ministry of Finance, GoI
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND-SI	Systemically Important Non-deposit taking NBFC, regulated by the RBI guidelines
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
N.I. Act	Negotiable Instruments Act, 1881, as amended
NRI or Non-Resident Indian	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934 as amended
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS

Term/Abbreviation	Description/ Full Form
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short-term loans and advances and long-term loans and advances) and non-performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPAs

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
AUM	Asset Under Management (<i>meaning total adjusted Loans & Advances</i>)
AMC	Asset Management Company
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
LTV	Loan to value ratio
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
NPAs	Non-Performing Assets.
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Capital Structure*”, “*Regulations and Policies*”, “*History, Main Objects and Key Agreements*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 57, 202, 119, 64, 123, 150, 171 and 242, respectively will have the meanings ascribed to them in such sections of the Shelf Prospectus.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Tranche 2 Prospectus to “**India**” are to the Republic of India and its territories and possessions. All references to the Government or State Government are to Government of India, Central or State, as applicable.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 15/2013 dated September 13, 2013 and/or General Circular 8/2014 dated April 4, 2014, as applicable. With effect from April 01, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 (“**Ind AS**”), as applicable.

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Information are included in the Shelf Prospectus and collectively referred to hereinafter as the “**Reformatted Financial Information**”. The examination reports on the Reformatted Financial Information as issued by our Company’s Statutory Auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, are included in the Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 144 of the Shelf Prospectus.

The unaudited financial results of our Company for the six months ended September 30, 2018 submitted to the Stock Exchange pursuant to the requirements of SEBI LODR Regulations (“**Limited Review Financial Results**”) are included in the Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 144 of the Shelf Prospectus.

Unless stated otherwise, the financial data used in this Tranche 2 Prospectus is derived from our Company’s Reformatted Financial Information as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

The Special Purpose Unaudited Interim Condensed Standalone Financial Information as on December 31, 2018 (“**Special Purpose Unaudited Interim Condensed Standalone Financial Information**”), are included in the Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 144 of this Shelf Prospectus.

Unless stated otherwise, the financial data used in this Tranche 2 Prospectus as at December 31, 2018 and September 30, 2018 is prepared in accordance with Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche 2 Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche 2 Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche 2 Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the ICRA Industry Report for industry related data that has been disclosed in the Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *“Internal Risk Factor no. 49 – We have not independently verified certain data in the Shelf Prospectus”* on page no. 38 of the Draft Shelf Prospectus.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Currency and Unit of Presentation

In this Tranche 2 Prospectus, references to “₹”, “**Indian Rupees**”, “**INR**”, “**Rs.**” and “**Rupees**” are to the legal currency of India, references to “**US\$**”, “**USD**”, and “**U.S. dollars**” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Tranche 2 Prospectus, data will be given in ₹ in lakhs.

Certain figures contained in this Tranche 2 Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (i) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

India has decided to adopt the “Convergence of its existing standards with IFRS” referred to as the “Indian Accounting Standards” or “Ind AS”. In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the half year ending on September 30, 2018 prepared under Ind AS, may not be comparable.

There are significant differences between Indian GAAP and Ind AS. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Industry and Market Data

Any industry and market data used in this Tranche 2 Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including ICRA, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Tranche 2 Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche 2 Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (in ₹) of the USD for the respective dates are provided below:

Currency	December 31, 2018	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
USD	69.79	72.55	65.04	64.84	66.33	62.59	60.10

Source: www.rbi.org.in and www.fbil.org.in.

In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

In this Tranche 2 Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche 2 Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche 2 Prospectus that are not historical facts. All statements contained in this Tranche 2 Prospectus that are not statements of historical fact constitute “forward-looking statements” and are not forecasts or projections relating to our Company’s financial performance. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- demand for our products and services;
- performance of the new and pre-owned vehicles industry;
- OEM and employee relationships;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in the Shelf Prospectus, including under the section titled “**Risk Factors**” on page 18 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled “**Our Business**”, “**Risk Factors**” and “**Outstanding Litigations and Defaults**” on pages 91, 18 and 171 respectively of the Shelf Prospectus. The forward-looking statements contained in this Tranche 2 Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Tranche 2 Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Managers nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and this Tranche 2 Prospectus with the ROC and the date of the Allotment.

INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated at Kolkata as Apeejay Finance Group Private Limited on November 24, 1993 as a private limited company under the Companies Act, 1956, as amended, with registration no. 2160810 and was granted a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata (“RoC”). Upon conversion of our Company from private limited to public limited, the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. Our Company is registered as a non-deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number B-05.06200.

Registered Office

Technopolis, 7th Floor,
A- Wing, Plot No. - 4,
Block - BP, Sector -V,
Salt Lake, Kolkata,
West Bengal 700 091, India.
Tel: 033-66111800
E-mail: secretarial@ltfs.com
Website: www.ltfs.com
PAN No.: AACCA1963B
LEI No.: 3358004EZG8QSJOAC830

Corporate and Head Office

Brindavan, Plot No. 177, C.S.T. Road,
Kalina, Santacruz (East), Mumbai - 400098,
Maharashtra, India.
Tel: +91 22 6212 5000; **Fax:** +91 22 6621 7509
E-mail: secretarial@ltfs.com
Website: www.ltfs.com

Registration

Corporate Identification Number: U65910WB1993FLC060810 issued by the RoC and LEI No.: 3358004EZG8QSJOAC830. Our Company holds a certificate of registration dated September 03, 2007 bearing number B-05.06200 issued initially by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934 and pursuant to the change of the name of our Company to L&T Finance Limited, a fresh certificate of registration dated May 04, 2017 bearing number B-05.06200 has been issued by RBI in lieu of the earlier certificate.

Chief Financial Officer

Mr. Manish Jethwa
L&T Finance Limited
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6621 7509
E-mail: manishjethwa@ltfs.com

Compliance Officer for the Issue

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Apurva Rathod

Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6621 7509
E-mail: investor grievances@ltfs.com

Company Secretary

Mr. Gufran Ahmed Siddiqui

Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6621 7509
E-mail: gufranahmed@ltfs.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, or interest on application money etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, or Compliance Officer giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the Bidding Centre of the relevant members of the Lead Managers where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue or Compliance Officer with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the Stock Exchange.

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098
Tel: (+91 22) 4086 3535
Fax: (+91 22) 4086 3610
E-mail: ltfinance.ncds@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

A. K. Capital Services Limited

30-38, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021
Tel: +91 22 6754 6500/ 6634 9300
Fax: + 91 22 6610 0594
Email: ltfinance.ncd2019@akgroup.co.in

Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/Mr. Malay Shah
Compliance Officer: Mr. Tejas Davda
Email (Compliance Officer): investor.grievance@akgroup.co.in
Tel (Compliance Officer): +91 22 6754 6500/ 6634 9300
CIN: L74899MH1993PLC274881

Trust Investment Advisors Private Limited

109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Tel: (+91 22) 4084 5000
Fax: (+91 22) 4084 5007
Email: projectvajra@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

Axis Bank Limited

Axis House, 8th Floor, C-2,
Wadia International Centre,
P.B. Marg, Worli, Mumbai, 400025
Tel: +91 22 6604 3293
Fax: +91 22 2425 2800
Email: ltfs.ncd2019@axisbank.com
Investor Grievance Email: investor.grievance@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
Compliance Officer: Mr. Sharad Sawant
SEBI Registration No.: INM000006104
CIN: L65110GJ1993PLC020769

Consortium Members

Edelweiss Securities Limited

2nd Floor, MB Towers, Plot No. 5,
Road No. 2, Banjara Hills,
Hyderabad – 500 034,
Telangana, India
Email: Prakash.boricha@edelweissfin.com, Amit.dalvi@edelweissfin.com
Contact Person: Mr. Prakash Boricha, Mr. Amit Dalvi
Telephone: +91 22 6747 1342/ 1343
Website: www.edelweissfin.com / www.edelweiss.in
Compliance officer: Mr. Atul Bapna
Investor Grievance Email: helpdesk@edelweiss.in
SEBI Registration No.: INZ000166136
CIN: U67110AP1993PLC052266

A. K. Stockmart Private Limited

30-38, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021
Tel: +91 22 6754 6500
Fax: + 91 22 6610 4666
Email: ankit@akgroup.co.in / ranjit.dutta@akgroup.co.in
Investor Grievance Email: investorgrievance@akgroup.co.in

Website: www.akgroup.co.in
Contact Person: Mr. Ankit Gupta/ Mr. Ranjit Dutta
Compliance Officer: Mr. Ankit Gupta
SEBI Registration No.: NSE: INB231269532; BSE: INB011269538
CIN: U67120MH2006PTC158932

Axis Capital Limited

Axis House, Level 1, C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400025, India
Email: Ajay.sheth@axiscap.in / Vinayak.ketkar@axiscap.in
Telephone: +91 22 4325 3110
Facsimile: +91 22 4325 3000
Website: www.axiscapital.co.in
Contact person: Mr. Ajay Sheth / Mr. Vinayak Ketkar
Compliance officer: Mr. Natarajan M.
SEBI Registration No.: INM000012029
CIN: U51900MH2005PLC157853

Trust Securities Services Private Limited

1101, Naman Centre, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai 400051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: avani.dalal@trustgroup.in
Investor grievance email: grievances@trustgroup.in
Website: www.trustgroup.in
Contact person: Ms. Avani Dalal
Compliance Officer: Mr. Sanyog Murdia
SEBI Registration No: BSE: INZ000158031
CIN: U65929MH2016PTC287266

Trust Financial Consultancy Services Private Limited

1101, Naman Centre, G Block, C-31,
Bandra Kurla Complex,
Bandra East, Mumbai 400051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: pranav.inamdar@trustgroup.in
Investor grievance email: grievances@trustgroup.in
Website: www.trustgroup.in
Contact person: Mr. Pranav Inamdar
Compliance Officer: Mr. Rajesh Nag
SEBI Registration No: NSE: INB231198731 and BSE: INB011198737
CIN: U67120MH2002PTC135942

Debenture Trustee:

Catalyst Trusteeship Limited

GDA House, First Floor, Plot No 85, S.No. 94&95, Bhusari Colony (Right),
Paud Road, Pune - 411 038
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Ms. Rakhi Kulkarni
SEBI Registration No.: IND000000034
CIN: U74999PN1997PLC110262

Registrar:**Link Intime India Private Limited**

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200

Fax: +91 22 4918 6195

Email: ncd2.ltfm2019@linkintime.co.in

Investor Grievance mail: ncd2.ltfm2019@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Shanti Gopalkrishnan

Email (Compliance Officer): bn.ramakrishnan@linkintime.co.in

Tel (Compliance Officer): +91 22 49186200

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

Statutory Auditor:

M/s. Deloitte Haskins & Sells LLP

Indiabulls Finance Centre Tower 3, 27th- 32nd Floor,

Senapati Bapat Marg, Elphinstone Road (West), Mumbai: 400013

Tel: +91 22 6185 5390

Fax: +91 22 6185 4601

E-mail: spilgaonkar@deloitte.com

Contact Person: Mr. Sanjiv V. Pilgaonkar

Firm Registration No.: 117366W/W-100018

Date of appointment as Statutory Auditor: June 15, 2016

Credit Rating Agencies:**CARE Ratings Limited**

4th Floor, Godrej Coliseum, Somaiya Hospital Road,

Off. Eastern Express Highway, Sion (E), Mumbai - 400 022

Tel: 91-22- 6754 3456

Fax: 91-22- 6754 3457 / 67

E-mail: ravi.kumar@careratings.com

Website: www.careratings.com

Contact Person: Mr. Ravi Kumar Dasari

SEBI Registration No.: IN/CRA/004/1999

CIN: L67190MH1993PLC071691

India Ratings and Research Private Limited

Wockhardt Towers, 4th floor, Bandra Kurla Complex,

Bandra East, Mumbai 400051

Tel: +91 22 4000 1700

Fax: +91 22 4000 1701

E-mail: shrikant.dev@indiaratings.co.in

Website: www.indiaratings.co.in

Contact Person: Mr. Shrikant Dev

Compliance Officer: Mr. Shrikant Dev

SEBI Registration No.: IN/CRA/002/1999

CIN: U67100MH1995FTC140049

ICRA Ratings Limited*

Electric Mansion, 3rd Floor, Appasaheb Marathe Marg,

Prabhadevi, Mumbai – 400025

Tel: +91-22-61143406

Fax: +91-22-24331390

E-mail: shivakumar@icraindia.com

Website: www.icra.in

Contact Person: Mr. L. Shivakumar

SEBI Registration No.: IN/CRA/008/2015
CIN: L74999DL1991PLC042749

**ICRA Ratings Limited received a notice from SEBI on December 18, 2018, for conduct of adjudication proceedings in relation to credit ratings assigned to Infrastructure Leasing & Financial Services Limited and one of its subsidiaries, IL&FS Financial Services Ltd. under the SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995. These proceedings are under Chapter VI-A of the SEBI Act, 1992, which deals with potential imposition of monetary penalty.*

Legal Advisor to the Issue:

Khaitan & Co

One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg
Mumbai- 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Bankers to the Issue

Public Issue Account Bank and Refund Bank:

Axis Bank Limited

Jeevan Prakash Building,
Ground Floor, Sir P M Road, Fort,
Mumbai - 400 001
Tel: 022 4086 7336/7474
Fax: 022 4086 7327/7378
Email: fort.operationshead@axisbank.com
Contact Person: Mr Sudhir Raje
Website: www.axisbank.com
SEBI Registration No: INBI00000017

Bankers to our Company

BNP Paribas

BNP Paribas House, 1, North
Avenue, Maker Maxity, Bandra -
Kurla Complex, Bandra East,
Mumbai – 400051
Tel: 022 3370 4000
Fax: 022 61965099
Email:
sonal.shah@asia.bnpparibas.com
Contact Person: Ms Sonal Shah
Website: www.bnpparibas.co.in

Oriental Bank of Commerce

Large Corporate Branch
No. 63, Dr. Radhakrishnan Salai
Mylapore, Chennai – 600 004
Tel: 044 2466 1078
Fax: 044 2499 8116
Email: bm1043@obc.co.in
Contact Person: Mr. E
Venkateshwarlu
Website: www.obcindia.co.in

Punjab & Sind Bank

27/29 Ambalal Doshi Marg Fort,
Mumbai 400023
Tel: 022 2265 8721
Fax: 022 2265 1752
Email: b0385@psb.co.in
Contact Person: Mr Mukesh
Kumar
Website: www.psbindia.com

Punjab National Bank

LCB Rayala Towers, Anna Salai
Chennai 600002
Tel: 044 6678 5552
Fax: 044 6678 5508
Email: bo0305@pnb.co.in
Contact Person: Mr K S
Srivastava
Website: www.pnbindia.in

RBL Bank

One India Bulls Centre, Tower 2B,
6th Floor, 841 Senapati Bapat Marg,
Lower Parel West,
Mumbai - 400013
Tel: 022 4302 0927
Fax: 022 4302 0520
Email: Sumant.Paul@rblbank.com
Contact Person: Mr Sumant Paul
Website: www.rblbank.com

Standard Chartered Bank

5th Floor, Crescenzo, C-38/39, G
Block, Bandra Kurla Complex,
Bandra (East), Maharashtra,
400051
Tel: 022 4265 8211
Email: Praveen.agarwal@sc.com
Contact Person: Mr Praveen
Agarwal
Website: www.sc.com/in/

State Bank of India

Bandra Kurla Complex Road, G Block BKC, University of Mumbai, Vidya Nagari, Kalina, Bandra East, Mumbai, Maharashtra 400051

Tel: 022 6154 2667

Fax: 022 6154 2802

Email:

amt4.09995@sbi.co.in

Contact Person: Relationship Manager AMT-4

Website: <https://sbi.co.in/>

The South Indian Bank Ltd

G 8 Embassy Centre, 207 - Nariman Point, Mumbai, India - 400 021

Tel: 022 2284 4133

Fax: 022 2284 4133

Email: br0194@sib.co.in

Contact Person: Mr Pradeep V N

Website:

www.southindianbank.com

Deutsche Bank AG

14th Floor, The Capital, C70 G Block, BKC, Mumbai- 400051

Tel :022-7180 4047

Email: rajeev.sikdar@db.com

Contact Person: Mr Rajeev Sikar

Website:

www.deutschebank.co.in

Bank of America

A-wing, One BKC, G - Block, Bandra Kurla Complex, Bandra East, Mumbai 400051

Tel: 022 6632 3367

Fax: 022 6646 6075

Email: aaggarwal3@baml.com

Contact Person: Mr Abhishek Aggrawal

Website: <http://bofa-india.com/>

Central Bank of India

Corporate Finance Branch, 1st Floor, MMO Building, Fort, Mumbai-400 023

Tel: 022 4078 5841

Fax: 022 4078 5838

Email:

agmcfb3007@centralabnk.co.in,

cfbcbi@gmail.com

Contact Person: Mr A.S Cooper

Syndicate Bank

SyndicateBank Large Corporate Branch, Maker Towers, 2nd Floor, Maker Tower 'E' Wing, Cuffe Parade, Mumbai - 400005

Tel: 022 2216 6649

Fax: 022 2218 5798

Email:

br.5037@syndicatebank.co.in

Contact Person: Assistant General Manager

Website: www.syndicatebank.in

Union Bank of India

Industrial Finance Branch, Union Bank Bhawan, 1st Floor, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai- 400021.

Tel: 022 2289 6725

Fax: 022 2285 5037

Email:

ksbabu@unionbankofindia.com

Contact Person: Mr K Sridhar Babu

Website:

www.unionbankofindia.co.in

Axis Bank Limited

Corporate Banking Branch 12, Mittal,

A Wing, Nariman Point

Mumbai - 400 001

Tel: 022 2289 5139

Fax: 022 2289 5216

Email:

Srinivasan.vaikundam@axisbank.com

Contact Person: Mr Srinivasan

Vaikundam

Website: www.axisbank.com

Bank of Maharashtra

85-E, Maker Tower, Cuffe Parade, Mumbai - 05

Tel: 022 2218 3081

Fax: 022 2218 1031

Email: bom485485@mahabank.co.in

Contact Person: Mr Dilip.K.

Panigrahi

Website: www.bankofmaharashtra.in

DBS Bank

DBS Bank, 19th Floor, Express Towers, Nariman Point, Mumbai 400 021

Tel: 022 6752 8304

Fax: 022 6752 8399

Email: paragnarula@dbs.com_

Contact Person: Mr. Parag Narula

Website: www.dbs.com

The Bank of Nova Scotia

Global Banking & Markets, 91-94, 3 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai - 400051

Tel: 022 6623 5070

Fax: 022 2287 4350

Email:

aditya.jain@scotiabank.com

Contact Person: Mr. Aditya Jain

Website: www.scotiabank.com

United Bank of India

25 Sir PM Road, Fort, Mumbai 400001

Tel: 022 2281 0431

Fax: 022 2281 0440

Email:

bmzcm@unitedbank.co.in

Contact Person: Mr N Srinivasa Rao

Website:

www.unitedbankofindia.com

Bank of Baroda

CFS Branch, Bank of Baroda Bu1st Floor, 3, Walchand Hirachand Marg, Ballard Pier, Mumbai - 400001

Tel: 022 4340 7313

Fax: 022 2261 0413

Email:

CFSBAL@bankofbaroda.com

Contact Person: Mr Dattatray

Hadpadkar

Website: www.bankofbaroda.com

Canara Bank

Prime Corporate Branch II, 2nd Floor Varma Chambers Homji Street, Fort, Mumbai - 400 001

Tel: 022 2287 5090

Fax: 022 2287 5095

Email: cb1903@canarabank.com

Contact Person: Mr Sunil

Thakkur

Website: www.canarabank.com

Dena Bank

C-10, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051

Tel: 022 2654 5013

Fax: 022 2654 5017

Email: bankur@denabank.co.in

Contact Person: Mr Nikhil

Asthana

Website: www.denabank.com

Website:

www.centralbankofindia.co.in

Doha Bank

Sakhar Bhavan, Ground Floor,
Plot No 230, Block No 3, Back
Bay Reclamation, Nariman Point,
Mumbai, Maharashtra 400021

Tel: 022 3394 1103

Email:

sravindran@dohabank.co.in

Contact Person: Mr S Ravindran

Website: <http://dohabank.co.in/>

Federal Bank

A-4, Laxmi Towers, 2nd Floor,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra 400051

Tel: 022 61748620

Email: sujitkd@federalbank.co.in

Contact Person: Mr. Sujit Kumar
Dubey

Website: www.federalbank.co.in

HDFC Bank Ltd

2nd Floor Process House, Kamala
Mills, Senapati Bapat Marg,
Lower Parel (West), Mumbai –
400013.

Tel: 022 3395 8143

Fax: 022 3078 8579

Email:

anant.kumar@hdfcbank.com

Contact Person: Mr Anant
Kumar

Website: www.hdfcbank.com

HSBC Ltd.

52/60, M G Road,
Mumbai - 400001

Tel: 022 2268 1864

Email:

shagunahluwalia@hsbc.co.in

Contact Person: Ms. Shagun
Ahluwalia

Website: www.hsbc.co.in

Indian Bank

25 Ghanshyam House, Indian Bank,
Nehru Place, New Delhi, Delhi
110019

Tel: 9871262862

Fax: 011 26222397

Email: nehruplace@indianbank.co.in

Contact Person: Mrs P Vasundhra

Website: www.indianbank.in

**Small Industries Development
Bank of India**

MSME Development Centre, Plot
No. C-11, G-Block, Bandra Kurla
Complex, Bandra East, Mumbai
400051

Tel: 022- 67531100

Fax: 022- 67531236

Email: Insti_marketing@sidbi.in

Contact Person: Deputy General
Manager, Institutional Finance
Vertical

Website: www.sidbi.in

**Micro Units Development &
Refinance Agency Limited
(MUDRA)**

1st Floor, MSME Development
Centre, C-11, G-Block
Bandra Kurla Complex
Bandra (E), Mumbai 400051

Tel: 022-67531100

Email:

mudrarefinance@mudra.org.in

Contact Person: Shri. Rajesh
Kumar, AGM

Website: www.mudra.org.in

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available at <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche 2 Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. ₹ 37,500 lakhs). If our Company does not receive the minimum subscription of 75% of Base Issue Size, as specified in Companies Act, 2013 and rules made thereunder, prior to the Tranche 2 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AAA / Stable' by ICRA for an amount of up to ₹ 5,00,000 lakh, 'CARE AAA / Stable' by CARE for an amount of up to ₹ 5,00,000 lakh and 'IND AAA / Stable' by India Ratings for an amount of up to ₹ 5,00,000 lakh. The rating of NCDs by ICRA, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

The rationale for the aforementioned rating issued by ICRA, CARE, and India Ratings has been provided in Annexure A, Annexure B and Annexure C respectively of this Tranche 2 Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled "*Objects of this Tranche 2 Issue*" on page 49 of this Tranche 2 Prospectus.

Tranche 2 Issue Programme

TRANCHE 2 ISSUE PROGRAMME*	
TRANCHE 2 ISSUE OPENS ON	April 8, 2019
TRANCHE 2 ISSUE CLOSES ON	April 18, 2019

* *The Tranche 2 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche 2 Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Tranche 2 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper on or before such earlier or extended date of Issue Closure. On the Tranche 2 Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.*

*Further please note that Application Forms for the Tranche 2 Issue shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche 2 Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Tranche 2 Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche 2 Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 2 Issue Closing Date. All times mentioned in this Tranche 2 Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 2 Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Shelf Prospectus.

This section contains copies of certain tables and charts from the ICRA Research – ‘Industry Overview of Retail focused NBFCs, Housing Finance Companies and Infrastructure Finance NBFCs’ dated January 2018. References to “2014-15”, “2015-16” and “2016-17”, etc., or “FY 15”, “FY 16” and “FY 17”, etc. or “Mar-15”, “Mar-16” and “Mar-17”, etc. or “Fiscal 2015”, “Fiscal 2016” and “Fiscal 2017” in these tables and charts are to the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017, etc., or as at March 31, 2015, March 31, 2016 and March 31, 2017, etc., as applicable. The use of the letter “E” after a number means it is an estimated number and the use of the letter “P” after a number means it is a projected number.

OVERVIEW OF ECONOMY

Global Economy

Global growth for 2018–19 is projected to remain steady at its 2017 level, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. Global growth is projected at 3.7 percent for 2018–19—0.2 percentage point lower for both years than forecast in April. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetary policy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago. Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict.

The balance of risks to the global growth forecast has shifted to the downside in a context of elevated policy uncertainty. Several of the downside risks highlighted in the April 2018 World Economic Outlook (WEO)—such as rising trade barriers and a reversal of capital flows to emerging market economies with weaker fundamentals and higher political risk—have become more pronounced or have partially materialized. Meanwhile, the potential for upside surprises has receded, given the tightening of financial conditions in some parts of the world, higher trade costs, slow implementation of reforms recommended in the past, and waning growth momentum. While financial market conditions remain accommodative in advanced economies, they could tighten rapidly if trade tensions and policy uncertainty intensify, or unexpectedly high inflation in the United States triggers a stronger-than-anticipated monetary policy response. Tighter financial conditions in advanced economies could cause disruptive portfolio adjustments, sharp exchange rate movements, and further reductions in capital inflows to emerging markets, particularly those with greater vulnerabilities. The recovery has helped lift employment and income, has strengthened balance sheets, and has provided an opportunity to rebuild buffers. However, with risks shifting to the downside, there is greater urgency for policies to enhance prospects for strong and inclusive growth. Avoiding protectionist reactions to structural change and finding cooperative solutions that promote continued growth in goods and services trade remain essential to preserving and extending the global expansion.

At a time of above-potential growth in many economies, policymakers should aim to enact reforms that raise medium-term incomes for the benefit of all. With shrinking excess capacity and mounting downside risks, many countries need to rebuild fiscal buffers and strengthen their resilience to an environment in which financial conditions could tighten suddenly and sharply.

Global Growth Outlook

Global growth is expected to remain steady at 3.7 percent in 2020, as the decline in advanced economy growth with the unwinding of the US fiscal stimulus and the fading of the favourable spill overs from US demand to trading partners is offset by a pickup in emerging market and developing economy growth. Thereafter, global growth is projected to slow to 3.6 percent by 2022–23, largely reflecting a moderation in advanced economy growth toward the potential of that group. Growth in advanced economies will remain well above trend at 2.4 percent in 2018, before softening to 2.1 percent in 2019.

Overview of the World Economic Outlook Projections

(percent change, unless noted otherwise)

	Year over Year				Q4 over Q4 ⁷			
	2016	2017	Projections		2016	2017	Projections	
			2018	2019			2018	2019
World Output	3.3	3.7	3.7	3.7	3.2	4.0	3.5	3.8
Advanced Economies	1.7	2.3	2.4	2.1	2.0	2.5	2.3	1.9
United States	1.6	2.2	2.9	2.5	1.9	2.5	3.1	2.3
Euro Area	1.9	2.4	2.0	1.9	2.0	2.7	1.7	1.9
Germany	2.2	2.5	1.9	1.9	1.9	2.8	1.9	1.6
France	1.1	2.3	1.6	1.6	1.2	2.8	1.3	1.7
Italy	0.9	1.5	1.2	1.0	1.0	1.6	0.8	1.3
Spain	3.2	3.0	2.7	2.2	2.9	3.0	2.5	2.1
Japan	1.0	1.7	1.1	0.9	1.5	2.0	1.0	-0.3
United Kingdom	1.8	1.7	1.4	1.5	1.7	1.3	1.5	1.4
Canada	1.4	3.0	2.1	2.0	2.0	3.0	2.1	1.9
Other Advanced Economies ²	2.3	2.8	2.8	2.5	2.6	2.9	2.8	2.4
Emerging Market and Developing Economies	4.4	4.7	4.7	4.7	4.4	5.2	4.6	5.3
Commonwealth of Independent States	0.4	2.1	2.3	2.4	1.0	1.7	2.2	2.3
Russia	-0.2	1.5	1.7	1.8	0.8	1.2	2.1	1.9
Excluding Russia	2.0	3.6	3.9	3.6	...	...	...	...
Emerging and Developing Asia	6.5	6.5	6.5	6.3	6.3	6.7	6.2	6.5
China	6.7	6.9	6.6	6.2	6.8	6.8	6.4	6.2
India ³	7.1	6.7	7.3	7.4	6.1	7.7	6.5	7.9
ASEAN-5 ⁴	4.9	5.3	5.3	5.2	4.8	5.4	5.1	5.6
Emerging and Developing Europe	3.3	6.0	3.8	2.0	3.8	6.1	0.9	4.0
Latin America and the Caribbean	-0.6	1.3	1.2	2.2	-0.8	1.7	0.5	2.8
Brazil	-3.5	1.0	1.4	2.4	-2.4	2.2	1.7	2.5
Mexico	2.9	2.0	2.2	2.5	3.3	1.6	2.2	3.0
Middle East, North Africa, Afghanistan, and Pakistan	5.1	2.2	2.4	2.7	...	...	...	...
Saudi Arabia	1.7	-0.9	2.2	2.4	2.1	-1.4	3.5	2.1
Sub-Saharan Africa	1.4	2.7	3.1	3.8	...	...	...	...
Nigeria	-1.6	0.8	1.9	2.3	...	...	...	...
South Africa	0.6	1.3	0.8	1.4	1.0	1.9	0.5	0.9
<i>Memorandum</i>								
European Union	2.0	2.7	2.2	2.0	2.1	2.8	1.9	2.1
Low-Income Developing Countries	3.6	4.7	4.7	5.2	...	...	...	...
Middle East and North Africa	5.2	1.8	2.0	2.5	...	...	...	...

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 17–August 14, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

²Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

³For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

⁴Indonesia, Malaysia, Philippines, Thailand, Vietnam.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018>)

Macroeconomic view of the Indian Economy

India remains one of the drivers of world growth, in an improving global economic environment. According to the data released by the International Monetary Fund (IMF) in October 2018, the world economy grew by 3.3% and 3.7%, respectively, in 2016 and 2017 (refer Exhibit 1). Notwithstanding a mild slowdown in the pace of growth, the Indian economy expanded by a sharper 7.1% and 6.7%, respectively, in 2016 and 2017. This makes it one of the fastest growing large economy in the world, along with China (+6.7% and +6.9%, respectively). The pace of growth of the Indian economy in 2016 and 2017 has been significantly healthier than the performance of South Africa (+0.6% and +1.3%), Brazil (-3.5% and +1.0%) and Russia (-0.2% and +1.5%). The advanced economies recorded an uptick in growth from 1.7% in 2016 to 2.3% in 2017, led by acceleration in growth in the US (from +1.6% to +2.2%), the Euro Area (from +1.9% to +2.4%), and Japan (from +1.0% to +1.7%). The economy of the UK was an exception to this trend, with growth easing marginally from 1.8% in 2016 to 1.7% in 2017.

Exhibit 1: Global GDP growth and forecasts (as per IMF)

Country/ Group	Real GDP Growth (%)						
	Actual					Forecasted	
	2013	2014	2015	2016	2017	2018E	2019E
China	7.8%	7.3%	6.9%	6.7%	6.9%	6.6%	6.2%
Brazil	3.0%	0.5%	-3.5%	-3.5%	1.0%	1.4%	2.4%
Russia	1.8%	0.7%	-2.5%	-0.2%	1.5%	1.7%	1.8%
South Africa	2.5%	1.8%	1.3%	0.6%	1.3%	0.8%	1.4%
India	6.4%	7.4%	8.2%	7.1%	6.7%	7.3%	7.4%
Japan	2.0%	0.4%	1.4%	1.0%	1.7%	1.1%	0.9%
Euro Area	-0.2%	1.4%	2.1%	1.9%	2.4%	2.0%	1.9%
United Kingdom	2.0%	2.9%	2.3%	1.8%	1.7%	1.4%	1.5%
United States	1.8%	2.5%	2.9%	1.6%	2.2%	2.9%	2.5%
Advanced Economies	1.4%	2.1%	2.3%	1.7%	2.3%	2.4%	2.1%
World	3.5%	3.6%	3.5%	3.3%	3.7%	3.7%	3.7%

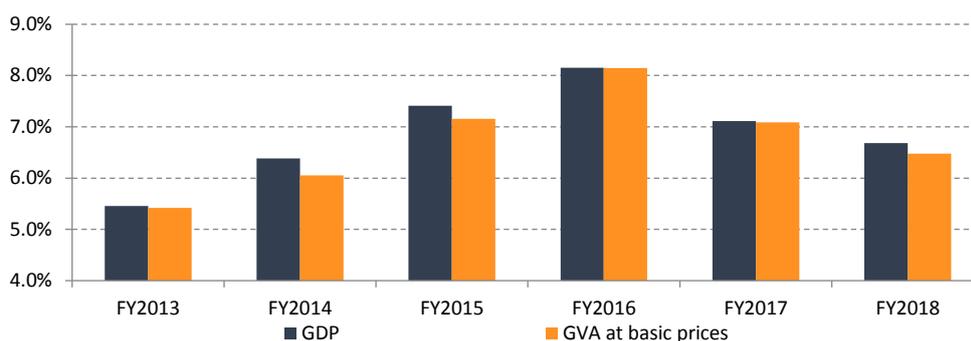
* For India, data and forecasts are presented on a fiscal year basis i.e. 2013 refers to 2013-14 or FY2014. Data for other countries calculated on a calendar year basis.

Source: IMF World Economic Outlook (October 2018), ICRA Research

Looking ahead, the IMF expects global economic growth to remain steady at 3.7% each in 2018 and 2019. India's growth rate is expected to improve to 7.3% in 2018 and further to 7.4% in 2019, led by strong private consumption, and fading temporary effects of the note ban and transition to the Goods and Services Tax (GST). The IMF also said that India's growth is expected to rise gradually over the medium-term, with the continued implementation of structural reforms that boost productivity and incentivise private sector investment. In contrast, the IMF expects the rate of expansion of economic activity in China to decline to 6.6% in 2018 and further to 6.2% in 2019, on account of the aftermath of the recently announced trade protectionism measures.

Growth of Indian GDP and gross value added (GVA) at basic prices displayed an uptrend from FY2013 to FY2016. GDP and GVA growth rose from the subdued prints of 5.5% and 5.4%, respectively, in FY2013, to the robust 8.2% and 8.1%, respectively, in FY2016. However, the GDP and GVA growth witnessed a slowdown to 7.1%, each in FY2017 (refer Exhibit 2). Moreover, this trend continued in FY2018, with GDP and GVA growth slowing to a four-year low 6.7% and 6.5%, respectively during the year, partly driven by the disruption in economic activity after the transition to GST. The decline in GDP growth in FY2018 was broad-based, with Private Final Consumption Expenditure (PFCE), Government Final Consumption Expenditure (GFCE) and Gross Fixed Capital Formation (GFCF) recording a slowdown (to +6.6%, +10.9%, and +7.6%, respectively, from +7.3%, +12.2% and +10.1%, respectively), partly offset by a contrasting trend in exports, inventories and valuables (to +5.6%, +4.5% and +58.8%, respectively from +5.0%, -61.2% and -13.9%, respectively). The dip in the GVA growth in FY2018 relative to FY2017 was led by a moderation in the growth of agriculture (to +3.4% from +6.3%) and industry (to +5.5% from +6.8%), offset by a revival in the expansion of services (to +7.9% from +7.5%).

Exhibit 2: YoY Growth in GDP and GVA at basic prices (Constant 2011-12 Prices)



Source: CSO; ICRA research

Growth of India's GDP (at constant 2011-12 prices) eased to a three-quarter low 7.1% in Q2 FY2019 from 8.2% in Q1 FY2019, while improving relative to the 6.3% recorded in Q2 FY2018. Similarly, the growth of GVA at basic prices declined to a three-quarter low 6.9% in Q2 FY2019 from 8.0% in Q1 FY2019, while exceeding the 6.1% print for Q2 FY2018.

The substantial improvement in GDP growth to 7.1% in Q2 FY2018 from 6.3% in Q2 FY2018 was led by GFCF, GFCE and PFCE, which more than offset the slowdown in growth of inventories, valuables and the drag imposed by net imports. GFCF growth doubled to 12.5% in Q2 FY2019 from 6.1% in Q2 FY2018. Moreover, GFCE growth rose sharply to 12.7% in Q2 FY2019 from 3.8% in Q2 FY2018. In addition, the growth of PFCE rose modestly to 7.0% in Q2 FY2019 from 6.8% in Q2 FY2018. With the rise in the expansion of imports (to +25.6% from +10.0%) sharply outpacing the uptick in the growth of exports (to +13.4% from +6.8%), net imports exerted a larger drag upon GDP expansion in Q2 FY2019 relative to Q2 FY2018. The shift in production schedules related to a later start to the festive season is likely to have resulted in the easing in the growth of inventories to 3.8% in Q2 FY2019 from 5.8% in Q2 FY2018.

On a YoY basis, the pace of expansion of GVA at basic prices improved to 6.9% in Q2 FY2019 from 6.1% in Q2 FY2018, led by a broad-based improvement in growth of industry (to +6.8% from +6.1%; driven by manufacturing, construction and electricity, gas, water supply and other utility services), services (to +7.5% from +6.8%, led by public administration, defence and other services and financial, real estate and professional services), and agriculture, forestry and fishing (to +3.8% from +2.6%).

Growth Outlook for the Indian Economy

The deficit in post-monsoon rainfall, lagging rabi sowing and disinflation in food prices pose concerns for the outlook for rural sentiment. Whether market prices rise closer to the revised minimum support prices (MSPs) for various crops would crucially affect rural sentiment and demand going forward. While the staggered pay revision by various state governments and the recent GST rate cuts would support urban consumption demand, higher fuel prices on a YoY basis may pose a risk to the purchasing power of consumers to some extent. Moderately healthy consumption demand, as well as the benefits of the implementation of the GST, are expected to support volume growth going forward, which would boost capacity utilisation for the organised sector, and set the stage for a broadening of the investment recovery. Completion of the resolution process of cases admitted to the NCLT would improve utilisation of existing capacity and promote consolidation in some sectors.

The fiscal space for spending by the Government of India (GoI) in FY2019 is contingent on several revenue and expenditure risks, such as the likelihood of meeting the targets for the GST, dividends and profits, and disinvestment, and the adequacy of outlays for revised MSPs, the National Health Protection Scheme, fuel and other subsidies. Additionally, a trend of expenditure announcements from various state governments over the recent months may result in a fiscal slippage, unless revenues exceed the targeted level or there is a cutback in budgeted expenditure. Overall, there could be some cutback in capital spending to offset higher-than-budgeted revenue expenditure, which would support consumption growth at the cost of infrastructure spending in FY2019.

Notwithstanding the Central Bank's recent decision to defer the scheduled increase in capital conservation buffer for FY2019 by one year, most public-sector banks still face capital constraints, which would limit their ability to

drive credit growth. Meanwhile, private banks are constrained by their ability to attract incremental deposits, as the deposit franchise of the PSBs largely remains intact. The extent to which access to credit improves for the MSME sector would have an impact on business sentiment and economic growth in FY2019.

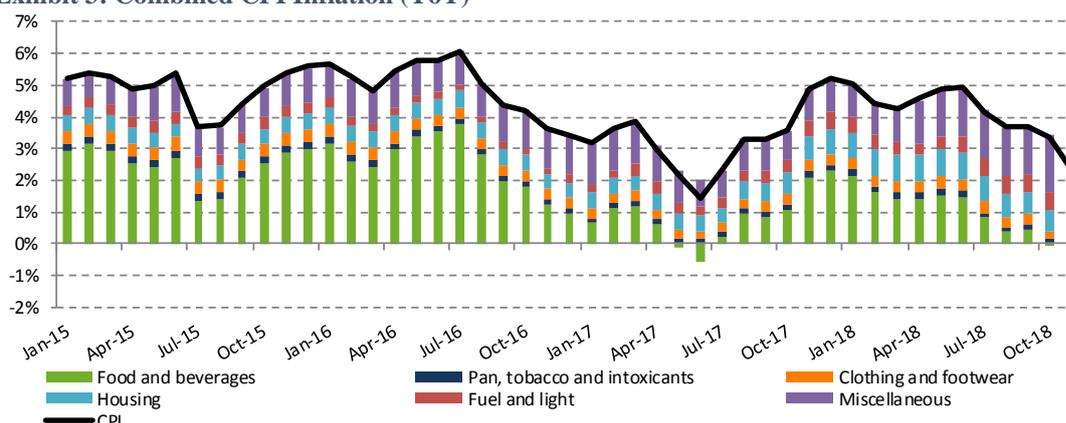
Given the risks posed by the YoY rise in commodity prices and the depreciation of the INR, as well as the availability and cost of financing for some sectors, GDP and GVA growth are likely to record a shallow recovery to 7.2% and 7.1%, respectively, in FY2019 from 6.7% and 6.5%, respectively, in FY2018.

Inflation and Monetary Policy

The CPI inflation in India eased dramatically from 9.9% and 9.4%, respectively, in FY2013 and FY2014, to 5.9% in FY2015, led primarily by food inflation. Subsequent improvements were relatively modest, with the average CPI inflation moderating to 4.9% in FY2016 and 4.5% in FY2017. However, following this, CPI inflation softened considerably to 3.6% in FY2018. Notably, the Agreement on the Monetary Policy Framework of the GoI and the Reserve Bank of India (RBI), signed in February 2015, set a CPI inflation target for FY2017 and all subsequent years of 4% +/-2%.

The headline CPI inflation has recorded a sharp downtick to 2.3% in November 2018 (refer Exhibit 3) from 4.9% in June 2018, primarily led by a disinflation in food and beverages index. The urban CPI inflation softened to 3.1% in November 2018 from 4.8% in June 2018, while the rural CPI inflation corrected to 1.7% from 4.9%, respectively. The food and beverages index recorded a YoY disinflation of 1.7% in November 2018, in contrast to the inflation of 3.1% in June 2018. However, the inflation for fuel and light rose to 7.4% in November 2018 from 8.4% in June 2018.

Exhibit 3: Combined CPI Inflation (YoY)



Source: CSO; ICRA research

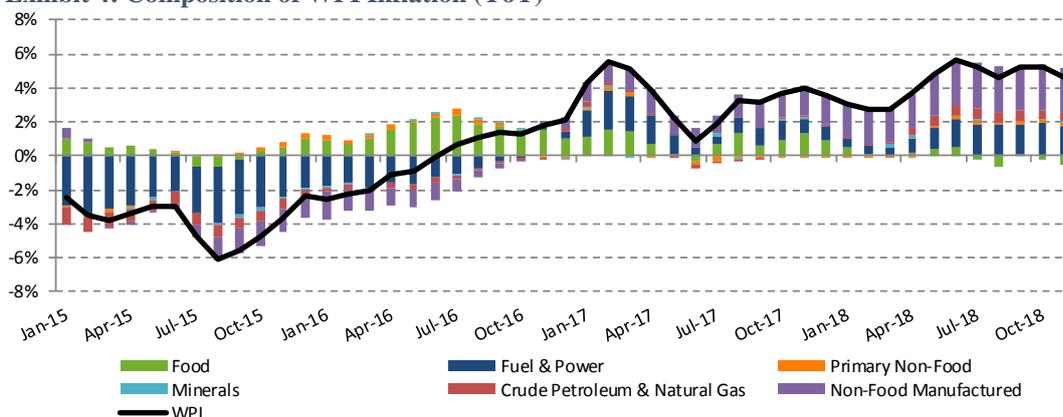
Furthermore, the core-CPI inflation (excluding food and beverages, fuel and light, as well as petrol and diesel for vehicles) displayed a correction to 5.7% in November 2018 from 6.3% in June 2018. In particular, the YoY inflation for housing moderated to 6.0% in November 2018 from 8.4% in June 2018, reflecting the favourable base effect emanating from the revision in house rent allowance (HRA) of central government employees in FY2018. Moreover, inflation fell in November 2018 relative to June 2018 for pan, tobacco and intoxicants (to +6.1% from +8.1%), and clothing and footwear (to +3.5% from +5.6%), whereas it hardened for miscellaneous items (to +6.2% from +5.7%). Notably, core-CPI inflation exceeded the headline inflation for 27 months in a row in November 2018.

The Indian WPI inflation declined from 6.9% in FY2013 to 5.2% in FY2014, and further to a low 1.3% in FY2015. Subsequently, there was a YoY disinflation of 3.7% in FY2016, reflecting the collapse in global commodity prices. This was followed by an uptick in WPI inflation to 1.7% and 2.9%, respectively, in FY2017 and FY2018, reflecting the recovery in commodity prices.

In the recent months, the headline WPI inflation has eased to 4.6% in November 2018 from 5.7% in June 2018 (refer Exhibit 4), led by primary food articles (to -3.3% from +1.9%), crude petroleum and natural gas (to +33.0% from +47.0%), manufactured food products (to +0.7% from +1.1%), and fuel and power (to +16.3% from

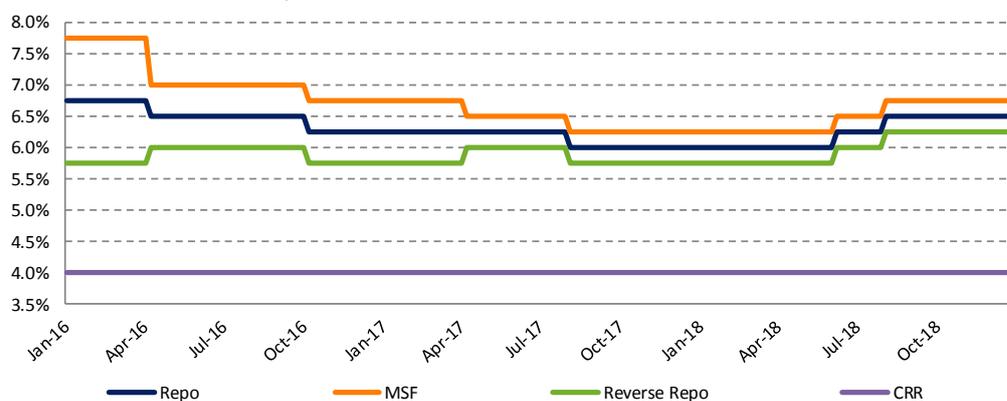
+16.5%). However, the inflation for non-food manufactured products (“core inflation”) rose to 4.9% in November 2018 from 4.7% in June 2018.

Exhibit 4: Composition of WPI Inflation (YoY)



Source: Office of Economic Advisor, Ministry of Commerce and Industry; ICRA research

Exhibit 5: Movement in Key Rates



Source: RBI; ICRA research

Reflecting the easing in the CPI inflation, the policy Repo rate was reduced by 200 basis points (bps) in various tranches to 6.0% in August 2017 from 8.0% in January 2015. The corridor of rates for the liquidity adjustment facility (LAF) was reduced from +/- 100 bps around the Repo rate, to +/-50 bps around the repo rate in April 2016, and further to +/- 25 bps in April 2017. As a result, the Reverse Repo rate has declined by 125 bps to 5.75% in January 2018 from 7.0% in January 2015, whereas the Marginal Standing Facility (MSF) rate has declined by 275 bps to 6.25% from 9.0%, respectively.

A new era in monetary policy setting was ushered in from October 2016 onwards, with a six-member Monetary Policy Committee (MPC) determining the policy rate required to achieve the inflation target.

The MPC hiked the repo rate by 25 bps each in June 2018 and August 2018 (refer Exhibit 5). While it retained the policy repo rate at 6.5% in the October 2018 policy review, the Committee changed the stance of monetary policy from neutral to calibrated tightening.

In the Fifth Policy Review of FY2019, held in December 2018, the six-member MPC voted unanimously for a pause in the policy repo rate at 6.5%, reflecting the recent dip in CPI inflation, as well easing concerns regarding the crude oil prices and INR. In addition, it retained the stance of monetary policy at calibrated tightening, by a vote of 5:1, while emphasising the prevailing uncertainty related to various inflation risks. With status quo on the Repo rate, the Reverse Repo rate, MSF rate and bank rate were also kept unchanged 6.25%, 6.75% and 6.75%, respectively. However, the MPC has proposed to reduce the Statutory Liquidity Ratio (SLR) by 25 bps every quarter, starting January 2019, until the same reaches 18% of Net Demand and Time Liability (NDTL).

The CPI inflation projections were revised downwards by the MPC, with risks tilted to the upside. However, the MPC retained its GDP growth projection for FY2019 at 7.4%, while placing its GDP growth forecast for H1 FY2020 at a higher 7.5% with downside risks.

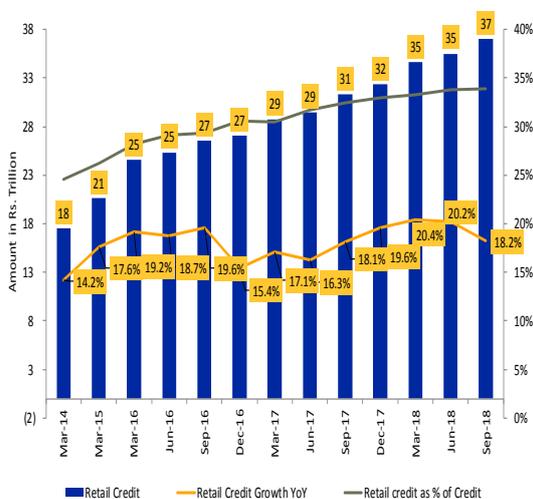
There appears to be a significant likelihood of a change in the monetary policy stance back to neutral from calibrated tightening in the February 2019 MPC review. This is likely to serve as a precursor to a repo rate cut in Q1 FY2020, if inflationary risks remain in check.

Overview of Indian retail credit market

The Indian retail credit (Retail credit includes that of scheduled commercial public and private banks (SCBs), non-banking financial companies (excluding entities which are in the process of conversion or have already converted to banks and SFBs and housing finance companies)) market stood at ~Rs. 37 trillion as on September 30, 2018 registering a YoY growth of about 18%; NBFC retail credit grew at 25% while HFC credit growth moderated to 19%. SCBs retail credit expanded by about 15% yoy in September 2018. The retail credit growth in FY2018 and FY2017 stood at about 20% and 17% respectively. Overall, housing credit continued to account for about 46% of the total domestic retail credit and registered a moderate growth of about 15% in H1FY2019 vis a vis 16% in FY2018. While SCB housing credit growth improved during the period; the credit growth for HFCs moderated.

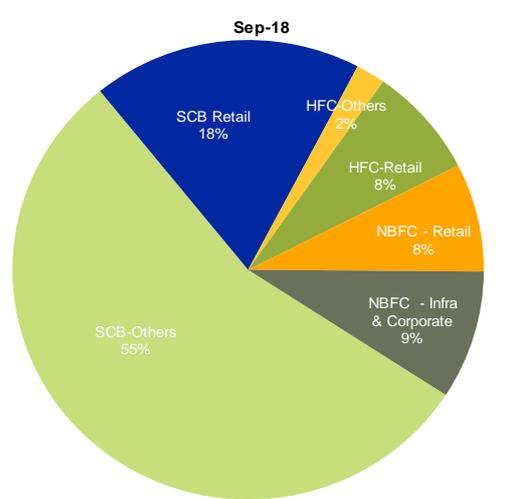
Given the stressed liquidity condition, Retail-NBFC credit growth would be lower at 16-18% in FY2019 as compared to 19-21% envisaged earlier. Also, some key growth drivers in the retail segment –mortgage loans, microfinance and other asset backed loans are likely to grow at a slower pace than in the past, however some pick up is expected in some of the vehicle finance segments (tractors, CE etc) vis a vis earlier levels. Business volumes are expected to remain subdued in the near to medium term as the GST related uncertainties wane-off and demand from key retail segments improve in a meaningful and stable manner. In the medium to long term however, credit growth would be supported by the movement of borrowers from the informal sector to the organised sector for meeting their incremental credit demand.

Size of the Retail Credit Market



Source: RBI, financials of NBFCs & Mortgage lenders; ICRA Research

Share of the Pie: Total Industry Credit



Source: RBI, financials of NBFCs & Mortgage lenders; ICRA Research

Note: "SCB-Others" include corporate, SME and agriculture credit

As on September 30, 2018, retail credit accounted for ~34% of total industry credit. The share of retail credit in the overall bank credit remained stable at 25% in September 2018.

ICRA expects retail credit to grow by 17-19% over the period FY2019-FY2022 as retail credit penetration is low at ~22% of the GDP. This however continues to remain lower than in developed countries, which indicates a significant scope for growth.

NBFCs share was stable at 22% of total domestic retail credit as on September 30, 2018. The conversion of some NBFCs (5% of the NBFC retail credit in March 2016) to small finance banks also impacted NBFC share expansion to an extent. The competitive pressures for retail-focused NBFCs are expected to intensify going forward, especially in the large ticket size loan categories like M&HCV and mortgage. Nonetheless, NBFCs' niche positioning, differentiated product offering, good market knowledge and large customer outreach is expected to enable them to continue to tap opportunities.

Asset under management (AUM) of retail Non-Bank Finance Companies (Retail-NBFCs) witnessed a sharp slow-down in growth during Q3FY2019, as entities faced with tightened liquidity moderate incremental disbursement; q-o-q AUM growth slowed to 3.3% in Q3, the slowest in the last 10 quarters. All key segments of Retail-NBFC credit, which contributed to higher YoY growth of 24-25% in Q1/Q2 FY2019 namely, LAP+SME, commercial vehicle (CV), personal credit (unsecured including consumer durable) and microfinance, witnessed growth deceleration. While it was expected that the liquidity to NBFCs would improve and conditions would normalize by Q4FY2019, it is taking longer as market liquidity continued to remain tight and cost high. Consequently, the credit growth is expected to remain moderate till H1FY2020 and revive only by H2FY2020.

Bank' share in NBFC funding has increased steadily from Q2FY2019, their funding profile however continues to remain concentrated with wholesale funders namely Banks and Mutual Funds (MFs). Applicability of rating-based risk weights for banking exposure to all NBFCs (excluding core investment company) and exit of some Public Sector Banks (PSBs) from the prompt corrective action (PCA) are positive for the near term, as it may provide some window for incremental credit from the banking sector. However, banks willingness to take incremental credit exposure, considering the steep increase in their exposure post September 2018, their own internal sectoral thresholds and their own ability to mobilize deposits/funding, remains to be seen.

In the meanwhile, NBFCs reduced their dependence on short-term funding (commercial papers) and, witnessed a steep jump in loan sell-downs (portfolio Securitisation [PTC] and direct assignment [DA]) as the total quantum of loan sell-downs by NBFCs during 9MFY2019 significantly exceeded FY2018 volumes; these loan sell-downs were also largely subscribed by banks. Retail debt issuance by NBFCs also increased quite sharply in the current financial year, though it is still modest in relation to the incremental requirement and, deposit mobilization by deposit-taking NBFCs witnessed muted growth during FY2018 and H1F2019. Liquidity profile of retail-NBFCs however continued to remain adequate, as they augmented their on-book buffers and as growth slowed. Retail-NBFC asset-liability maturities (ALMs) are generally characterized by positive cumulative mismatches in the near-term bucket; this improved steadily during 9MFY2019 vis a vis the March 2018 levels.

90+ dpd for retail NBFCs (excluding MFIs) has remained stable over the last 2-3 quarters. However, expect asset quality pressures to increase as credit flow to some key segments, namely SME+LAP slows. The share of unsecured personal credit (including microfinance) has seen a steady increase over the recent past, also entities are expected to focus on other riskier and high yielding segments including used vehicle segment to offset the impact of the increase in the cost of funds and competitive pressure from banks; impact of the same on the credit quality would remain a monitorable over the next few quarters.

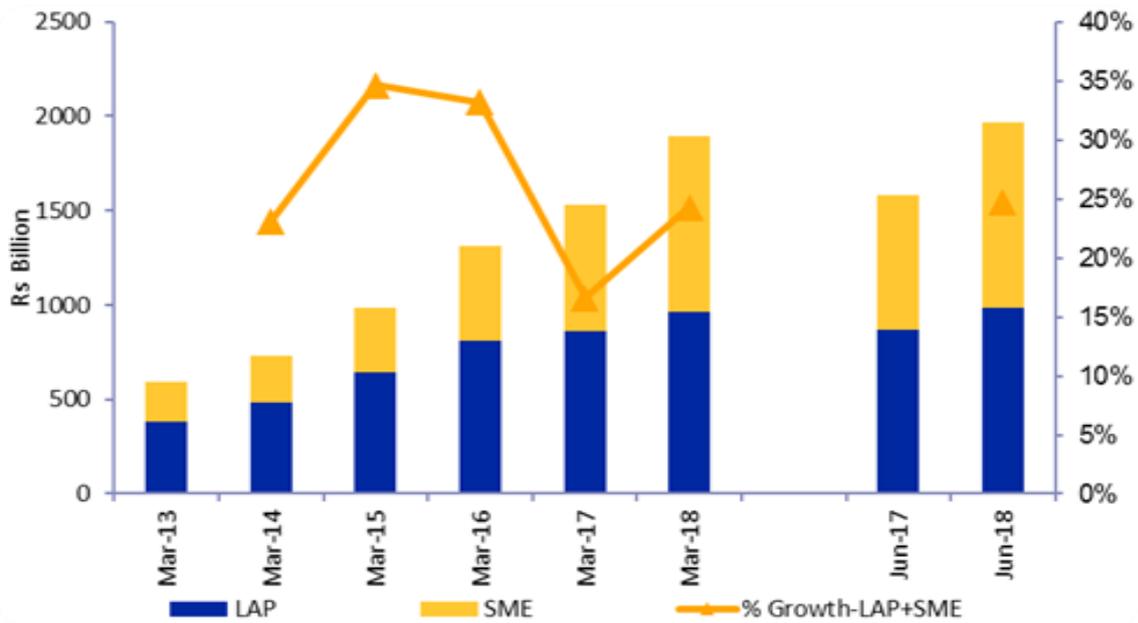
Profitability (12 month trailing) remained largely stable supported by NBFC ability to transfer the increase in the cost of funds on their incremental business, upfront recognition of DA income and reduction in credit costs, as asset quality remained relatively range-bound. Capital profile of Retail-NBFCs is adequate, considering stable internal generation and moderation in growth. ICRA does not expect any significant capital requirement for the segment over the near term.

Overall, expected headwinds on asset quality and earnings profile as business growth slows and some key asset classes are likely to lead to increased credit related pressures.

LAP and SME Finance

The SME segment of NBFCs (includes secured and unsecured credit to small undertakings, business loans and enterprise loans) continues to grow at a healthy pace. NBFCs are increasingly focussing on loans for productive purposes vis a vis the conventional LAP, where the end use could be production or consumption. Larger NBFCs, in view of asset quality concerns and increased competitive pressure, have moderated their ticket sizes (focus largely on <₹10 million). The niche positioning of NBFCs along with a differentiated product offering, good market knowledge, and large unmet demand, are likely to support their credit growth. Also, the emergence of the new-age NBFCs (average ticket size of ~₹1.0 million), with a focus on the small business loans segment, would provide them with growth impetus going forward.

Movement of NBFC LAP+SME segment



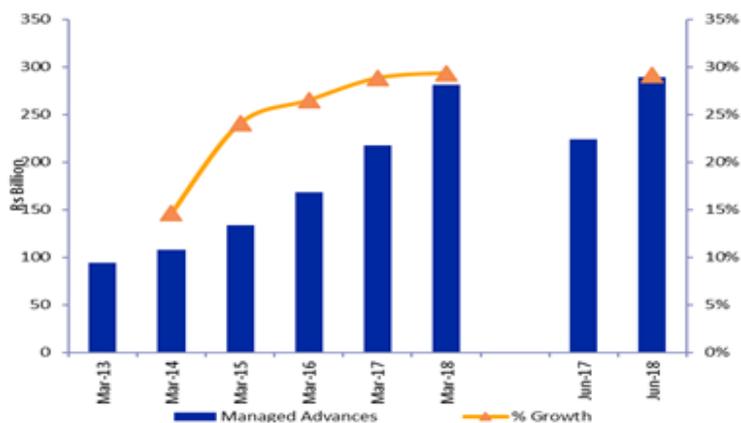
Source: ICRA Research; Company/ Company Investor presentations

Overall NBFC credit to SMEs grew at about 38% YoY in June 2018 (40% growth in FY2018). Large unmet demand and the emergence of new NBFCs focussing on SME credit are expected to support growth in this segment. The LAP segment however continued to register a relatively subdued growth; it registered an YoY growth of 14% (12% in FY2018) in June 2018.

The current liquidity squeeze is expected to impact credit flow to the MSME segment in view of the expected pressure on account of the high fuel prices and increase in the interest rates, which would have a cascading effect on the asset quality; overall LAP+SME segment is expected to grow at about 18-20% in FY2019 vis a vis the strong growth reported in the recent past.

2-Wheeler Finance

Movement of NBFC Managed Portfolio in 2- Wheeler segment



Source: ICRA Research; company/company investor presentations

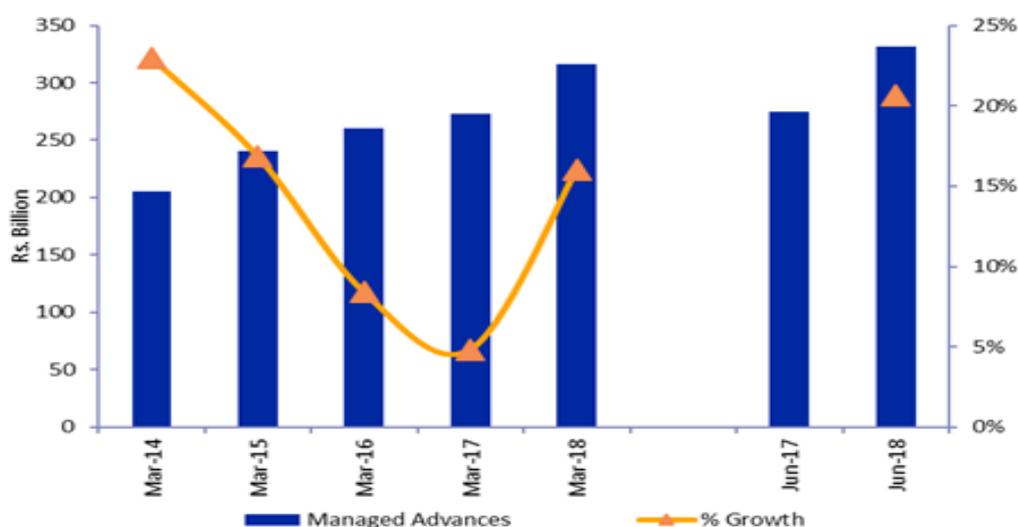
The NBFC two-wheeler finance segment credit grew by about 30% YoY in June 2018, in line with the trend witnessed in FY2018 and FY2017. The segment is expected to grow at about 26-28% in FY2019, supported by good rural demand and borrower liquidity.

The sharp growth in the NBFC credit to the two-wheeler segment resulted in an increase in their market share and credit penetration in this segment. As per estimates, the credit penetration in this segment has increased to over 40% from 30% in March 2014. NBFC credit to the two-wheeler segment grew at a CAGR of 28% during April 2014-March 2018, while bank credit grew at a CAGR of 21%. Consequently, the NBFC share increased to over 69% in March 2018 from 64% in March 2014. The customer profile of NBFCs in two-wheeler financing is relatively risky as a large proportion of the disbursements are to customers without banking habits and formal income proof, and collections are largely in cash.

The large NBFCs in this segment include Bajaj Finance Limited (BFL) and Shriram City Union Finance Limited (SCUF), which together accounted for close to 35% of the total NBFC credit to the two-wheeler sector. NBFCs face competitive pressure largely from some private sectors banks like HDFC Bank and IndusInd Bank. Competition in the segment is set to intensify as new players i.e. large NBFCs, small finance banks and microfinance companies, are expected to focus on this segment for better yield and product diversification. The average ticket sizes are currently about ₹ 45,000-50,000 with an average LTV of about 70% with a tenure of about 24-36 months. The aggregate two-wheeler portfolio of NBFCs was estimated to be about ₹ 295 billion as on June 30, 2018.

Tractor Loans

Movement of Managed Portfolio in Tractor Segment



Source: ICRA Research

The total NBFC credit to the tractor segment grew by a robust 20% YoY in June as compared to 16% during FY2018 and stood at about ₹. 332 billion. Credit growth rate, in the last two fiscals, remained relatively subdued even as sales volumes grew at a healthy pace of 18% and 22% respectively during FY2017 and FY2018, as NBFCs were cautious because of the high delinquencies observed in the segment. Better agricultural cash flows over the last two seasons coupled with good haulage demand on the back of higher pace of infrastructure activities improved asset quality performance which supported some revival in FY2018.

NBFCs continue to be the preferred route for tractor financing. The credit growth rate is expected to be about 14-16% in FY2019 vis a vis the 20% YoY growth reported in Q1FY2019, as NBFC liquidity has tightened. Further, there are concerns emerging from the wide variation in precipitation across regions, which could impact borrower cash flows and asset quality.

Microfinance Sector

The overall Indian microfinance sector (including the SHG Bank Linkage Programme) grew 25% (annualised) in Q1 FY2019 to ₹ 2.25 lakh crore. Fresh loan disbursements by MFIs and SFBs put together saw a 48% YoY growth for the quarter ended June 30, 2018. However, this was 8% lower than the disbursements in the previous quarter, a reflection of the seasonal nature of the microloan business. Good collection efficiency, continued investor support to MFIs, funding availability and demand for microcredit have all supported the traction in disbursements.

The traction in disbursements is likely to continue and the industry is expected to grow at 20-22% per annum over the medium term. While the segment continues to offer good growth potential, most of the incremental growth opportunities lie in the relatively tougher states, which are less penetrated, or in mature states that offer higher ticket sizes to borrowers. Foray into the relatively under-penetrated markets would also entail investments in terms of creating a microfinance credit culture and training potential borrowers. However, these are crucial for instilling credit discipline, which, in turn, is a critical factor for ensuring good asset quality in the long term. Further, in the mature states, the credit evaluation processes will have to be upgraded as the MFIs move to higher ticket sizes.

Trend in market size and growth



Source: ICRA Research

Overview of the Indian Housing Finance Industry

The total housing credit was estimated to be ₹ 17.2 lakh crore as on June 30, 2018 (₹ 16.7 lakh crore as on March 31, 2018) leading to overall YoY growth of 18% (vis-à-vis 15% YoY growth for the period ended June 30, 2017). While the home loan portfolio of housing finance companies (HFCs) continued to grow at a faster pace of 21%, the pace of growth for banks also increased 16% YoY growth for the period ended June 2018 (11% YoY growth for the period ended June 2017) supported by a lower base effect. The prospects of housing finance industry are closely linked to country's economic growth which impacts primary as well as secondary real estate sales, interest rate environment, government policies, and income levels of individuals and saving habits. Over the last 5 years (FY12-FY17), the housing credit growth has remained steady despite a tough operating environment, subdued real estate demand and low affordability levels. This could be attributed to construction linked housing loans (and thus disbursements being linked to construction stages), secondary sales and low mortgage penetration in India. Housing Finance Companies (HFCs) have been able to grow at a faster pace, owing to their focus on niche segments such as self-employed and affordable housing segments which have been largely served by the HFCs and have higher growth potential.

Overview of the Indian Housing Finance Market

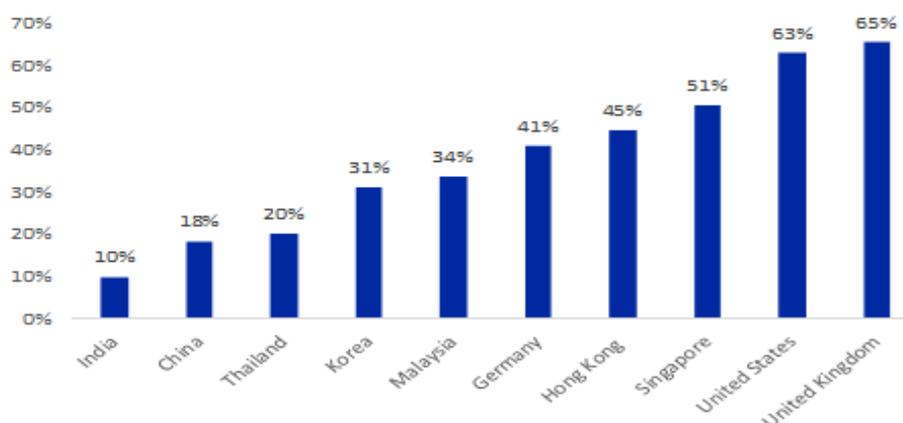
	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18
HFC and NBFCs	2.61	3.13	3.79	4.52	5.33	6.49	6.69
Scheduled Commercial Banks (SCBs)	4.81	5.69	6.64	7.86	9.05	10.26	10.51
Total Housing Credit Outstanding	7.42	8.82	10.43	12.38	14.38	16.75	17.20
Credit Growth – HFC and NBFCs	26%	20%	21%	19%	18%	22%	21%
Credit Growth – SCBs	15%	18%	17%	18%	15%	13%	16%
Overall Housing Credit Growth (Annualised)	19%	19%	18%	19%	16%	16%	18%

Source: ICRA Research, Amounts in ₹ lakh crore

While earlier it was estimated that the overall housing credit growth to pick up to 17-19% in FY2019 on the back of an improvement in primary sales, along with support from the Government of India (GoI) for the affordable housing segment, which is likely to expand the market. However, owing to the tight liquidity situation, the growth is now expected to slow down by around 200-300 bps to 14-17% in FY2019. Growth trends are likely to reverse as the pace of growth for banks is expected to go up, also supported by the increase in direct assignment transaction activity seen in early Q3 FY2019 to raise funds. A marginal shift in market share across HFCs and banks is also expected. Nevertheless, ICRA expects the long-term growth prospects for the segment to remain good. Additionally, the pace of growth in the non-housing loan segment is expected to come down as HFCs would prefer to conserve liquidity given the lumpy nature of these loans. However, owing to increased retail portfolio sales by various HFCs, the share of home loans in the overall on-book portfolio could come down for the HFCs.

Mortgage penetration levels (mortgage loans as a percentage of GDP) in India, has increased to around 10% as on June 30, 2018 vis-a-vis 8.0% as on March 31, 2014. Nevertheless, it continues to remain lower than other developed countries so it appears to point to a significant scope for further growth in future. Over the medium and long term, the housing credit growth could be supported further by focus of the government on Housing for all by 2022, which could push the mortgage penetration levels to double digits around 300-500bps higher than what could be achieved otherwise.

Housing Credit as a % of GDP for Various Countries



Source: ICRA research, HOFINET, data for India for March 2018, data for other countries as of 2016

The key growth drivers for the housing loan growth are rising share of urbanization and nuclearisation, increasing ticket sizes and, improved affordability. Good demand prospects for the sector have led to a rise in new entrants over the last decade. As on October 2018, 97 HFCs were operational with eleven applications for fresh HFC licences currently under process by the NHB. During March 2015 to August 2017 itself, there have been 27 new

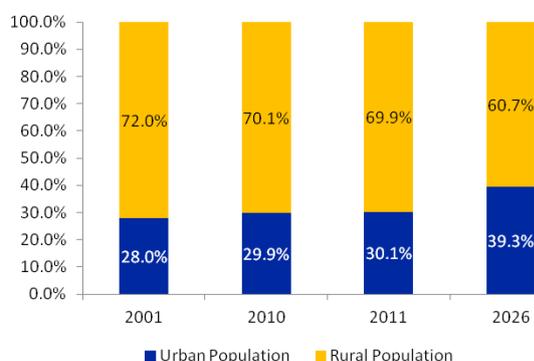
entrants into the markets. Most new entrants in the past two years have focused on the relatively under-penetrated low-ticket affordable housing and self-employed segments. Notwithstanding the large number of participants in the housing finance market, the sector remains concentrated with the top five players. While the large players continue to dominate the mortgage market in the medium term, smaller HFCs that have been expanding their portfolios over the last few years are likely to increase their share given their focus on the relatively untapped segments.

HFCs reported a 22% YoY growth in the overall portfolio for the 12 months ended June 2018, supported by a higher 27% YoY growth in the non-housing loan segment while the home loan portfolio grew by 20% during the same period. Although housing loans continue to dominate the HFC loan book, the share of housing loans in the overall HFC portfolio reduced to 66% as on June 30, 2018 owing to the higher pace of growth of non-housing loans. The share of housing loans in the overall portfolio of smaller HFCs was higher than all HFCs. The pace of growth for home loans for smaller HFCs slowed down to 21% for the 12 months ended June 2018.

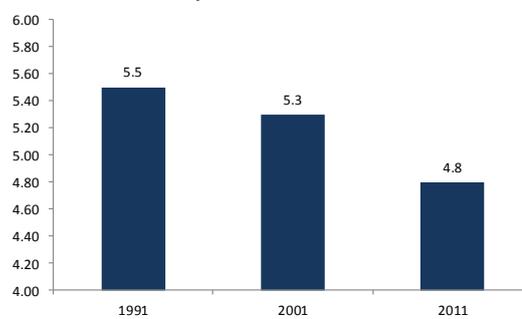
Growth Drivers for Mortgage Finance in India

- **Rising Urbanisation and Nuclearisation** - Rising urbanisation and nuclearisation is likely to keep demand for housing units in urban areas high.

Trends and projections for urbanisation in India



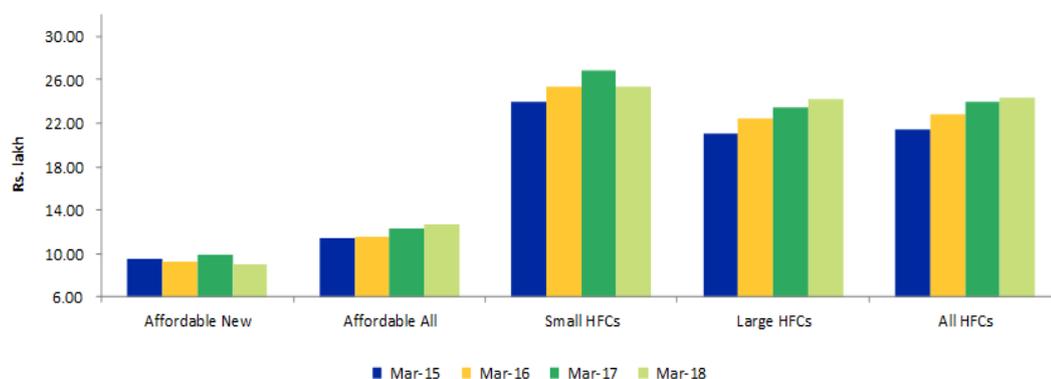
Trends in family size



Source; Census 2011, Population Projections for India, Report of the technical group on population projections constituted by the national commission on population May 2006

- **Rising Ticket Size** - Increasing ticket sizes are also likely to be a growth driver for housing loans over the medium term.

Trend in Ticket Sizes (₹ lakh)



- **Increasing Share of Self Employed Segment** - The borrower segments that HFCs cater to include the prime salaried, self-employed and low-income segments. Though some of the larger HFCs are competing with banks on the salaried home loan segment, some of the larger and most of the smaller HFCs target special customer segments such as the self-employed or the affordable housing segment to optimise their yields and

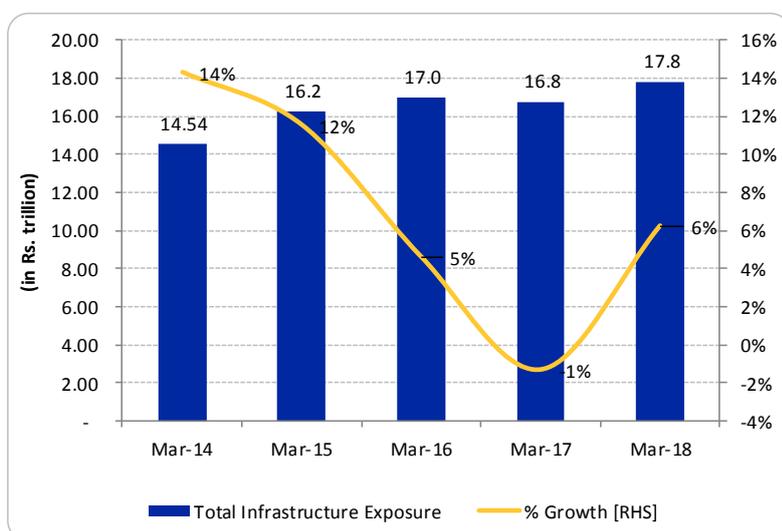
capitalize on the higher growth potential. Overall, rising share of borrowers in self-employed and affordable segment.

Overview of the Infrastructure Finance Sector

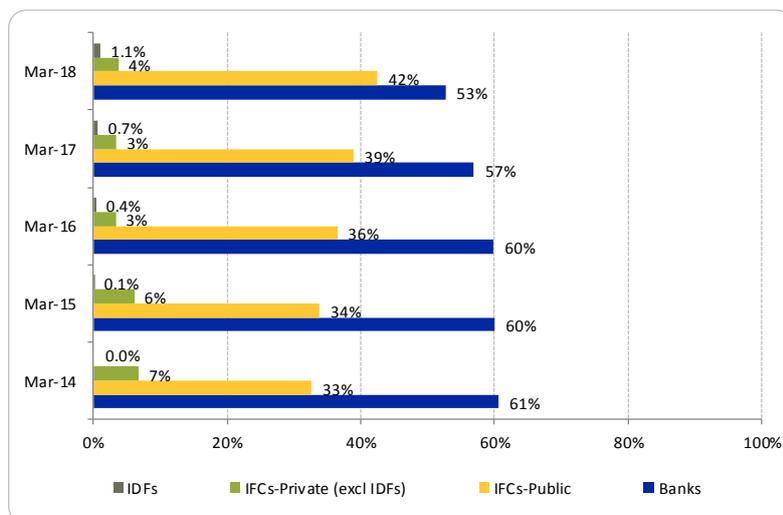
As per ICRA’s estimates, the total infrastructure credit in India (banks and NBFCs) increased marginally to ₹17.8 trillion as on March 31, 2018 after declining to ₹17 trillion as on March 31, 2017 (from ₹17.2 trillion as on March 31, 2016). While banking sector credit to this sector continued to de-grow, NBFC-IFCs continue to grow at a much high pace of 17% largely driven by the good portfolio growth in the public sector players. At this industry size, India’s infrastructure credit penetration to GDP stood at around 11.2% as on March 31, 2018. Over the years, the share of banks in total Infrastructure credit has been reducing and stood at 53% as on March 31, 2018 (59% as on March 31, 2016), while that of IFCs-Private was at 4% while IFC-Public continued to increase their market share to 42% in this period. The decline in the credit books of banks is largely attributable to the conversion of their exposures to state distribution companies into bonds (from loans earlier) following Ujwal DISCOM Assurance Yojana (UDAY) and the subdued bank lending given their asset quality issues and capital constraints. IFCs’ credit growth in India remained subdued at 5% in FY2018 and FY2017 (similar in FY2016). However, excluding IDFC (across all years), the sectoral growth slowed down from 14% in FY2016 to 5% in FY2017 and FY2018.

Exposure to the power sector (including renewable and transmission segments) continued to dominate the overall portfolio mix of banks and IFCs, accounting for 63% of their total loan book as on March 31, 2018. Other substantial exposures were to the road (12%) and telecommunications (5%) sectors. Within the IFC space (excluding banks), the concentration on power sector was higher at ~67% of the portfolio as on March 31, 2018. This is also on account of Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) – which are specialised institutions with focus only on the power sector – comprising ~59% of the entire IFC book as on March 31, 2018, and accounting for ~88% of the IFCs’ exposure to power sector. Further, IFC-Public’s exposure is largely to state-owned entities, while IFC-Private largely lend to private players and IPPs. The share of road sector exposure in the overall IFC credit book was stable at around 4% as on March 31, 2018. The other prominent exposure was to railways, constituting 18% of the total IFC exposure. The balance 10% was spread across other sectors.

Trend in Infrastructure Finance Credit

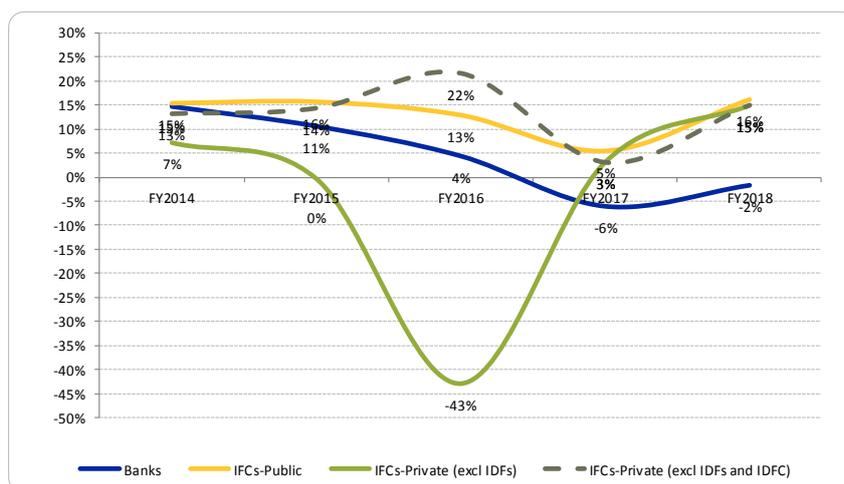


Breakup of Infrastructure Finance Credit across FIs (Banks, IFCs, NBFC-Others, IDFs)



With the objective of reviving the investment cycle, the Union Budget 2017-18 laid emphasis on rural roads and affordable housing segments. The allocation to affordable housing increased by 39% to ₹ 29,043 crore, which is expected to boost order books of medium-sized construction companies over the next two years. Further, with affordable housing given an ‘infrastructure’ status, funding availability to the segment would improve manifold with access to external commercial borrowings, Employees’ Provident Fund Organisation and insurance funds. The budgetary allocation to railways and road sectors increased only by 7.9% to ₹ 2,22,000 crore, against more than 20% increase last year. The progress towards meeting the 100% rural electrification target by May 2018, as announced in the 2016 Budget, is on track, which coupled with funding support under the Deen Dayal Upadhyay Gram Jyoti Yojana is likely to gradually improve energy demand. For private developers, operations and maintenance of airports in tier-II cities and redevelopment of 25 railways stations provide new opportunities. Further, enactment of the new Metro Rail Act with its focus on innovative models of implementation and financing could result in more private sector participation.

Loan book growth trend for Banks and IFCs

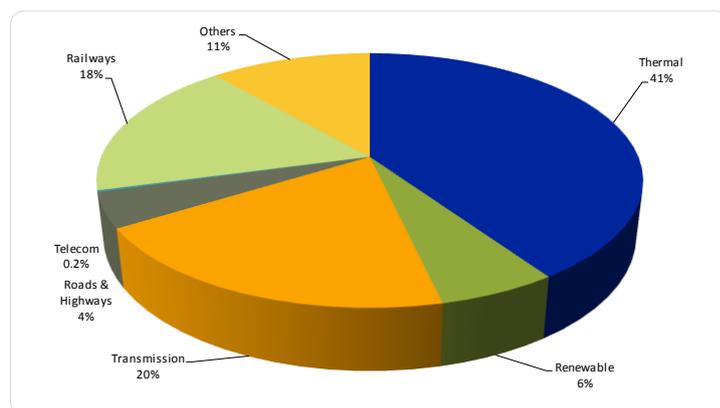


The government’s thrust on improving port connectivity and logistics will reduce the transit time and overall costs for exporters and importers. Ports would benefit by way of faster evacuation of cargo and increased trade volumes. The Sagar Mala project is being implemented in various forms by the GoI to improve port infrastructure and connectivity, which in turn would contribute to economic growth. As a part of the plan, various port connectivity schemes are being implemented that will increase the road and rail network between centres of economic activity and the ports. The government has also announced plans for the development of inland waterways to reduce

transportation costs. While the total funding required for the implementation of the planned initiatives is expected to be significantly high, the allocation of ₹ 650 crore in the Union Budget for the development of port connectivity projects should facilitate some progress on these initiatives and is a positive factor for the incumbents in the port sector. However, the allocation remains low compared with the overall requirements.

The announcement of a specific programme to implement the development of multi-modal logistics parks (MMLPs), together with multi-modal transport facilities will indirectly improve port connectivity. The programme would benefit port logistics, as there is still a significant scope to improve the efficiency of inward and outward logistics at ports. However, the extent of benefit to the port sector can be estimated only when the details of the programme are known.

Breakup of NBFC-IFC portfolio as on March 31, 2018, by sector



Growth Prospects of NBFC - Infrastructure Finance Companies

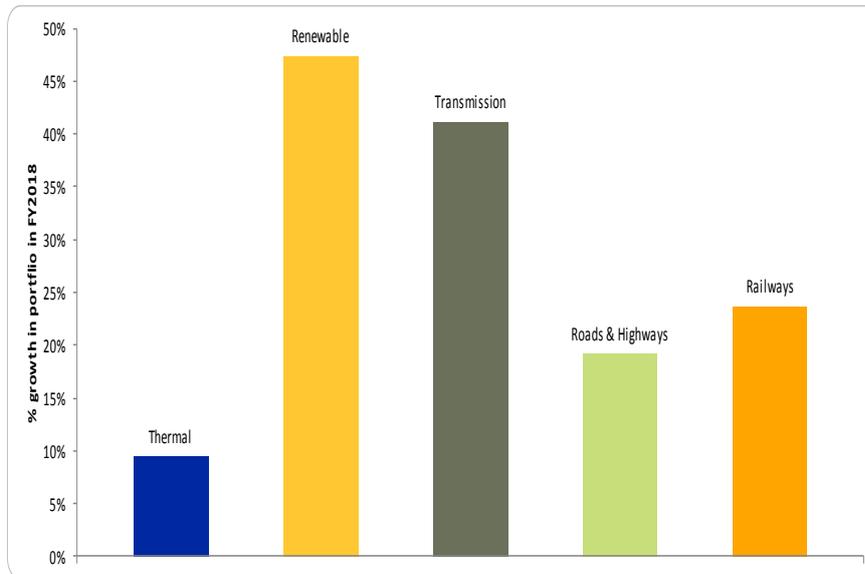
NBFC-IFCs' growth is likely to remain subdued over the short term. However, over the medium to long term, the growth rate would hinge on the extent and speed of resolution of structural issues in the infrastructure sector and the extent of private sector participation in it. In the long term, if the structural issues are resolved, IFCs should be able to grow their balance sheets at a faster pace than in the recent past, provided they are able to mobilise resources at competitive rates.

The total NBFC-IFC credit book stood at ₹ 7.8 trillion as on March 31, 2018, registering a marginal growth of 5% each in FY2017 and 2018. Within this, IFCs-Public constituted around 90% of the book while IFCs-Private had an 8% share and balance contributed by the IDFs. IFCs-Public continued to grow at 5% in FY2018, IFCs-Private witnessed a marginal improvement in growth rate from 2% in FY2017 to 3% in FY2018; however overall their shares in the total pie have remained steady.

In terms of portfolio mix, exposure to traditional thermal and hydro projects constituted the highest proportion of the loan books of IFCs as on March 31, 2018, followed by transmission, roads & highways and railways.

The thermal power constitutes the largest proportion of the loan books of NBFC-IFCs; this sector has been witnessing stress on account of various structural issues, resulting in the credit profiles of these issuers being impacted. Consequently, the focus of these lenders has increasingly been shifting in favour of the renewable energy and transmission sectors.

NBFC-IFC portfolio growth in some sectors in FY2018



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MATERIAL DEVELOPMENTS

There are no material developments in relation to our Company as disclosed in the sections titled “**Risk Factors**”, “**Selected Financial Information**”, “**Capital Structure**”, “**Summary of Business**”, “**Our Business**”, “**Regulations and Policies**”, “**Our Management**”, “**History, Main Objects and Key Agreements**”, “**Financial Indebtedness**”, “**Outstanding Litigations and Material Developments**” and “**Main Provisions of the Articles of Association of the Company**” in the Shelf Prospectus which would make them misleading in any material respect. All disclosures made in this Tranche 2 Prospectus, read together with the Shelf Prospectus as the “**Prospectus**” with respect to Tranche 2 Issue are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue. The Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

Material developments since Shelf Prospectus:

Our Business

Material contracts entered by L&T Capital Markets Limited, our Group Company

By an Agreement executed between L&T Capital Markets Limited and L&T Capital Markets (Middle East) Limited on March 6, 2019, to purchase the business undertaking of the branch of L&T Capital Markets Limited in the Dubai International Financial Centre (the “**Branch**”). The business undertaking of the Branch was purchased by L&T Capital Markets (Middle East) on a going concern basis for a purchase consideration of USD 1,905,000.

Our Management

Details relating to Directors

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Mr. Dinanath Mohandas Dubhashi, <i>Designation:</i> Chairperson and Non-Executive Director <i>Age:</i> 52 <i>DIN:</i> 03545900 <i>PAN:</i> AAEPD9649J <i>Term of Appointment:</i> Liable to retire by rotation	Indian	December 31, 2012	1703, 1704, 17 th Floor, Tower T3, Emerald Isle, Saki Vihar Road, Powai, Mumbai - 400 072	<ol style="list-style-type: none"> 1. L&T Finance Holdings Limited 2. L&T Infra Investment Partners Advisory Private Limited 3. L&T Housing Finance Limited 4. L&T Infra Debt Fund Limited. 5. L&T Infrastructure Finance Co. Limited. 6. L&T Capital Markets Limited 7. L&T Investment Management Limited
Dr. (Mrs) Rajani Rajiv Gupte <i>Designation:</i> Independent Director <i>Age:</i> 63 <i>DIN:</i> 03172965 <i>PAN:</i> ABDPG8127G	Indian	March 20, 2015	10, Dream Residency, 128, Anand Park, Aundh, Pune – 411007.	<ol style="list-style-type: none"> 1. L&T Finance Holdings Limited 2. L & T Housing Finance Limited 3. Symbiosis Centre for Entrepreneurship and Innovation 4. National Securities Depository Limited

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
<i>Term of Appointment:</i> Five years commencing from March 20, 2015.				
<p>Mr. Pradeep Vasudeo Bhide</p> <p><i>Designation:</i> Independent Director</p> <p><i>Age:</i> 69</p> <p><i>DIN:</i> 03304262</p> <p><i>PAN:</i> ADYPB4012C</p> <p><i>Term of Appointment:</i> Five years commencing from March 18, 2017</p>	Indian	March 18, 2017	D-1/ 48, First Floor, Vasant Vihar, New Delhi – 110 057	<ol style="list-style-type: none"> 1. L&T Finance Holdings Limited 2. L&T Housing Finance Limited 3. Nocil Limited 4. Glaxosmithkline Pharmaceuticals Limited 5. A.P.I.D.C. Venture Capital Private Limited 6. Heidelbergcement India Limited. 7. Quick Heal Technologies Limited 8. Shiksha Financial Services India Private Limited. 9. VST Industries Limited 10. Tube Investments of India Limited 11. Gujarat Borosil Limited
<p>Mr. Ashish Arvind Kotecha</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Age:</i> 43</p> <p><i>DIN:</i> 02384614</p> <p><i>PAN:</i> AACPK2756R</p> <p><i>Term of Appointment:</i> Not liable to retire by rotation pursuant to the Articles</p>	British	July 14, 2017	Ram Mahal, 8 Dinshaw Vaccha Road, Mumbai-400020	<ol style="list-style-type: none"> 1. L&T Housing Finance Limited 2. Kotecha Investment Corporation Private Limited 3. Bombay Cotton and Yarn Company Private Limited 4. Nemo (BC) Holdco Pty Limited 5. Spyder (BC) Holdco Pty Limited 6. Spyder (BC) Midco Pty Limited 7. Spyder (BC) Bidco Pty Limited 8. Camp Australia Holdings Pty Limited 9. Kotecha Charitable Trust 10. Kotecha & Company 11. Nemo (BC) Midco Pty Ltd 12. Nemo (BC) Bidco Pty Ltd

Our Promoter

Board of Directors of our Promoter

1. Mr. S.V. Haribhakti, Non-Executive Chairperson (Independent Director)
2. Mr. Dinanath Dubhashi, Managing Director and Chief Executive Officer
3. Mr. R. Shankar Raman, Non-Executive Director

4. Mr. P.V. Bhide, Independent Director
5. Mr. Thomas Mathew T., Independent Director
6. Ms. Nishi Vasudeva, Independent Director
7. Dr. (Mrs) Rajani R. Gupte, Independent Director
8. Mr. Pavninder Singh, Nominee Director
9. Mr. Prabhakar B., Non-Executive Director.

Mr. Harsh Mariwala, Independent Director has tendered his resignation on March 19, 2019 with effect from April 1, 2019.

Regulations and Policies

Regulations governing NBFCs

RBI, vide circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

OBJECTS OF THIS TRANCHE 2 ISSUE

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian rupees one thousand) each (“NCDs”) aggregating up to ₹ 5,00,000 lakhs (“Base Issue Size”) (“Tranche 2 Issue”) which is within the Shelf Limit of ₹ 5,00,000 lakh and is being offered by way of this Tranche 2 Prospectus dated March 28, 2019 containing inter alia the terms and conditions of Tranche 2 issue (“Tranche 2 Prospectus”), which should be read together with the Shelf Prospectus dated February 22, 2019 (“Shelf Prospectus”).

Our Company is in the business of financing, and as part of our business operations, we raise/avail funds for onward lending, for repayment/ prepayment of borrowings and general corporate purposes.

1. Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“Net Proceeds”), towards funding the following objects (collectively, referred to herein as the “Objects”). For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings); and
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Tranche 2 Issue and also the activities which our Company has been carrying on till date.

The Tranche 2 Issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified.

The details of the Proceeds of the Tranche 2 Issue are set forth in the following table:

Sr. No.	Description	Amount (₹ in lakhs)
1.	Gross Proceeds of the Tranche 2 Issue	100,000.00
2.	Less: Issue Related Expenses*	1237.71
3.	Net Proceeds	98,762.29

**The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 2 Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche 2 Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Issue Proceeds
1.	For the purpose of onward lending, financing, refinancing the existing indebtedness of L&T Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings)	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
Total		100%

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche 2 Issue, in compliance with the SEBI Debt Regulations.*

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Authorised Personnel shall monitor the utilization of the proceeds of the Tranche 2 Issue. For the relevant Financial Years commencing from Financial Year 2018-19, our Company will disclose in our financial statements, the utilization of the net proceeds of the Tranche 2 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 2 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Tranche 2 Issue only upon the execution of the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

Tranche 2 Issue expenses

A portion of this Tranche 2 Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be specified in at this Tranche 2 Prospectus:

Particulars	Amount (Rs in lakhs)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Tranche 2 Issue (in %)
Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees	116	0.12	9.37
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	931.19	0.93	75.23
Advertising and Marketing, Printing and Stationery Costs	173.73	0.17	14.04
Other Miscellaneous Expenses	16.80	0.02	1.36
Grand Total	1237.71	1.24	100.00

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 2 Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members/ Sub-Consortium Members/Brokers / Sub brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of INR 15 per Application Form procured (inclusive of service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Other Confirmation

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Tranche 2 Issue for providing loans to or for acquisition of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Tranche 2 Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

The Tranche 2 Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Tranche 2 Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

All monies received out of the Tranche 2 Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Tranche 2 Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Tranche 2 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 2 Issue.

Details of all unutilised monies out of the Tranche 2 Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize the Tranche 2 Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche 2 Prospectus in the section titled "***Issue Related Information***" beginning on page 67 of this Tranche 2 Prospectus.

No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Tranche 2 Issue.

The Tranche 2 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Variation in terms of contract or objects in Tranche 2 Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Tranche 2 Prospectus or objects for which this Tranche 2 Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

Utilisation of the proceeds of the Tranche 2 Issue

- (a) All monies received out of the Tranche 2 Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of the Tranche 2 Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
- (c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Tranche 2 Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche 2 Prospectus, creation of security as stated in this Tranche 2 Prospectus, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue, i.e. ₹ 37,500 lakhs.
- (f) The Tranche 2 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Benefit / interest accruing to Promoter/Directors out of the object of the Tranche 2 Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche 2 Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche 2 Issue

At the meeting of the Board of Directors of our Company, held on March 31, 2018 and July 19, 2018 the Directors approved the issue of NCDs to the public in one or more tranches, up to an amount not exceeding ₹ 5,00,000 lakhs. Further, the present borrowing is within the overall borrowing limits of ₹ 56,000 crores (Indian Rupees Fifty-Six Thousand Crores) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated April 2, 2018.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public.

Eligibility to make the Tranche 2 Issue

Our Company or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2019 WHICH READS AS FOLLOWS:

1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE TRANCHE 2 PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE TRANCHE 2 PROSPECTUS AND CERTIFY THAT ANY MATERIAL

DEVELOPMENT IN THE ISSUE OR RELATING TO THE TRANCHE 2 ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE 2 ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE 2 ISSUE WILL BE GIVEN.

3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

DISCLAIMER CLAUSE OF THE BSE

BSE LIMITED (“THE EXCHANGE”) HAS GIVEN VIDE ITS LETTER DATED JANUARY 24, 2019, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY’S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER DATED JANUARY 24, 2019 PERMISSION TO THE ISSUER TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER’S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES

TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF THE RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 04, 2017 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF INDIA RATINGS

ALL CREDIT RATINGS ASSIGNED BY INDIA RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.INDIARATINGS.CO.IN/RATING-DEFINITIONS](https://www.indiaratings.co.in/rating-definitions). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE WWW.INDIARATINGS.CO.IN. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS' CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

DISCLAIMER STATEMENT OF CARE

CARE RATINGS ARE OPINIONS ON CREDIT QUALITY AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. CARE HAS BASED ITS RATINGS/OUTLOOKS ON INFORMATION OBTAINED FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. CARE DOES NOT HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS OR FOR THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION. MOST ENTITIES WHOSE BANK FACILITIES/ INSTRUMENTS ARE RATED BY CARE HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/ INSTRUMENTS.

IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS, THE RATING/OUTLOOK ASSIGNED BY CARE IS BASED ON THE CAPITAL DEPLOYED BY THE PARTNERS/ PROPRIETOR AND THE FINANCIAL STRENGTH OF THE FIRM, AT PRESENT. THE RATING/OUTLOOK MAY UNDERGO CHANGE IN CASE OF WITHDRAWAL OF CAPITAL OR UNSECURED LOANS BROUGHT IN BY THE PARTNERS/ PROPRIETORS IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS.

DISCLAIMER STATEMENT OF ICRA

DISCLAIMER CLAUSE OF ICRA LIMITED ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH RESPECT TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE WWW.ICRA.IN OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE

INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED ‘AS IS’ WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED AS TO THE ACCURACY, TIMELINES OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENT OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE 2 PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDs AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER OWN RISK.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
A. K. Capital Services Limited	www.akgroup.co.in
Trust Investment Advisors Private Limited	www.trustgroup.in
Axis Bank Limited	www.axisbank.com

Listing

The NCDs offered through this Tranche 2 Prospectus are proposed to be listed on both the NSE and BSE. Our Company has obtained an ‘in-principle’ approval for the Issue from the NSE and BSE *vide* their letters both dated January 24, 2019. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company shall ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange mentioned above, are taken within 6 (six) Working Days from the date of closure of the Tranche 2 Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non- subscription to any one or more of the series, such NCDs within the series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Compliance Officer to the Issue (c) Bankers to our Company (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee (i) Chief Financial Officer, (j) Company Secretary to the Company (k) Consortium Member to the Issue (l) Banker to the Issue and (m) ICRA for the Industry Report to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Tranche 2 Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely Deloitte Haskins & Sells LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated January 15, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, in this Tranche 2 Prospectus and (iv) Review Report on the Special Purpose Unaudited Interim Standalone Condensed Financial Information dated February 21, 2019 for the nine month period ended December 31, 2018 (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and the RoC, along with a copy of the Shelf Prospectus and this Tranche 2 Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Tranche 2 Prospectus:

- Vide Consent Letter dated March 28, 2019, the Statutory Auditors of our Company, have given their consent to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche 2 Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current statutory auditor and to include their (i) examination reports, each dated January 15, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, in this Tranche 2 Prospectus and (iv) Review Report on the Special Purpose Unaudited Interim Standalone Condensed Financial Information dated February 21, 2019 for the nine month period ended December 31, 2018 and such consent has not been withdrawn as on the date of this Tranche 2 Prospectus

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue (i.e., ₹ 37,500 lakhs). If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Tranche 2 Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the BSE and NSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website and forwarded to SEBI for record purpose.

Filing of the Shelf Prospectus and Tranche 2 Prospectus with the RoC

Our Company is eligible to file the Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus has been filed with the ROC and Tranche 2 Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central

Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Issue Related Expenses

The expenses of this Tranche 2 Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche 2 Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the chapter "*Objects of the Tranche 2 Issue*" on page 49 of this Tranche 2 Prospectus.

Reservation

No portion of this Issue has been reserved

Public / Rights Issues

Public / Rights Issues by our Company as on the date of Tranche 2 Prospectus:

Our Company has undertaken the following public issue of the following prior to the date of this Tranche 2 Prospectus:

Particulars	Public Issue – 2009	Public Issue – 2010	Public Issue- 2019
Date of Opening	August 18, 2009	February 09, 2010	March 6, 2019
Date of Closing	September 04, 2009	February 22, 2010	March 20, 2019
Total Issue Size	₹ 1,000 crores	₹ 500 crores	₹ 1,500 crores
Date of Allotment	September 17, 2009	March 10, 2010	March 13,2018
Date of Refunds	September 17, 2009	March 11, 2010	March 14, 2019
Date of Listing	September 24, 2009	March 12, 2010	March 15, 2019
Utilisation of Proceeds	The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements.	The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements.	The funds raised through the above issue have been utilised for the purpose of onward lending, financing, refinancing the existing indebtedness of L&T Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings) and general corporate purpose.

**Note: The aforesaid two public issues were issued by L&T Finance Limited prior to its amalgamation with Family Credit Limited (now L&T Finance Limited) pursuant to the Scheme of Amalgamation.*

Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from the Shelf Prospectus:

Our Group Companies have undertaken the following public issues in the last 5 (five) years from the date of the Shelf Prospectus:

Name of Company	Larsen & Toubro Infotech Limited	L&T Finance Holdings Limited
Date of Opening	July 11, 2016	March 8, 2018
Date of Closing	July 13, 2016	March 13, 2018
Total Issue Size	IPO through an offer for sale by L&T comprising of 17,500,000 equity shares of face value of Re. 1 each for cash at a price of ₹ 710 per equity share (for Investors other than retail) and ₹ 700 per equity share (for retail) aggregating to ₹ 1,23,637.50 lakh	Qualified Institutions Placement of 63,051,702 equity shares of face value of ₹10 each for cash at a price of ₹158.60 per equity share aggregating to ₹ 999,99.99 lakhs
Date of Allotment	July 19, 2016	March 15, 2018
Date of Refunds	July 19, 2016	Not applicable
Date of Listing	July 21, 2016	March 16, 2018
Utilisation of Proceeds	The IPO being OFS by L&T, the issue proceeds was received by L&T and not by Larsen & Toubro Infotech Limited	The funds raised through the above issue has been used for repayment of loans of L&T Finance Holdings Limited and to invest in its subsidiaries for various purposes, including but not limited to fund their business growth, capital adequacy, business purposes and for general corporate purposes.

Rights Issue:

Our Company has undertaken the following rights issue of equity shares of face value of ₹10 each in the last 5 (five) years.

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
September 24, 2013	2,50,00,000	20	50,00,00,000	17,93,09,610	1,79,30,96,100	4,33,33,48,380	Augmentation of the share capital of our Company followed by the utilization of the proceeds for its business
October 23, 2013	25,00,00,00	20	50,00,00,000	20,43,09,610	2,04,30,96,100	4,58,33,48,380	
January 30, 2018	4,54,54,545	88	399,99,99,960	14,85,501,839*	14,85,50,18,390	8,12,88,02,890	

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
March 27, 2018	11,36,36,360	88	9,99,99,99,680	1,59,9138,199	15,99,13,81,990	16,99,24,38,970	purposes by our Company

*Pursuant to the merger of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited (now L&T Finance Limited), there was an allotment of 1,235,737,684 equity shares of Rs 10 each on February 13, 2017.

Other than as disclosed above, there are no other public / rights issues (to the public) by our Group Companies during the last 5 (five) years from the date of the Shelf Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2018, our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see chapter titled “*Financial Indebtedness*” on page 150 of the Shelf Prospectus. Our Company has not issued any preference shares as on December 31, 2018.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the equity shares for the Fiscals 2018, 2017, 2016, 2015 and 2014.

Particulars		For the year ended March 31,				
		2018	2017	2016	2015	2014
Equity Share Capital (₹ in lakh)		15,991.38	14,400.47	2,043.10	2,043.10	2,043.10
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per equity share)	(b)	-	-	-	-	-
Total dividend on equity shares (₹ in lakh)		-	-*	-	-	-
Dividend Declared Rate (In %)	(c=b/a)	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend tax (gross) on dividend (₹ in lakh)		-	-	-	-	-

*L&T Fincorp Limited, one of the amalgamating companies in the Scheme of Amalgamation had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and our Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017 respectively.

The Company has not declared any dividend post March 31, 2018 till the date of this Tranche 2 Prospectus.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated January 8, 2019 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of despatch of the Allotment Advice, demat credit and/or refund orders to enable the investors to approach the

Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel: +91 (22) 4918 6200
Fax: +91 (22) 4918 6195
Email: ncd.ltfin2019@linkintime.co.in
Investor Grievance Email: ncd.ltfin2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Apurva Rathod
Compliance Officer
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina,
Santacruz, Mumbai – 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6621 7509
Email: investorgrievances@ltfs.com

The details of the person appointed to act as the Company Secretary of the Company are set out below:

Mr. Gufran Ahmed Siddiqui
Company Secretary
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6621 7509
E-mail: gufranahmed@ltfs.com

Investors may contact the Registrar to the Issue or the Compliance Officer to the Issue or in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers, etc.

Change in Auditors of our Company during the last three years

Details of change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of the Draft Shelf Prospectus as follows:

Name	Address	Date of appointment	Date of resignation
Deloitte Haskins & Sells LLP, (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Babasaheb Ambedkar Nagar, Lower Parel, Mumbai - 400013	June 15, 2016	-
S. R. Batliboi & Co. LLP, Chartered Accounts (Firm Registration No. 301003E)	12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar West, Mumbai-400028	September 15, 2015	December 9, 2015
M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No.109982W)	Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400020. Tel no: (22) 22047722, 22047723, 22869900	December 28, 2015	June 15, 2016

Details of overall lending by our Company as of March 31, 2018

A. Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on March 31, 2018 is as follows:

(₹ in lakhs)

S. No.	Type of Loans	Amount
1.	Secured (net of provision)	26,94,811.48
2.	Unsecured (net of provision)	10,87,512.41
Total		37,82,323.89

B. Sectoral Exposure as on March 31, 2018

S. No	Segment-wise break-up of AUM	Percentage of AUM (%)
1	Retail	
a	Mortgages (home loans and loans against property)	0.4%
b	Gold loans	0.0%
c	Vehicle finance	24.6%
d	MFI	0.0%
e	M&SME	0.7%
f	Capital market funding (loans against shares, margin funding)	0.0%
g	Others	19.3%
2	Wholesale	
a	Infrastructure	16.5%
b	Real estate (including builder loans)	14.0%
c	Promoter funding	5.4%
d	Structured Finance Group	13.5%
e	Supply Chain finance	4.4%
f	Others	1.2%
Total		100.0%

C. Denomination of the loans outstanding by ticket size as on March 31, 2018:

Sl. No.	Ticket size (in ₹)	Percentage of AUM
1.	Up to 2 Lakhs	28.1%
2.	2 to 5 Lakhs	10.1%
3.	5 to 10 Lakhs	4.3%
4.	10 to 25 Lakhs	0.7%
5.	25 to 50 Lakhs	0.6%

Sl. No.	Ticket size (in ₹)	Percentage of AUM
6.	50 lakh-1 Crores	0.7%
7.	1 - 5 Crores	2.5%
8.	5 - 25 Crores	3.6%
9.	25 - 100 Crores	9.7%
10.	Above 100 Crores	39.8%
	Total	100%

D. Denomination of loans outstanding by LTV as on March 31, 2018*

Sl. No.	LTV	Percentage of AUM
1.	Up to 40%	0.95%
2.	40%-50%	2.19%
3.	50%-60%	6.31%
4.	60%-70%	17.45%
5.	70%-80%	35.27%
6.	80%-90%	29.92%
7.	Above 90%	7.92%
	Total	100%

*LTV at the time of origination

**LTV is provided only for Retail products: Two-Wheeler and, Farm Equipments

E. Geographical classification of our borrowers as on March 31, 2018

Sl. No.	Top 5 States	Percentage of AUM
1.	Maharashtra	50.35%
2.	Tamil Nadu	7.49%
3.	Telangana	6.22%
4.	Delhi	5.41%
5.	West Bengal	4.95%
	Total	74.42%

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2018

(₹ in lakhs)

Particulars	Amount
Total advances to twenty largest borrowers	7,30,178.16
Percentage of advances to twenty largest borrowers to total advances to our Company	18.65%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2018:

(₹ in lakhs)

Particulars	Amount
Total exposure to twenty largest borrowers	7,79,767.86
Percentage of exposure to twenty largest borrowers to total exposure to our Company	18.81%

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2018:

1. Movement of Gross NPAs

Sl. No.	Particulars	Amount (₹ in lakhs)
1.	Opening balance	190,521.56
2.	Additions during the year	223,187.50
3.	Reductions during the year	176,045.25
4.	Closing balance	237,663.81

2. Movement of provisions for NPAs (excluding provisions on standard assets)

Sl. No.	Particulars	Amount (₹ in lakhs)
1.	Opening balance	76,756.60
2.	Provisions made during the year	105,812.36
3.	Write-off / write-back of excess provisions	51,381.27
4.	Closing balance	131,187.69

3. **Segment-wise gross NPA as on March 31, 2018**

S. No	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
a	Mortgages (home loans and loans against property)	0.1%
b	Gold loans	0.0%
c	Vehicle finance	46.9%
d	MFI	0.0%
e	M&SME	5.5%
f	Capital market funding (loans against shares, margin funding)	0.0%
g	Others	14.9%
2	Wholesale	
a	Infrastructure	6.1%
b	Real estate (including builder loans)	0.0%
c	Promoter funding	1.2%
d	Structured Finance Group	19.9%
e	Supply Chain finance	3.6%
f	Others	1.9%
	Total	100.0%

*Gross NPA means percentage of NPAs to total advances in that sector.

4. **Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled “Related Party Transaction” on page 143 of the Shelf Prospectus.**

Onward lending to borrowers forming part of the “Group” as defined by RBI:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (₹ in lakhs)	Percentage of exposure (C) = B/Total AUM
Nil	Nil	Nil

5. **Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2018)**

(₹ in lakhs)

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1-year up to 3 years	Over 3-year up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances (Gross)	1,38,631.17	1,71,528.21	1,36,094.98	2,87,325.11	5,08,391.79	12,17,524.22	4,88,184.11	9,66,881.15	39,14,560.74
Investments (Net)	740.57	2,232.87	-	1,43,690.00	3,695.23	38,449.40	68.20	52,417.57	2,41,293.84
Borrowings	1,04,250.00	1,16,025.00	3,36,515.33	4,16,853.33	3,98,274.25	16,14,940.96	4,32,633.33	74,000.00	34,93,492.20
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	10,116.28	-	-	10,116.28

6. **Concentration of Exposure and NPA as of March 31, 2018**

(₹ in lakhs)

Particulars	Amount
Concentration of NPAs	
Total Exposure to top four NPA accounts	37,899.88

- (a) Lending policy: For details on lending policy please see the chapter titled “**Our Business**” on page 91 of the Shelf Prospectus.
- (b) Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: As disclosed in the chapter titled “**Financial Information**” on page 144 of the Shelf Prospectus.

7. Debt to equity ratio*

(₹ in lakhs)		
Particulars	As at December 31, 2018	Post-Issue*
Debts		
Debt Securities	21,98,142.28	26,98,142.28
Borrowings (Other than debt securities)	20,51,820.08	20,51,820.08
Subordinated liabilities	1,12,931.26	1,12,931.26
Total debts (A)	43,62,893.62	48,62,893.62
Shareholders’ fund		
Share capital	1,59,913.82	1,59,913.82
Other Equity	7,40,732.49	7,40,732.49
Total shareholders’ funds (B)	9,00,646.31	9,00,646.31
Total debt/ equity(A/B)	4.84	5.40

*Any change in total debt and Net Worth after December 31, 2018 has not been considered.

The figures for the respective financial statements line items under Post Issue column are derived after considering the impact due to proposed issue of secured debt and it does not consider any other transactions or movements for such financial statements line items after December 31, 2018. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹ 500,000 lakh from the proposed Issue in the secured debt as on December 31, 2018. Within the aforesaid Issue, the Company, on March 13, 2019, has allotted 1,50,00,000 secured debentures aggregating ₹1,500 crore pursuant to the Tranche 1 Prospectus. The Company is proposing to file this Tranche 2 Prospectus for a public issue of secured redeemable non-convertible debentures of face value of ₹1,000 each (“**Secured NCDs**”) for an amount of ₹50,000 lakhs (“**Base Issue Size**”) with an option to retain oversubscription up to ₹50,000 lakhs aggregating to ₹1,00,000 lakhs. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment post the respective Tranche Issue.

Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Tranche 2 Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and Tranche 2 Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditor’s Remarks

There are no reservations or qualifications or adverse remarks in the financial statements of our company in the last five financial years immediately preceding the Shelf Prospectus and Tranche 2 Prospectus.

Trading

Debt securities issued by our company, which are listed on BSE and NSE’s wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”

SECTION III- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the details of the principal terms and conditions of the Tranche 2 Issue. This section should be read in conjunction with and is qualified in its entirety by further details in the sections titled “*Terms of the Issue*” and “*Issue Procedure*” on pages 72 and 87 of this Tranche 2 Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	L&T Finance Limited
Type of instrument/ Name of the security/Seniority	Secured Redeemable, Non-Convertible Debentures.
Nature of the instrument	Secured, Redeemable, Non-Convertible Debentures
Nature of Indebtedness and Ranking / Seniority	Secured Redeemable Non-Convertible Debentures.
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, Trust Investment Advisors Private Limited.
Debenture Trustee	Catalyst Trusteeship Limited (<i>earlier known as GDA Trusteeship Limited</i>)
Depositories	NSDL and CDSL
Registrar to the Issue	Link Intime India Pvt. Ltd.
Tranche 2 Issue/Tranche 2 Issue Size	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian rupees one thousand) each (“NCDs”) for an amount upto ₹ 50, 000 Lakhs (Indian rupees fifty thousand lakhs) (“Base Issue Size”) with an option to retain oversubscription upto ₹ 50, 000 Lakhs (Indian rupees fifty thousand lakhs) aggregating up to 1,00,00,000 NCDs amounting to ₹ 1,00,000 lakhs (“Tranche 2 Issue”) and is being offered by way of this Tranche 2 Prospectus dated March 28, 2019 containing inter alia the terms and conditions of Tranche 2 issue (“Tranche 2 Prospectus”), which should be read together with the Shelf Prospectus dated February 22, 2019 (“Shelf Prospectus”) filed with the registrar of companies, Kolkata, West Bengal, (“ROC”), Stock Exchanges and Securities and Exchange Board of India (“SEBI”). The Shelf Prospectus and Tranche 2 Prospectus constitutes the prospectus “Prospectus”). The Tranche 2 Issue is within the approved Shelf Limit.
Base Issue Size	₹ 50,000 lakhs
Option to retain Oversubscription Amount	₹ 50,000 lakh
Tranche 2 Issue Size	₹ 1,00,000 lakh
Total Issue Size / Shelf Limit	₹ 500,000 lakh
Eligible investors	See “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 88 of this Tranche 2 Prospectus
Objects of the Issue	See the chapter titled “ <i>Objects of this Tranche 2 Issue</i> ” on page 49 of this Tranche 2 Prospectus
Details of utilization of the proceeds	See the chapter titled “ <i>Objects of this Tranche 2 Issue</i> ” on page 49 of this Tranche 2 Prospectus.
Interest rate	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 78 of this Tranche 2 Prospectus
Security	The principal amount of the Secured NCDs to be issued in terms of this Tranche 2 Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive and/or <i>pari passu</i> charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due

	thereon). For further details see “ <i>Terms of the Issue – Security</i> ” on page no. 72 of this Tranche 2 Prospectus.
Step up/ Step down interest rates	NA
Interest type	Fixed
Interest reset process	NA
Issuance mode of the instrument	In dematerialised form only
Frequency of interest payment	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 78 of this Tranche 2 Prospectus
Interest payment date	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 78 of this Tranche 2 Prospectus
Day count basis	Actual/ Actual
Interest on application money	NA
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 59 of this Tranche 2 Prospectus
Redemption Date	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 67 of this Tranche 2 Prospectus.
Redemption Amount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 67 of this Tranche 2 Prospectus.
Redemption premium/ discount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 67 of this Tranche 2 Prospectus.
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put option date	NA
Put option price	NA
Call option date	NA
Call option price	NA
Put notification time	NA
Call notification time	NA
Face value	₹ 1,000/- per NCD
Minimum Application size and in multiples of NCD thereafter	₹ 10,000/- (10 NCD) and in multiple of ₹ 1,000/- (1 NCD) thereafter
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated ‘[ICRA] AAA (stable) (pronounced as ICRA triple A with Stable outlook)’ for an amount of ₹ 5,00,000 lakhs, by ICRA Limited (“ICRA”) vide their letter dated December 21, 2018, revalidated vide revalidation letter dated February 1, 2019 and further revalidated by a revalidation letter dated February 20, 2019 and further revalidated by letter dated March 26, 2019, CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) for an amount of ₹ 5,00,000 lakhs, by CARE Ratings Ltd. (“CARE”) vide their letter dated December 28, 2018, revalidated vide revalidation letter dated January 31, 2019 and further revalidated by a revalidation letter dated February 20, 2019 and further revalidated by letter dated March 26, 2019 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,00,000 lakhs, by India Ratings and Research Private Limited (“India Ratings”) vide their letter dated December 31, 2018, revalidated vide revalidation letter dated

	January 31, 2019 and further revalidated by a revalidation letter dated February 20, 2019 and further revalidated by letter dated March 25, 2019. The rating of NCDs by ICRA, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, Annexure B and Annexure C of this Tranche 2 Prospectus.
Listing	The NCDs are proposed to be listed on BSE & NSE. NSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 6 (six) Working Days from the date of Issue Closing Date. For more information, see “ <i>Other Regulatory and Statutory Disclosures – Listing</i> ” on page 56 of this Tranche 2 Prospectus.
Modes of payment	See <i>Issue Procedure – Terms of Payment</i> ” on page 101 of this Tranche 2 Prospectus.
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Tranche 2 Issue opening date	April 8, 2019
Tranche 2 Issue closing date**	April 18, 2019
Settlement mode of instrument	In dematerialised form only
Record date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading will be deemed as the Record Date.</p>
Issue Documents/ Offer Documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 2 Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Public Issue Account Agreement, the Consortium Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see the chapter titled “ <i>Material Contracts and Documents for Inspection</i> ” on page 158 of this Tranche 2 Prospectus.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. See “ <i>General Information - Utilisation of Issue Proceeds</i> ” on page 27 of this Tranche 2 Prospectus.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. See “ <i>General Information - Utilisation of Issue Proceeds</i> ” on page 27 of this Tranche 2 Prospectus.
Events of default / cross default	See “ <i>Terms of the Issue – Events of Default</i> ” on page 73 of this Tranche 2 Prospectus
Deemed date of Allotment	The date on which the Authorised Personnel approve the Allotment of the NCDs for this Tranche 2 Issue or such date as may be determined by the Authorised Personnel to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits

	relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See “ <i>Terms of the Issue – Trustees for the NCD holders</i> ” on page 73 of this Tranche 2 Prospectus.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Tranche 2 Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working Day convention	<p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p>

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Authorised Personnel duly appointed by resolution of the Board dated July 19, 2018. In the event of such early closure of or extension subscription list of the Tranche 2 Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Tranche 2 Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE or NSE, on Working Days during the Tranche 2 Issue Period. On the Tranche 2 Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE and NSE.*

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation.

Please refer to Annexure D for details pertaining to the cash flows of the Company in accordance with the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

Terms of payment

The entire face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser amount of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA account, in accordance with the terms of this Tranche 2 Prospectus.

Participation by any of the mentioned Investor classes in this Tranche 2 Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of,

U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Tranche 2 Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

The terms of each series of NCDs are set out below:

Series	I	II	III*	IV	V	VI	VII
Frequency of Interest Payment	Annual	NA	Annual	Monthly	NA	Annual	Monthly
Minimum Application	₹10,000 (10 NCDs) across all Series						
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000						
In Multiples of thereafter (₹)	₹ 1,000/- (1 NCD)						
Tenor	3 years	3 years	5 years	5 years	5 years	8 years	8 years
Coupon (% per annum) for NCD Holders in Category I & II	8.70%	NA	8.80%	8.48%	NA	8.85%	8.52%
Coupon (% per annum) for NCD Holders in Category III & IV	8.90%	NA	9.00%	8.66%	NA	9.05%	8.70%
Effective Yield (% per annum) for NCD Holders in Category I & II	8.69%	8.70%	8.79%	8.81%	8.80%	8.84%	8.86%
Effective Yield (% per annum) for NCD Holders in Category III & IV	8.89%	8.90%	8.99%	9.00%	9.00%	9.04%	9.05%
Mode of Interest Payment	Through various mode available						
Amount (Rs / NCD) on Maturity for NCD Holders in Category I & II	₹1,000	₹1,284.66	₹1,000	₹1,000	₹ 1,525.27	₹1,000	₹1,000
Amount (Rs / NCD) on Maturity for NCD Holders in Category III & IV	₹ 1,000	₹ 1,291.77	₹1,000	₹1,000	₹ 1,539.36	₹1,000	₹1,000
Put and Call Option	NA	NA	NA	NA	NA	NA	NA

With respect to Options where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Options will be made at the time of redemption of the NCDs.

Subject to applicable tax deducted at source, if any

Please refer to Annexure D for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

**Our Company would allot the Series III NCDs, as specified in this Tranche 2 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.*

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory **permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Tranche 2 Issue.**

For further details, see the chapter titled “**Issue Procedure**” on page 87 of this Tranche 2 Prospectus.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to resolutions passed at their meetings held on March 21, 2018 and July 19, 2018. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution dated April 2, 2018, up to an amount of ₹ 56,000 crores.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, this Tranche 2 Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The Secured NCDs would constitute secured obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The Secured NCDs proposed to be issued under this Tranche 2 Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Security

The principal amount of the Secured NCDs to be issued in terms of this Tranche 2 Prospectus together with all interest due on the Secured NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of the Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). The Issuer undertakes that the necessary documents for the creation of the security, including the Debenture Trust Deed would be executed within the time frame prescribed as per applicable law and the same would be uploaded on the website of the Designated Stock exchange, within five working days of execution of the same.

Debenture Trust Deed (s)

Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee for the benefit of the Secured NCD Holders, the terms of which will *inter alia* govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed before the Allotment of Secured NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with Debenture Trustee that it will pay the Secured NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the Secured NCDs at the rates specified in this Tranche 2 Prospectus and Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the Security or replace with another assets of the same or higher value. However, in case of Debenture Trust Deed, our Company reserves the right to create *pari passu* charge on the said immovable property without seeking NOC

from each Secured NCDs Holders and the Debenture Trustee is empowered to issue NOC to create pari passu charge on the said immovable property for future issuances.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute the Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of Secured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Tranche 2 Prospectus, the Shelf Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. For the NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
6. Subject to compliance with applicable statutory requirements, the Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Secured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by

the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Tranche 2 Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled “*Issue Procedure*” beginning on page no. 87 of this Tranche 2 Prospectus.

Transfer/Transmission of NCD(s)

For NCDs held in physical form

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act/ the Companies Act, 2013 applicable as on the date of this Tranche 2 Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche 2 Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the Secured NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the Secured NCDs issued pursuant to this Tranche 2 Issue shall be compulsorily in dematerialized form only.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Tranche 2 Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the NCDs held in physical form, the person for the time being appearing in the register of NCD Holders as NCD holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche 2 Prospectus shall apply, mutatis mutandis (to the extent applicable) to the Secured NCD(s) as well.

Register of NCD Holders

No transfer of title of any NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Tranche 2 Issue Programme

TRANCHE 2 ISSUE PROGRAMME*	
TRANCHE 2 ISSUE OPENS ON	April 8, 2019
TRANCHE 2 ISSUE CLOSES ON	April 18, 2019

* The Tranche 2 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche 2 Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Tranche 2 Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue Closure. On the Tranche 2 Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.

Further please note that Application Forms for the Tranche 2 Issue shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Tranche 2 Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Tranche 2 Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche 2 Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 2 Issue Closing Date. All times mentioned in this Tranche 2 Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 2 Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches

of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Interest and Payment of Interest

Interest on NCDs

Series I Secured NCD

In case of Series I Secured NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (%)
Category I & II	8.70
Category III & IV	8.90

Series I Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 3 Years from the Deemed Date of Allotment.

Series II Secured NCD

In case of Series II Secured NCDs, interest along with the principal would be redeemed at the end of 3 Years from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I & II	1,000	1,284.66
Category III & IV	1,000	1,291.77

Series III Secured NCD

In case of Series III Secured NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III Secured NCD:

Category of NCD Holders	Coupon (%)
Category I & II	8.80
Category III & IV	9.00

Series III Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 5 Years from the Deemed Date of Allotment.

Series IV Secured NCD

In case of Series IV Secured NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV Secured NCD:

Category of NCD Holders	Coupon (%)
Category I & II	8.48
Category III & IV	8.66

Series IV Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 5 Years from the Deemed Date of Allotment.

Series V Secured NCD

In case of Series V Secured NCDs, interest along with the principal would be redeemed at the end of 5 Years from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I & II	1,000	1,525.27
Category III & IV	1,000	1,539.36

Series VI Secured NCD

In case of Series VI Secured NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI Secured NCDs:

Category of NCD Holders	Coupon (%)
Category I & II	8.85
Category III & IV	9.05

Series VI Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 8 Years from the Deemed Date of Allotment.

Series VII Secured NCD

In case of Series VII Secured NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII Secured NCD:

Category of NCD Holders	Coupon (%)
Category I & II	8.52
Category III & IV	8.70

Series VII Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 8 Years from the Deemed Date of Allotment.

Payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of Secured NCDs. Secured NCDs once allotted under any particular Series of Secured NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Secured NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of Secured NCDs between the categories of persons or entities in the secondary market

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/ Refund*” at page 81.

Payment of Interest will be made to those Secured NCD Holders whose names appear in the register of Secured NCD Holders (or to first holder in case of joint-holders) as on Record Date. For Secured NCDs subscribed, in respect to Series IV and Series VII, where the interest is to be paid on a monthly basis, relevant interest will be calculated on an actual/actual basis on the amount outstanding from time to time commencing from the Deemed Date of Allotment during the tenor of such Secured NCDs.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche 2 Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/ IMD/ DF/ 18/ 2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in Annexure D in this Tranche 2 Prospectus.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter (for all options of NCDs, namely Option I, Option II, Option III, Option IV, Option V, Option VI and Option VII taken individually or collectively). The minimum application size for each application for Secured NCDs would be ₹10,000.00 and in multiples of ₹1,000.00 thereafter.

Applicants can apply for any or all Series of Secured NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Tranche 2 Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below*:

For NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For NCDs held in physical form due to rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50, then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The

payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its Secured NCDs.

Buy Back of NCDs

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought

back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held (“**Consolidated Certificate**”). The Applicant can also request for the issue of NCD certificates in denomination of one NCD (“**Market Lot**”). In case of NCDs held under different Options by a NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is however distinctly to be understood that the NCDs pursuant to this Tranche 2 Issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by Secured NCD Holders

The procedure for redemption is set out below:

Secured NCDs held in physical form:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

NCDs held in electronic form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Tranche 2 Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche 2 Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche 2 Prospectus with ROC and the date of release of this statutory advertisement, will be included in the statutory advertisement.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 2 Issue at any time prior to the Tranche 2 Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the “General Information - Issue Programme” on page 28 of this Tranche 2 Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Tranche 2 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 2 Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of this Tranche 2 Issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e., ₹ 37,500 lakhs). If our Company does not receive the minimum subscription of 75 % of the Base Issue Size (i.e., ₹ 37,500 lakhs), prior to the Tranche 2 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 15 (fifteen)days from the Tranche 2 Issue Closing Date, failing which our Company will

become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Utilisation of Issue Proceeds

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Tranche 2 Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) We shall utilise the Tranche 2 Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (and (ii) receipt of listing and trading approval from Stock Exchange.
- (e) The Tranche 2 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (f) Details of all utilised and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilised indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilised monies have been invested.

Filing of the Shelf Prospectus and this Tranche 2 Prospectus with the RoC

A copy of this Tranche 2 Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche 2 Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the Tranche 2 Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Tranche 2 Prospectus are proposed to be listed on the BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated January 24, 2019 and from the NSE *vide* their letter dated January 24, 2019. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange are taken within 6 (six) Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

This Tranche 2 Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD holders or deposits held in the account of the Secured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

The Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third-party bank/institution or any other person for any loan provided to the NCD holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of NCDs or the Debenture Trustee.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants should note that they may submit their Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche 2 Prospectus.

Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 (“Debt Application Circular”) issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche 2 Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE TRANCHE 2 PROSPECTUS, THE TRANCHE 2 ISSUE OPENING DATE AND THE TRANCHE 2 ISSUE CLOSING DATE.

THE CONSORTIUM AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean with reference to Tranche 2 Issue Period where working days shall mean all days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Tranche 2 Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche 2 Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche 2 Prospectus.

PROCEDURE FOR APPLICATION

How to Apply?

Availability of this Draft Shelf Prospectus, Shelf Prospectus, Tranche 2 Prospectus, Abridged Prospectus, and Application Form

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche 2 Prospectus together with Application Forms and copies of the Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Consortium Members and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, this Tranche 2 Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in.
- (ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of Applications electronically. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I	Category II	Category III	Category IV
Institutional Investors	Non-Institutional Investors	High Net-worth Individuals (“HNIs”)	Retail Individual Investors
<ul style="list-style-type: none">• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;• Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;• Mutual Funds registered with SEBI;• Venture Capital Funds/ Alternative Investment	<ul style="list-style-type: none">• Companies within the meaning of section 2(20) of the Companies Act, 2013;• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;• Co-operative banks and regional rural banks;• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue

Category I	Category II	Category III	Category IV
Institutional Investors	Non-Institutional Investors	High Net-worth Individuals (“HNIs”)	Retail Individual Investors
<p>Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</p> <ul style="list-style-type: none"> • Insurance Companies registered with IRDA; • State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakh as per the last audited financial statements; and • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India. 	<ul style="list-style-type: none"> • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the • Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. 		

Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any Applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any

Applications from such persons and entities are liable to be rejected:

- (a) Minors without a guardian name*;
- (b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Persons resident outside;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies;
- (h) Designated persons and their immediate relatives as defined in the securities dealing code of our Company (The securities dealing code of our Company is available at the intranet of our Company); and
- (i) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs. Please see “*Rejection of Applications*” on page 104 of this Tranche 2 Prospectus for information on rejection of Applications.

Modes of Making Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in this Tranche 2 Issue through the ASBA process only. Applicants

intending to subscribe in this Tranche 2 Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all Series of Secured NCDs.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to a recent SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduced group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by mutual fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial banks, co-operative banks and regional rural banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached

to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority (“**IRDAI**”), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Insurance companies participating in this Tranche 2 Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDAI Investment Regulations.

Application by Indian Alternative Investment Funds

Applications made by ‘Alternative Investment Funds’ eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Tranche 2 Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized

under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any Act/Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves

the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Tranche 2 Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Tranche 2 Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up. Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Tranche 2 Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.
- (b) In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.
- (c) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Centre where the Application Form is submitted (a list of such branches is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

- (d) Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Centre, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche 2 Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Tranche 2 Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Tranche 2 Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Tranche 2 Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Tranche 2 Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Tranche 2 Issue Closing Date, if the Applications have been uploaded. For further information on the Tranche 2 Issue programme, please refer to "Issue Structure" on page 67 of this Tranche 2 Prospectus.
- (c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.
- (d) Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("UAN") and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche 2 Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and

accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Payment instructions

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Tranche 2 Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche 2 Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche 2 Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Filing of the Shelf Prospectus and Tranche 2 Prospectus with ROC

A copy of the Shelf Prospectus and the Tranche 2 Prospectus has been filed with the ROC in accordance with section 26 and section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche 2 Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche 2 Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 2 Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.

- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account; and
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same. In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Tranche 2 Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Tranche 2 Issue will be made into the accounts of such Applicants.

Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation

to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000/- and in multiples of ₹ 1,000 thereafter as specified in this Tranche 2 Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Tranche 2 Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 2 Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Tranche 2 Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Tranche 2 Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche 2 Issue Closing Date. For further information on the Tranche 2 Issue programme, please refer to "Issue Structure" on page 67 of this Tranche 2 Prospectus.
16. Permanent Account Number: Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Tranche 2 Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Tranche 2 Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centres;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Tranche 2 Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Tranche 2 Issue; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “Rejection of Applications” on page 104 of this Tranche 2 Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.** The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche 2 Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche 2 Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche 2 Issue or until rejection of the Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite

infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	(i) <i>If using physical Application Form, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</i> (ii) <i>If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.</i>

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- i. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges.

The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- ii. The Stock Exchanges will offer an electronic facility for registering Applications for the Tranche 2 Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Tranche 2 Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche 2 Issue Closing Date. On the Tranche 2 Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche 2 Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche 2 Issue programme, please refer to “Issue Structure” on page 67 of this Tranche 2 Prospectus.

- iii. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- iv. With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location
 - Application amount
- v. A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- vi. Applications can be rejected on the technical grounds listed on page 104 of this Tranche 2 Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- vii. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche 2 Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- viii. **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment.** The Lead Managers, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche 2 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 2 Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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

- (i). Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (ii). Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant's ASBA Account maintained with an SCSB;
- (iii). Applications not being signed by the sole/joint Applicant(s);
- (iv). Investor Category in the Application Form not being ticked;
- (v). Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (vi). Applications where a registered address in India is not provided for the Applicant;
- (vii). In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- (viii). Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (ix). PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (x). DP ID and Client ID not mentioned in the Application Form;
- (xi). GIR number furnished instead of PAN;
- (xii). Applications by OCBs;
- (xiii). Applications for an amount below the minimum application size;
- (xiv). Submission of more than five Application per ASBA Account;
- (xv). Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- (xvi). Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- (xvii). Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;
- (xviii). Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (xix). Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (xx). Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
- (xxi). Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
- (xxii). Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (xxiii). Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;

- (xxiv). Applications not having details of the ASBA Account to be blocked;
- (xxv). In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- (xxvi). Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (xxvii). SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (xxviii). Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (xxix). Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- (xxx). Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (xxxi). Applications by any person outside India;
- (xxxii). Applications by other persons who are not eligible to apply for NCDs under the Tranche 2 Issue under applicable Indian or foreign statutory/regulatory requirements;
- (xxxiii). Applications not uploaded on the online platform of the Stock Exchanges;
- (xxxiv). Applications uploaded after the expiry of the allocated time on the Tranche 2 Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- (xxxv). Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Tranche 2 Prospectus and as per the instructions in the Application Form, the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche 1 Prospectus and this Tranche 2 Prospectus;
- (xxxvi). Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (xxxvii). Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (xxxviii). Applications providing an inoperative demat account number;
- (xxxix). Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (xl). Category not ticked;
- (xli). Forms not uploaded on the electronic software of the Stock Exchanges; and/or
- (xlii). In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

The mode of refund payments may be undertaken in the following modes:

i. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

ii. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

iii. RTGS

Applicants having a bank account with a participating bank and whose interest payment / redemption amounts exceed ₹200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

iv. NEFT

Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption will be made to the applicants through this method.

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Tranche 2 Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Tranche 2 Issue Closing Date.

Further,

- (a) Allotment of NCDs in the Tranche 2 Issue shall be made within a time period of 4 (four) Working Days from the Tranche 2 Issue Closing Date;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Tranche 2 Issue Closing Date, for the delay beyond 5 (five) Working Days; and
- (d) Our Company will provide adequate funds to the Registrar for this purpose.

Green Shoe Option

Our Company shall have the option to retain oversubscription up to ₹ 100,000 lakhs.

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment of NCDs:

- A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net Worth Individual Investors Portion**”).
- D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 2 Issue up to the Tranche 2 Issue Limit i.e. aggregating up to ₹ 1,00,000 lakhs. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche 2 Issue), taken together with the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “Tranche 2 Issue Limit”.

Allocation Ratio:

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	35%	45%

(a) *Allotments in the first instance:*

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination

of Allocation ratio of 10% of Tranche 2 Issue Limit for the Institutional Portion shall be done considering the aggregate subscription received in the Institutional Portion;

- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 10% of Tranche 2 Issue Limit for the Non-Institutional Portion shall be done considering the aggregate subscription received in the Non-Institutional Portion;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 35% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 35% of Tranche 2 Issue Limit for the High Net Worth Individual Investors Portion shall be done considering the aggregate subscription received in the High Net Worth Individual Investors Portion; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 45% of Tranche 2 Issue Limit on first come first serve basis which would be determined on the basis of date of upload of their Applications in to the electronic platform of the Stock Exchanges. The determination of Allocation ratio of 45% of Tranche 2 Issue Limit for the Retail Individual Investors Portion shall be done considering the aggregate subscription received in the Retail Individual Investors Portion.

As per circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

Allotment by the Company, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis to each Portion, based on the date of upload of each Application into the Electronic Book of the Stock Exchanges, subject to the Allocation Ratio indicated at the section titled “Issue Procedure – Basis of Allotment” at page 107 of this Tranche 2 Prospectus.

- (b) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- i. In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche 2 Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
- ii. In case there is oversubscription in Tranche 2 Issue Limit, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
 - A. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment

- B. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the Electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period. For the sake of clarity, the day on which the entire remaining undersubscribed Portion is Allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Issue Period
- (c) *Under Subscription*: If there is under subscription in the overall Tranche 2 Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (d) *Minimum Allotments of 1 Secured NCD and in multiples of 1 Secured NCD thereafter would be made in case of each valid Application to all Applicants.*
- (e) *Proportionate Allotments*: For each Portion(s), on the date of oversubscription:
- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
 - ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche 2 Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
 - iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (f) *Applicant applying for more than one Series/Options of Secured NCDs*: If an Applicant has applied for more than one Series of Secured NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of Secured NCDs applied for, the Series-wise allocation of Secured NCDs to such Applicants shall be in proportion to the number of Secured NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 7 (seven) Series and in case such Applicant cannot be allotted all the 7 (seven) Series, then the Applicant would be allotted Secured NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the Secured NCDs with the least tenor i.e. Allotment of Secured NCDs with tenor of 3 years followed by Allotment of Secured NCDs with tenor of 5 years and so on.
- (g) *Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications*: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche 2 Issue Closing Date.

All decisions pertaining to the basis of allotment of Secured NCDs pursuant to the Tranche 2 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche 2 Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series III Secured NCDs to all valid applications, wherein the applicants have selected only Secured NCDs, but have not indicated their choice of the relevant options of the Secured NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment,

to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to finalisation of Basis of Allotment for the Tranche 2 Issue.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 2 Issue at any time prior to the Tranche 2 Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 37,500 lakhs before the Tranche 2 Issue Closing Date. Our Company shall allot Secured NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche 2 Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the Secured NCDs is lesser than the minimum subscription which is 75% of the Base Issue Size, i.e. ₹ 37,500 lakhs before the Tranche 2 Issue Closing Date.

In the event of such early closure of the Tranche 2 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 2 Issue Closing Date of the Tranche 2 Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche 2 Issue have been given.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Tranche 2 Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the demographic details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Tranche 2 Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche 2 Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche 2 Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue

OTHER INFORMATION

Withdrawal of Applications

Applicants can withdraw their Applications till the Tranche 2 Issue Closure Date by submitting a request for the same to the Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediaries, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close this Tranche 2 Issue at any time prior to the Closing Date of the respective Tranche Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications

received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche 2 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date of respective Tranche Prospectus provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Tranche 2 Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders within an Application is permitted during the Tranche 2 Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche 2 Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Designated Intermediaries/ the Designated Branch of the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche 2 Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche 2 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 2 Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialized form. In this context:

- (i) Agreement dated December 31, 2012 between us, the Registrar to the Issue and NSDL, and dated June 24, 2016, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

- (vii) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (viii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please see “*Instructions for filling up the Application Form - Applicant’s Beneficiary Account Details*” on page 96 of this Tranche 2 Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Tranche 2 Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB quoting the full name of the sole or first Applicant, Application Form number, Applicant’s DP ID and Client ID, Applicant’s PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries or Designated Branch, as the case may be, where the Application was submitted, and ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact the Lead Managers, our Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by

way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

- (e) We shall utilize the Tranche 2 Issue proceeds only upon allotment of the NCDs, execution of the Debenture Trust Deed as stated in this Tranche 2 Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6(six) Working Days of the Tranche 2 Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the current Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Tranche 2 Prospectus;
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are either initiated by us or by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) civil suits, actions and applications; (b) consumer complaints and (c) criminal complaints. We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.

As on the date of the Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by our Company.

For the purpose of disclosures in this Shelf Prospectus, our Company has considered the following litigation as “material” litigation:

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding 5% of the consolidated Profit after Tax as on March 31, 2018, i.e. more than ₹1,450 lakhs;*
- *all criminal proceedings whether complaints, first information reports (“FIR”), revision applications, bail applications or otherwise wherein our Company is a party; and*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, directors, our Promoter or our Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company, directors, Promoter and/or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Save as disclosed below, there are no:

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of the Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
2. *litigation involving our Company, Promoter, Directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
3. *pending proceedings initiated against our Company for economic offences and default; and*
4. *inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies’ law, or reservations, qualifications or adverse remarks of the auditors of our Company in the last five years immediately preceding the year of issue of this Shelf Prospectus against our Company.*

I. Litigations by and against our Company

Criminal Proceedings against our Company

1. Our Company granted a loan to Satish Kumar Sonkar (“**Borrower**”) to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR for an offence punishable under Section 379, Indian Penal Code, 1860 and alleged that Rajesh Kumar Singh (“**Applicant**”), acting as the Manager of our Company had taken the vehicle. The Applicant fearing arrest based on the FIR had filed an application numbered M. Cr. C.(A) No.570 of 2009 for anticipatory bail before

the High Court of Chhattisgarh at Bilaspur. The High Court passed an order granting anticipatory bail to the Applicant. The matter is currently pending and has been listed for hearing.

2. Our Company had granted a loan of ₹ 4 lakhs to Mr. Sanjay Bagal (“**Complainant**”) for purchase of a tractor and an engine by entering into a loan cum hypothecation agreement in September 2010. After the Complainant defaulted on the payment of two instalments, Bhagwan Sawargave, acting on behalf of our Company, allegedly seized the tractor. When the Complainant agreed to repay the outstanding amount, our Company refused to accept it and threatened to sell it. Thus, the Complainant filed a complaint No. 141 of 2013 before the President, District Consumer Redressal Forum, Osmanabad (“**Complaint**”). The Consumer Forum Osmanabad rejected the Complaint and held that the Complaint was not maintainable because our Company had already initiated arbitration proceedings regarding the same matter. The Complainant filed a criminal application numbered Cri.M.A. No. 155 of 2016 before the Chief Judicial Magistrate, Osmanabad alleging that there had been no arbitration proceedings and that our Company had fabricated the facts and documents pertaining to it. However, on July 14, 2016 the petition was dismissed due to repeated non-appearance of the Complainant. In 2016, the Complainant, aggrieved by this order, filed a revision application before the Court of the Sessions Judge, Osmanabad. The matter is currently pending and has been listed for passing of order.
3. Our Company had granted a loan to Mr. Ranjit Singh (“**Borrower**”) by executing a loan cum hypothecation agreement. The Borrower agreed to repay the loan by giving cheques drawn upon Oriental Bank of Commerce (“**Respondent 3**”), who would then transfer the money to our Company’s account. The Borrower alleges that on each repayment date, despite having sufficient funds in its account, Respondent 3 had wrongfully bounced the cheques of the Borrower and falsely represented the same to our Company. The Borrower alleges that our Company along with Respondent 3 were involved in a criminal conspiracy to defame the Borrower and committed offences under Section 500, 56, 120B and 34 of the Indian Penal Code, 1860. Therefore, the Borrower filed a complaint bearing No. 29 of 2016 before the court of Mrs. Amandeep Kaur, PCS, SDJM, Phillaur. The matter is currently pending and listed for hearing.
4. Our Company granted a loan to Mr. Dongari Raju (“**Borrower**”) for purchase of a vehicle by entering into a loan cum hypothecation on November 26, 2010. Due to the Borrower defaulting on the payment of 4 instalments, our Company seized the hypothecated vehicle on August 8, 2012. The Borrower requested our Company to release the vehicle upon payment of 2 instalments. When our Company did not agree to it, the Borrower filed a case numbered C.C.No. 184 of 2012 before the District Consumer Disputes Redressal Forum, Karimnagar (“**Forum**”). The Forum *vide* an order dated October 18, 2012 directed our Company to release the vehicle on the Borrower repaying 3 instalments. Aggrieved by this order, our Company filed a revision petition R.P.No. 53 of 2012 before the Consumer Disputes Redressal Commission, Andhra Pradesh (“**Commission**”). The Commission disposed of the petition by directing our Company to obey the order dated October 18, 2012. Our Company claimed that it had not received the instalments and so initiated arbitration proceedings against the Borrower and the guarantor. Our Company also filed a case before the Metropolitan Magistrate Fast Track Court No. II, Egmore, Allikullam, Chennai (“**Magistrate**”) for dishonour of a cheque given by the Borrower. Aggrieved by these actions taken by our Company, the Borrower filed a criminal petition under Section 482 of the Code of Criminal Procedure, 1973 bearing no. CrI. O. P. No. 2432 of 2017 in C. C. No. 3662 of 2017 praying for a stay order of the case before the Magistrate. The matter is currently pending and listed for hearing.
5. Upon non-payment of outstanding amount by Mr. G. Kumar (“**Petitioner**”) to our Company, our Company had taken action against the Borrower. An order passed on April 13, 2017 in E.P. No. 19 of 2012 in Arbitration Case LOS/EFD/ARB/202/2010 before the Principal District Court, Tiruvannamalai, directed the Borrower to the repay of the outstanding amount and allowed the arrest of the Borrower. Aggrieved by this, the Borrower has filed a revision petition numbered C.R.P. (NPD) No. 1878 of 2017 challenging the order dated April 13, 2017 to be illegal and erroneous. The matter is currently pending and listed for arguments.
6. Our Company had granted a loan to Mr. Bhuban Das (“**Borrower**”) on August 24, 2012 to purchase a vehicle. On February 14, 2018, our Company allegedly illegally re-possessed the vehicle. The Borrower offered to pay one instalment for release of the vehicle. However, our Company did not pay heed to this offer. Aggrieved by this, the Borrower has filed an application with Case No. 337 of 2018 under Section 144(2) of the Code of Criminal Procedure, 1973 before the Court of the Sub-Divisional Executive Magistrate at Serampore. The matter is currently pending and listed for hearing.

7. Our Company had granted a loan to Dinesh Prasad Yadav (“**Borrower**”) to purchase a truck. The Borrower filed a criminal case bearing number 571/2010 against our Company and its officers before JMFC, Jamshedpur (“**JMFC**”) on April 24, 2010 under Sections 323, 379, 34 and 418 of the Indian Penal Code, 1873 alleging that the truck financed to him by our Company was snatched along with ₹ 1.5 lakhs. JMFC issued summons to which our Company filed an application under Section 205, Code of Criminal Procedure, before the JMFC for discharge of appearance of our Company’s employees who had been transferred. The application was rejected and a non bailable warrant was issued. Our Company filed an anticipatory bail application bearing number 3864/2011, which was allowed. The matter is currently pending and has been listed for evidence.
8. A criminal petition bearing reference 41/2010 was filed by Mr. Gopal Chandra Gorai (“**Complainant**”) before ACJM, Bishnupur of Bankura District on May 26, 2010 under Section 156(3) of the Code of Criminal Procedure, 1976, and under Section 379 and 427 of the Indian Penal Code, 1860. The Complainant alleged that his vehicle had been forcefully re-possessed as he had defaulted on the repayment of the loan. The Complainant went to the police to file a complaint, but the police did not take any concrete action. Therefore, the Complainant has filed the current criminal petition against our Company. The matter is currently pending and has been listed for evidence.
9. Mr. Nirmal Uttarsini (“**Borrower**”) purchased a vehicle by availing a loan from our Company. When, the Borrower defaulted in repaying the loan, Mr. Manoj Kumar and Mr. Mitrabhanu Pattanayak, employees of our Company (“**Employees**”) re-possessed the vehicle in accordance with the deed of hypothecation. However, the said vehicle was re-possessed from Mr. SK Nijammuddin (“**Petitioner**”) who had no claim over the vehicle. Hence, the Petitioner filed a criminal case before bearing number 2400/2013 before Chief Judicial Magistrate, Paschim Mednipur, wherein a FIR bearing number 411/2013 dated September 13, 2013 was registered by the police against our Company and the Employees. The Sessions Judge has granted anticipatory bail to the Employees. The vehicle of the Borrower has been released. The matter is currently pending and has been listed for arguments.
10. The electricity department of Purnea, Uttar Pradesh (“**Petitioner**”) had sent a notice to our Company under Section 135 of the Electricity Act, 2003 alleging that there was theft of energy and that the fine amount had to be paid for the said theft. The Petitioner has filed a criminal case bearing number 595/2013 against our Company before the District Judge, Purnea, with a prayer to impose fine of ₹ 0.96 lakhs on our Company. Our Company’s bail application has been granted. The matter is currently pending and listed for order.
11. Mr. Sumith Kumar (“**Borrower**”) has filed a criminal petition bearing number 3354/2015 against our Company before the Andhra Pradesh, High Court. The Borrower has filed the case alleging that his asset was re-possessed forcibly by our Company. Our Company has marked its appearance in the court. The matter is currently pending and has been listed for hearing.
12. Rameshwar Lal Dhake (“**Borrower**”) had financed a tractor from our Company in partnership with Mr. Hansraj Nayak. On default of repayment of the loan from our Company Mr. Bablu Rajput, employee (“**Employee**”) of our Company had re-possessed the vehicle on behalf of our Company. Aggrieved by this, the Borrower filed a criminal case with a FIR bearing No. 0326/2018 dated October 12, 2018 against the Employee. The matter is currently pending and listed for appearance.
13. Meva Ram (“**Complainant**”) had filed a police complaint before the Judicial Magistrate, Mandal, Rajasthan alleging that the tractor along with the cultivator was illegally repossessed by Banwar Gurjar, Shankar, Ashish, Mohan Gurjar, Hirendra Pratap Singh and Deb Kiran (“**Accused**”). At the time of re-possession of the tractor, Nagji Ram Suthar was driving the said vehicle and he is an eye witness in this matter. The matter has been registered as FIR bearing reference number 159/2012 dated December 19, 2012. The Accused have been charged under section 386, Indian Penal Code, 1860. The matter is currently pending and listed for evidence.
14. Gauri Shankar Nathulal Jangid (“**Petitioner**”) filed a civil suit bearing reference number 33/2018 against Vipulbhai Dosa being the finance manager and Nagdev Farm House being the recovery agent (“**Respondents**”) before the Additional Civil Judge, Gandhinagar, Gujarat. The Petitioner alleges that his vehicle was illegally repossessed and has prayed that the Court pass an order restricting the sale of his vehicle. The matter is currently pending for hearing on the injunction application.

15. Our Company granted a loan to Khandu Raghunath Katad (“**Borrower**”) to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR bearing number 0019/2019 dated March 02, 2019 in Nashik Police Station for an offence punishable under Section 379 read with Section 34, Indian Penal Code, 1860 against our employees and repossession agents. Our Company filed a bail application under Section 439 of the Code of Criminal Procedure, 1973 before the Sessions Court, Nashik. The Hon’ble Court granted bail vide order dated March 14, 2019. The matter is currently pending for submission of Investigation Report and has been listed for hearing.
16. Our Company granted a loan of Rs.190,000 to Bangi Seshanna (“**Borrower**”) to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR bearing number 74/2019 dated February 27, 2019 in Kurnool-III Police Station for an offence punishable under Section 506 read with Section 34, Indian Penal Code, 1860 and Section 3(1)(zc) and Section 3(1)(y) of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989 against our employees. Our Company is currently in the process of filing Application for quashing of the FIR.

Criminal Proceedings against our Company under Section 420 of the Indian Penal Code, 1860

Our Company is a party to various criminal cases pending before various courts across India. However, all such criminal cases, while alleging the offences under Section 420, Indian Penal Code, 1860, including, *inter-alia*, cheating, fraud, defamation, illegal repossession and sale of the vehicles.

Civil Proceedings against our Company

There are various civil proceedings instituted against our Company before various courts across India which mostly arise in the ordinary course of its business. None of the pending civil proceedings against our Company involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2018.

Show Cause Notice issued to our Company

The Director General of GST Investigation (“**DGGI**”) has issued a show cause notice (“**SCN**”) dated October 18, 2018 to our Company, *inter-alia*, alleging that additional interest, penal interest and default interest charged to customers is liable to service tax and goods and services tax (“**GST**”) as applicable. The SCN will be adjudicated in due course before the Principal Commissioner of CGST. The amount of tax involved in the SCN is ₹ 19,729 lakhs for the period starting from April 2013 to June 2017. Based on the tax opinions, our Company is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994. For adjudication of the SCN, a personal hearing will be granted by the Commissioner of CGST, normally within a year. However, our Company is yet to receive a date. In the interim, our Company has sought time to file its submissions for the SCN and is in the process of finalizing the detailed submissions.

Notice under Section 91 and Section 160 of the Criminal Procedure Code.

The Inspector of Police, Central Bureau of Investigation, Bank Securities and Frauds Cell has issued a notice under Section 91 and Section 160 of the Criminal Procedure Code, dated January 11, 2019 requisitioning documents from our Company, with respect to an investigation of a case registered against one Arvind Remedies Limited, Chennai, on or before January 21, 2019. The requisite documents were provided as per the said notice. Further, similar notices dated January 25, 2019, February 5, 2019 and February 28, 2019 were received by us from the abovementioned authority with respect to Arvind Remedies Limited requisitioning certain further documents to be provided. Notwithstanding anything contained herein above, the aforesaid notice is not material in the opinion of the Company. Arvind Remedies Ltd. account has been closed in the records of the Company and the Company has no current exposure on Arvind Remedies Limited.

Litigations by our Company

A. Criminal Proceedings by our Company

Our Company has initiated various criminal litigations which are pending before various courts across India. However, all criminal cases initiated by our Company before various courts pertain to the offences under Section 420, Indian Penal Code, 1980, which include, *inter-alia*, fraud and cheating against customers on account of loan defaults, cash misappropriation, forgery, dishonest intention, illegal disposal of asset, criminal breach of trust, misrepresentation and wrongful gain.

B. Civil Proceedings by our Company

1. L&T Finance Limited (“**Transferor 1**”) and L&T Fincorp Limited (“**Transferor 2**”) amalgamated with Family Credit Limited (name subsequently changed to L&T Finance Limited, the “**Transferee**”) by virtue of an order (“**Amalgamation Order**”) passed by the National Company Law Tribunal, Mumbai, approving the scheme of amalgamation (“**Scheme**”). The Transferee had filed a special civil application before the Gujarat High Court against the order of the Collector and Superintendent of Stamps, Gujarat (the “**Collector**”) in relation to adjudication of stamp duty payable pursuant to the Scheme. The Transferee had filed an application before the Collector for adjudication of stamp duty payable on transfer of certain immovable property belonging to Transferor 2 which is situated in Gujarat, to the Transferee, pursuant to the Amalgamation Order. Subsequently, the Collector passed an order dated August 29, 2017 (the “**Collector Order**”) requiring the Transferee to pay a stamp duty amounting to ₹ 123.57 million within a period of 90 days, under the provisions of Gujarat Stamp Act, 1958 computed on the basis of the market value of the equity shares of Transferor 1 and the Transferor 2 which were issued to the shareholders of the Transferee pursuant to the provisions of the Scheme. The Transferee through its application filed with the Collector sought for recall and/ or modification of the Collector Order since the adjudication was erroneously conducted on the equity shares and not on the immovable property concerned. Accordingly, the Transferee had filed the aforesaid special civil application before the Gujarat High Court seeking quashing of the Collector Order. The Gujarat High Court has passed a stay order against the Collector Order. Subsequently, the Transferee basis the order of the Gujarat High Court approached the Chief Controlling Revenue Authority (“**CCRA**”) Gandhinagar, Gujarat with a plea to set aside the order of the Additional Collector and Superintendent of Stamps, Gandhinagar dated August 31, 2017. The CCRA *vide* its order dated September 14, 2018 has remanded the matter to the Additional Collector and Superintendent of Stamps, Gandhinagar to reevaluate the properties and to adjudicate and order accordingly. Our Company has received an interim demand notice dated December 10, 2018 from the Collector and Additional Superintendent of Stamps, Gandhinagar demanding ₹ 12,35,73,859 payment, to produce evidence of stamp duties paid in the states of Maharashtra and West Bengal and file our reply by December 18, 2018. Our Company has sought additional time to file such reply. The matter is currently pending and is listed for hearing.

2. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Castex Technologies Limited (“**Borrower**”). Our Company has filed its claim amounting to ₹ 15,215 lakhs before the interim resolution professional. The resolution professional has filed an application before the National Company Law Tribunal, Chandigarh for withdrawal of the resolution plan as the resolution applicant being the Liberty House Group failed to comply with the requisite terms. The matter is currently pending.

Further, our Company has also filed an arbitration petition bearing Comm. Arbitration Petition (L) 920 of 2018 against Mr. Arvind Dham (the “**Guarantor**”) before the Hon’ble Bombay High Court (“**Court**”) under Section 9 of the Arbitration and Conciliation Act, 1996. The Court, *vide* its order dated October 11, 2018 has recorded the undertaking given by the counsel of Guarantor not to sell, alienate, encumber, part with possession and/or create third party rights in respect of any of the moveable and immoveable properties disclosed in his Affidavits dated September 5, 2018, September 14, 2018 and October 1, 2018. The matter is currently pending before the Court.

3. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate

Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Bhushan Steel Limited (“**Borrower**”) under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 11,468 lakhs before the interim resolution professional. The resolution plan was approved by the National Company Law Tribunal (“**NCLT**”) under which our Company has received an amount of ₹ 7,089 lakhs plus 1,57,836 equity shares valued at ₹ 23.95 per share. However, the resolution plan contains provisions wherein a carve out has been made in favour of the lenders to recover their outstanding dues from the guarantors of the Borrower. In view of this carve-out, the Company has initiated arbitration proceedings against the guarantors of the Borrower, i.e., Mr. Brij Bhushan Singhal and Mr. Neeraj Singhal. Further, the Company filed a statement of claims on February 15, 2019 before the sole arbitrator, claiming defaults in payments of loans advanced by the Company to the extent of ₹ 67,36,33,249.72. The Guarantors have filed their counter defence in the matter as well as an application under Section 32 of the Arbitration and Conciliation Act, 1996, seeking termination of the proceedings. The matter is currently pending.

4. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Reid & Taylor (“**Borrower**”) under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 9,274 lakhs before the interim resolution professional. In the absence of any resolution plan, the committee of creditors have resolved to liquidate the Borrower. The NCLT, Mumbai has passed an order for the liquidation of the Borrower. Our Company has filed its Form D and one of the co lenders Finquest Financial Service Private Limited has informed the liquidator that they do not wish to relinquish their security into the liquidation estate. IDBI Bank is currently in discussions with the promoter of Finquest Financial Services Private Limited for resolution of the matter.
5. Our Company had initiated arbitration proceeding against Saumya Mining Limited (“**Borrower**”), Ajay Jain, Ashok Jain and Pradnya Jain due to default of payment of the Borrower under a facility agreement dated September 26, 2013 and the security documents, deed of hypothecation and deed of guarantee. The sole arbitrator passed an award in favour of our Company directing the Borrower to repay an amount of ₹ 4,548 lakhs to our Company. On October 22, 2018, our Company filed an Execution Application (L) No. 2704 of 2018 before the Bombay High Court. Our Company filed Chamber Summons (L) No. 1593 of 2018 in Execution Application (L) No. 2704 of 2018 for the execution of the Award and payment of ₹ 4,548 lakhs plus interest till date of repayment. The matter is currently pending.
6. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Metalyst Forgings Limited (“**Borrower**”). Our Company has filed its claim of ₹ 6,621 lakhs before the interim resolution professional. The resolution plan (“**Resolution Plan**”) was approved by the Committee of Creditors, however it is pending approval before the National Company Law Tribunal, Mumbai (“**Tribunal**”). In the meantime, the resolution applicant, Deccan Value Investors (“**RA**”), has filed an application for withdrawal of the Resolution Plan. The resolution professional has opposed the withdrawal. However, the RA has alleged that the resolution professional is guilty of misrepresentation and concealment of material information. The matter is currently pending before the Tribunal.
7. Emta Coal Limited (“**Borrower**”) entered into a facility agreement with L&T Infrastructure Finance Company (“**LTIF**”) on October 17, 2012 for ₹ 10,000 lakhs. LTIF assigned the outstanding term loan principal of ₹ 7,100 lakhs to L&T FinCorp Ltd (which is now L&T Finance) effective from July 31, 2013 which was disbursed in full. However, even after repeated notices, the Borrower consistently failed to fulfil its repayment obligations. Our Company finally agreed to a partial settlement of the hypothecated assets and entered into the partial settlement agreement on June 15, 2016. The Borrower repaid a part of the amount. However, the Borrower again defaulted under the partial settlement agreement with the outstanding amount at ₹ 5,671 lakhs. Our Company filed a plaint numbered C.S. No. 140 of 2018 before the Calcutta High Court praying for the repayment of the outstanding amount coupled with interest. The High Court issued a writ of summons against the defendants on November 13, 2018 which was returnable on January 29, 2019. The matter is currently pending.

8. Our Company initiated arbitration proceedings against Deccan Chronicle Holdings Limited (“**Borrower**”) and directors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of our Company on March 15, 2013 directing the Borrower to realise the mortgage given as security under the loan (“**Award**”). Our Company filed chamber summons (L) No. 1389 of 2015 in Execution Application (L) No. 1434 of 2015, in Arbitration No. 1329 of 2012 before the Bombay High Court (“**Court**”) for the execution of the Award. In the meantime, the Court passed an order appointing a court receiver in relation to properties of the Borrower. The Borrower’s appeal before the Court challenging the appointment of the receiver was dismissed by an order dated August 8, 2013. The Borrower then filed a Special Leave Petition before the Supreme Court which was dismissed on January 3, 2014.

The Borrower also challenged the Award before the Court. The Court passed an order dated May 5, 2015 dismissing the challenge. Our Company finally filed a suit numbered Suit No.696 of 2015 before the Court for enforcement of the mortgage and repayment of the loan as directed by the arbitrator under the Award. The amount involved in the matter is ₹ 3,606 lakhs. The matter has been simpliciter adjourned pursuant to the corporate insolvency resolution process (“**CIRP**”) initiated against the Borrower. The matter is currently pending.

Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against it. Our Company has filed its claim of ₹ 4,801 lakhs. The resolution plan has been approved by the committee of creditors. The matter is currently pending before the national company law tribunal (“**NCLT**”).

9. Our Company initiated arbitration proceedings against Apex Encon Project Pvt. Ltd. (“**Borrower**”) and Mrs. Padmavati Nekkanti (“**Guarantor**”) (collectively referred to as “**Respondents**”) claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on March 21, 2013 (“**Award**”). Our Company filed an Execution Application (L) No.1061 of 2013 in Arbitration No. 1356 of 2012 before the Bombay High Court for the appointment of a receiver and execution of the Award. The amount involved in this matter is ₹ 3,647 lakhs. The matter is currently pending and listed for report on the non bailable warrants issued against the Respondents.
10. Our Company initiated arbitration proceedings against PMT Machine Limited (“**Borrower**”) and guarantors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on December 27, 2012 (“**Award**”). Our Company filed an Execution Application No. 365 of 2013 in Arbitration No. 1036 of 2012 before the Bombay High Court (“**Court**”) on April 27, 2013 for the execution of the Award. The Court issued a warrant of attachment attaching the movable and immovable properties of the Borrower till January 31, 2014. However, the parties signed consent terms for repayment of the loan on February 13, 2014. The Borrower repaid part of the outstanding amount but again defaulted on repayment in 2017 according to the consent terms. On January 11, 2018, the registrar of the Court in Chamber Order (L) 50 of 2018 in Execution Application No. 116 of 2014 in Arbitration No. 1036 of 2012 passed a chamber order extending the warrant of attachment of the movable and immovable properties till January 31, 2019. The amount involved in this matter is ₹ 2,614 lakhs. Due to the moratorium under the corporate insolvency resolution process (“**CIRP**”) proceedings, the matter is currently pending and has been stayed.

In addition, our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 framed under Bankruptcy Code in respect of the CIRP initiated by various creditors against the Borrower. Our Company has filed its claim of ₹ 5,128 lakhs. The matter is currently pending.

11. Our Company claimed that Zylog Systems Limited (“**Borrower**”) and guarantors of the Borrower had defaulted in the payment of the loan provided by our Company in May 2012. Our Company sent a winding up notice to the Borrower on February 28, 2013 demanding the Borrower to repay the amount of ₹ 3,156 lakhs. In April 2013, our Company filed a winding up petition numbered C.P. 143 of 2013 before the High Court of Madras praying for the winding up of the Borrower and appointment of an official liquidator.

Our Company then initiated arbitration proceedings against the Borrower. The arbitrator passed an award in favour of Company on December 30, 2014 (“**Award**”). Our Company filed a Chamber Summons (L) No. 1266 of 2015 in Execution Application (L) No.1484 of 2015 in Arbitration No.1294 of 2013 before the Bombay High Court dated July 3, 2015 for the appointment of a receiver, disclosure of the details of the properties of the Borrower and repayment of the loan. The amount involved in this matter is ₹ 4,287 lakhs. The matter is currently pending.

Our Company has also filed a Contempt Petition bearing No.58 of 2013 in Arbitration Petition No. 325 of 2013 against the Borrower before the Hon’ble Bombay High Court on the ground of *inter alia* wilful disobedience and contempt of order dated May 3, 2013 passed by Hon’ble High Court in said Arbitration Petition. The matter is currently pending.

12. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Diamond Power Infrastructure Limited (“**Borrower**”). Our Company has filed its claim of ₹ 2,977 lakhs before the interim resolution professional. The matter is currently pending.
13. Our Company initiated arbitration proceedings against the personal guarantors of Suvarna Karnataka Cements Pvt. Ltd. (“**Principal Borrower**”) being Anurag Gupta and Padmesh Gupta, (“**Personal Guarantors**”) claiming default in payment of the loan provided by our Company. As the Principal Borrower has been liquidated, our Company has filed the statement of claims dated November 1, 2018 only against the Personal Guarantors for not fulfilling their obligations under the guarantees. The Personal Guarantors filed their written statement on December 7, 2018. The amount involved in the matter is ₹ 2,899 lakhs plus applicable interest till date of repayment. The matter is currently pending.
14. Our Company sent a winding up notice to Kemrock Industries and Exports Limited (“**Borrower**”) and Mr. Kalpesh Patel (“**Guarantor**”) on March 12, 2013 and filed a winding up petition numbered Company Petition No. 122 of 2013 due to repeated defaults of the Borrower. The High Court of Gujarat (“**Court**”) passed an order dated August 5, 2014 directing the winding up of the Borrower and appointment of an official liquidator. On August 7, 2014, the Borrower filed an application numbered 213 of 2014 for amendment of the original order and request the Court to grant time to the Borrower to repay the outstanding amount. Our Company had filed petition under Section 9 of Arbitration Act and obtained interim orders. The petition is currently pending.

Our Company initiated arbitration proceedings against the Guarantor claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on August 12, 2015 (“**Award**”). Our Company filed a Chamber Summons No. 341 of 2016 in Execution Application No. of 1386 of 2016 in Arbitration No. 336 of 2013 before the Bombay High Court for the appointment of a receiver and execution of the Award. The amount involved in this matter is ₹ 4,308 lakhs plus interest till repayment date. The matter is currently pending.

15. Precision Engineers and Fabricators Pvt. Ltd. (“**Borrower**”) had availed two loans one from our Company to the tune of ₹ 300 lakhs and ₹ 2,650 lakhs. When the Borrower consistently defaulted, our Company filed a winding up petition numbered C.P. No. 207 of 2016 against the Borrower before the Calcutta High Court (“**Court**”) in February 2016. The Court issued summons in June 2017. In the meantime, one of the operational creditors of the Borrower had filed an application under the Bankruptcy Code which was admitted. Our Company has filed its claim for the sum of ₹ 2,800 lakhs before the Interim Resolution Professional, Mr. S M Gupta, who has been appointed by the National Company Law Tribunal, Kolkata. The Committee of Creditors (“**COC**”) meetings were concluded and the resolution plan was accepted by the COC wherein our Company had to accept a major haircut by accepting a sum of ₹900 lakhs against the total claim. The resolution plan was defaulted upon and the COC had approached the National Company Law Tribunal for orders of liquidation. Currently Mr. Rasik Singhania is appointed as the liquidator in the matter. The claim of our Company before the liquidator was filed for a sum of ₹ 5,112 lakhs, however the liquidator has accepted the claim for a sum of ₹ 4,759 lakhs. The matter is currently pending.

Our Company was then involved in two separate arbitrations. One arbitration involves an amount of ₹ 300 lakhs, wherein the award has been passed in favour of our Company and the other arbitration involves an amount of ₹ 2,650 lakhs, which is currently pending. Our Company has filed the Chamber Summons (L) No. 88 of 2018 in Execution Application (L) No. 153 of 2018 in Arbitration No. 4 of 2016.

The matter is currently pending.

16. Our Company initiated arbitration proceedings by filing statement of claims on March 15, 2013 before a sole arbitrator in Delhi against Zillion Infraprojects Private Limited (“**Borrower**”) claiming default in payment of the loan provided by our Company. The amount involved in the matter is ₹ 1,797 lakhs. The matter is currently pending.

Mr. Chandrashekhhar Raghuvir Kishore Saxena and Mr. Anant Kishore Saxena have provided a personal guarantee on November 13, 2014 and December 2, 2016 and Vikas Multiplex Developers Private Limited acted as the corporate guarantor to the Borrower vide a deed of guarantee dated November 13, 2014 and December 2, 2016 (collectively referred to as “**Guarantors**”). Our Company initiated another arbitration proceeding against the Guarantors by filing statement of claims on July 24, 2018 before a sole arbitrator in Mumbai, claiming default in payment under the deeds of guarantee entered on November 13, 2014 and December 2, 2016 as security for the loan provided by our Company to the Borrower. The amount involved in the matter is ₹ 2,414 lakhs plus interest at 24% p.a. from July 23, 2018 till realisation of the amount. The matter is currently pending.

Our Company has filed a company petition (IB) 694-(PB)/2018 under Section 7 of the Bankruptcy Code on account of defaults committed by the Borrower. An application numbered Company Petition (IB) 694-(PB)/2018 of 2018 was filed by our Company, as the financial creditor before NCLT, Delhi to amend the petition filed under the Bankruptcy Code. The company petition (IB) 694-(PB)/2018 has been admitted by NCLT, Delhi and our Company has filed Form C with a claim of ₹ 2,613.90 lakhs.

Our Company served three notices to the Guarantors on January 9, 2018 and January 12, 2018 under Section 13(2) of the SARFAESI informing them of the Borrower’s default under the pre-shipment finance facility, post shipment finance facility and term loan facility and called on them to pay ₹ 1,242 lakhs for the post shipment facility, ₹ 446 lakhs for the pre-shipment facility and ₹ 440 lakhs for the term loan facility, respectively. The notices further restrained them from dealing with or disposing off any of the secured assets.

Our Company thereafter approached the District Magistrate, Dehradun under Section 14 of SARFAESI Act and obtained orders for physical possession. Our Company could not take possession due to the ongoing Section 17, SARFAESI Act proceedings before the Debt Recovery Tribunal (“**Tribunal**”). The proceedings before the Tribunal are currently pending.

17. Our Company initiated arbitration proceedings against Prabal Investrade (P) Limited (“**Borrower**”) and guarantors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on April 30, 2013 (“**Award**”). Our Company filed an Execution Application (L) No. 1155 of 2013 in Arbitration No.696 of 2012 which was dismissed vide an order dated January 29, 2014. The registrar of the Court on January 11, 2018 passed a Chamber Order (L) No. 53 of 2018 setting aside the order dated January 29, 2014 and restored the application. The amount involved in this matter is ₹ 1,923 lakhs along with interest till repayment date. The matter is currently pending.
18. Our Company granted a loan to Cosmas Pharmacls Limited (“**Borrower**”) in 2010 which was secured by a deed of guarantee dated June 25, 2013. The Borrower repeatedly defaulted on the repayment of the loan. The Bombay High Court (“**Court**”) appointed a receiver for recovery of the outstanding amount. Our Company filed a winding up petition numbered C.P. No. 37 of 2016 against Cosmas Pharmaceuticals Limited. The Borrower filed an application pointing out that it was not the same company as Cosmas Pharmaceuticals Limited. The said winding up petition is pending, and our Company is taking necessary steps to have the same withdrawn with liberty to initiate insolvency proceedings against the Borrower under the Bankruptcy Code. The matter is currently pending.

Our Company initiated arbitration proceedings against the Borrower and the guarantors claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on November 30, 2017 (“**Award**”) for an amount of ₹ 1440 Lakhs with further interest from September 30, 2014 till repayment. Borrower has challenged the said award by filing a petition under section 34 of the Arbitration Act being Arbitration Petition (L) No. 294 of 2018. The matter is currently pending.

19. Our Company initiated arbitration proceeding against Ahiliabai Sardesai, a partnership firm involved in mining activities (“**Borrower**”) and Ajith Sardesai and Ghanshyam Sardesai (“**Personal Guarantors**”) by filing statement of claims on August 21, 2018 before a sole arbitrator in Mumbai claiming default in payment of the loan provided by our Company. Our Company had granted a loan to the Borrowers on April 25, 2011 for ₹ 2,700 lakhs for the purchase of a barge mounted floating crane. It was secured by a personal guarantee given by the Personal Guarantors. As the Borrowers were defaulting repeatedly, the loan was restructured wherein the Borrower had to repay the outstanding amount of ₹ 1,867 lakhs but the tenure was increased by 12 months. However, the Borrowers continued defaulting on their payments even after sending a notice dated August 18, 2017. Our Company sent another notice dated November 1, 2017 informing the Borrower that it will be required to pay the outstanding plus penal interest at 18% from October 21, 2017 till realisation. Since the Borrower did not respond to any of the notices, our Company sent a notice to the Personal Guarantors dated May 16, 2018 invoking the guarantees. However, the Personal Guarantors failed to take concrete action to repay the outstanding amount. Thus, our Company initiated arbitration proceedings. The outstanding amount is ₹ 1,472 lakhs plus penal interest. The arbitration proceedings are currently pending.
20. Rentwork India Private Limited (“**RIPL**”) entered into a Master Rental Agreement (“**Agreement**”) with Unity Infraprojects Limited (“**UIL**”) wherein RIPL would lease out assets to UIL. RIPL assigned its rights under the Agreement in favour of our Company. UIL repeatedly defaulted on its payments under the Agreement and so our Company filed Summary Suit No. 489 of 2014 before the Bombay High Court. UIL filed Chamber Summons No. 782 of 2014 in Summary Suit No. 489 of 2014 praying for the dismissal of the plaint in the summary suit. The amount involved in this matter is ₹ 1,205 lakhs plus interest till repayment date. The matter is currently pending.
21. Our Company has filed an intervention application in the National Company Law Appellate Tribunal (“**NCLAT**”) under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India (“**UOI**”) pending before the NCLAT, in its capacity as the financial creditor of Moradabad Bareilly Expressway Limited (“**MBEL**”), a subsidiary of IL&FS Transportation Networks Limited (“**ITNL**”), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited (“**IL&FS**”). The said intervention application also seeks a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of Our Company. The matter has been posted for hearing on March 29, 2019.

Our Company has also preferred a civil appeal bearing reference number 2397-98 of 2019 before the Hon’ble Supreme Court of India under section 423 of the Companies Act, 2013, *inter alia* assailing the order dated February 11, 2019, passed by the NCLAT. This appeal is pending admission.

22. Our Company initiated arbitration proceedings against Rohan Consultancy Services Private Limited (“**Borrower**”) guarantors of the Borrower by filing statement of claims on September 2, 2014 before a sole arbitrator in Mumbai claiming default in payment of the loan provided by our Company. The amount involved is ₹ 1,486 lakhs. The matter is currently pending.

Our Company had sent a winding up notice to the Borrower demanding repayment of ₹ 1,421 lakhs granted to the Borrower by our Company. Our Company filed a winding up petition number Co. Pet. 204 of 2014 against the Borrower before the Delhi High Court (“**Court**”). Our Company then filed an application of transfer under Section 39 of the Bankruptcy Code before the Court. The Court transferred the winding up petition to National Company Law Tribunal, Delhi (“**NCLT**”) on September 29, 2018. The matter is pending before the NCLT at initial stages.

Cases filed by our Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Shelf Prospectus, there are approximately 33,771 such cases pending before various courts. The total amount involved in such cases is approximately ₹640,18,51,841.17.

II. Litigations involving the Directors of our Company

Our Company, including the Directors have been impleaded as a party in various civil proceedings, including but not limited to consumer cases, writ petitions, arbitration proceedings and civil suits filed by the borrowers of our Company on account of various disputes between the borrowers and our Company, before various forums. These disputes have arisen in the ordinary course of business activities of our Company, mostly on account of re-possession of hypothecated vehicles pursuant to defaults committed by the borrowers in the repayment of the financial assistance availed by them from our Company. These matters are at various stages of adjudication and are currently pending.

In these matters, the Directors have not been specifically named, except as disclosed under the heading of '*Civil proceedings involving any director of our Company*' and '*Criminal proceedings involving any director of our Company*'. Further, no allegation has been levelled against any of the Directors. Accordingly, the above disclosure has been made instead of including the same under the heading of '*Civil proceedings involving any director of our Company*' and '*Criminal proceedings involving any director of our Company*'.

Civil proceedings involving any director of our Company

Litigation or legal action pending and/or involving the director(s) of our Company by virtue of his/her position as on the date of the Shelf Prospectus is as under:

There has been one civil proceeding initiated against Mr. Dinanath Dubashi, the Director of our Company (whose position, in the civil suit, has been incorrectly noted as the Managing Director of our Company) wherein Mr. Innocent Mawkhiew ("**Petitioner**") filed a civil suit bearing number No-232/2018 in the court of Munsif, Kamrup, Guwahati under Order 5, Rule 1 and 5 of the Code of Civil Procedure against Mr. Dinanath Dubashi and Mr. Sudeep Banerjee, the Human Resources Group Head of our Company, *inter alia*, alleging his illegal termination from services. The Petitioner has, *inter - alia* prayed for the reinstatement of his job and a compensation of ₹ 2 lakhs. The matter has been kept for orders on April 26, 2019.

Criminal proceedings involving any director of our Company

There has been one criminal proceeding initiated against Mr. Dinanath Dubashi, the Director of our Company (whose position, in the criminal complaint, has been incorrectly noted as the Managing Director of our Company) by Leo Duct Engineers & Consultants Ltd. (the "**Petitioner**") which had availed a loan from our Company to finance three machines. As the Petitioner defaulted in repaying the financial assistance, our Company repossessed the machines and sold them. The Petitioner filed a criminal complaint bearing No. 25/SW/16 before the Additional Chief Metropolitan Magistrate, Ballard Estate, Mumbai ("**Court**") under Section 200 of the Code of Criminal Procedure, 1973 against Mr. Dinanath Dubashi and others on the ground that the machines were repossessed wrongly. The police have filed a closure report in favour of our Company stating that in view of the dispute being civil in nature, the criminal case filed preferred by the Petitioner is not maintainable. Our Company is yet to receive summons from the Court. The matter is currently pending and the next date of hearing is April 30, 2019.

III. Litigations involving Group Companies

A. Larsen & Toubro Limited

Larsen & Toubro Limited ("**L&T**") has taken the threshold of ₹ 10,000 lakhs for civil matters in accordance with the internal policy of L&T. Further, no threshold has been applied for other matters disclosed below.

a. Civil Proceedings

1. Northwest Redwater Partnership ("**NWR**") and L&T had entered into contract where L&T was to provide carbon steel, stainless steel and alloy pipe spools, piping materials and other materials to NWR, Canada. In March 2017, NWR issued a notice to L&T under the Arbitration Act of Alberta, *inter-alia*, claiming an amount of CAD 121 million (₹ 62,550 lakhs) on account of damages due to breach of contract and negligence. Simultaneously, with issue of arbitration notice NWR also filed civil claim before Court of Queen's Bench, Alberta. L&T filed its reply to claims before the Court of Queen's Bench, Alberta and subsequently parties by consent agreed to withdraw the proceedings from the Court. NWR submitted an overview of claim to L&T in September 2017 revising claim to

CAD 158 million (₹ 81,930 lakhs), L&T submitted its reply on December 22, 2017 reiterating its counterclaim of about CAD 16 million (₹ 8,300.8 lakhs). Subsequently, the parties met at Houston in February 2018 for engaging in negotiations without prejudice. Consequent to the meeting, parties signed the ADR Agreement in June 2018. The first stage of ADR process is information exchange, without prejudice meeting between parties and formal mediation. In the position papers exchanged for mediation NWR has revised its claim to CAD 148 million (₹ 76,740 lakhs). The mediation is scheduled to be conducted in June 2019.

2. L&T had applied for de-notification from SEZ of certain units situated at Vadodara and accordingly was required to obtain no objection certificates (“**NOCs**”) from various authorities including the stamp duty department (the “**Department**”) of Gandhinagar. Accordingly, L&T had filed an application with the Department for obtaining a NOC. However, the Collector and Additional Superintendent of Stamps, Gandhinagar (the “**Collector**”) passed an order against L&T (the “**Order**”) demanding L&T to pay stamp duty aggregating to ₹ 3,350 lakhs. L&T then filed a writ petition before the Gujarat High Court against the Order. The writ petition was disposed of by the Gujarat High Court and L&T was directed to file an appeal before the Chief Controlling Revenue Authority (“**CCRA**”). The Gujarat High Court directed CCRA to issue the NOC during the pendency of the appeal, subject to L&T depositing a percentage of stamp duty amount and furnishing a corporate guarantee. L&T filed a revision application before the CCRA pursuant to the Gujarat High Court order. CCRA rejected the revision application and ordered payment of stamp duty along with a penalty. L&T filed a special civil application bearing number 15654 of 2016 before the Gujarat High Court for, *inter-alia* setting aside the orders passed by the Collector and CCRA, stay on recovery of penalty and refund of amount deposited with Industries commissioner and CCRA. The Gujarat High Court has admitted the matter. The matter is currently pending.
3. The Additional Director of Mines, Kota, passed order against L&T for deposit of approximately ₹ 2,000 lakhs towards royalty payment in connection with a supercritical thermal power project executed for Rajasthan Raja Vidyut Utpadan Nigam Limited (“**RRVUNL**”), which was thereafter confirmed by the Appellate Authority for Mining. RRVUNL withheld such deposit amount from L&T’s running bills. Thus, L&T filed a writ petition numbered CW 119 of 2017 before the Rajasthan High Court against the withholding of deposit amount. The Rajasthan High Court admitted the petition, directing 50% of the demanded amount to be released by RRVUNL in favour of L&T and Department of Mining. The matter is currently pending.
4. L&T initiated arbitration proceedings against Visa Power Limited (“**Visa Power**”) in relation to the disputes arising out of contract entered into between Visa Power and L&T. Visa Power had awarded a contract to L&T for balance of plant package for setting up of a 2x600 MW Visa Raigarh Super Thermal Power Project at Devari and Dumarपाली villages in the Raigarh District of Chhattisgarh. In terms of the contract, Visa Power was required to make payments to L&T and L&T was required to furnish a bank guarantee in favour of Visa Power. The alleged failure of Visa Power to make timely payments to L&T, resulted in termination of the contract. Subsequently, Visa Power invoked the bank guarantee furnished by L&T. Therefore, L&T initiated arbitration proceedings against Visa Power and filed a statement of claim seeking for a total claim amount of ₹ 60,297.5 lakhs along with interest of 18% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 18,298.7 lakhs consisting mainly consequential damages which was dismissed on December 5, 2017. An application before the National Company Law Tribunal (“**NCLT**”) was filed for initiation of corporate insolvency proceedings against Visa Power filed by Bank of Maharashtra as one of the creditors of Visa Power (the “**Proceedings**”). Pursuant to the Proceedings, a resolution professional was appointed and arbitration proceedings were suspended during the moratorium period. As the bank guarantee was encashed, L&T has filed applications before the NCLT, Kolkata for depositing the amount in a fixed deposit. This amount is already part of the statement of claims filed by L&T before the NCLT, Kolkata. NCLT, Kolkata vide order dated September 7, 2018 dismissed both the applications filed by L&T. L&T has preferred an appeal before NCLAT, New Delhi with respect to the dismissed applications. Further, *vide* an order dated December 3, 2018 passed by the Hon’ble NCLAT, Delhi, the appeal filed by L&T was dismissed against which L&T has preferred an appeal before the Supreme Court which was dismissed vide order dated March 15, 2019. The Corporate Insolvency resolution proceedings have come to an end and Visa Power has gone into liquidation. L&T has filed its claim before the Official Liquidator at present. Further, L&T had written to the arbitrators to revive the arbitration proceedings against Visa Power Limited which was accepted by the Arbitral Tribunal and a meeting on April 8, 2019 has been scheduled.

5. IOCL has filed an appeal under Section 34 of the Arbitration and Conciliation Act, 1996, before the Delhi High Court against the award dated May 18, 2017, passed in favour of L&T for ₹ 17,200 lakhs. L&T has filed an execution application against IOCL for the aforesaid award which is heard along with the aforesaid appeal. The appeal under Section 34 of the Arbitration and Conciliation Act, 1996 was decided in L&T's favour *vide* an order dated June 1, 2018. IOCL has filed a second appeal number F.A.O. (O.S.) (Comm) No. 171 of 2018, before the division bench of Delhi High Court. The matter is currently pending.
6. L&T has filed Writ Petition No. 1541/2017 challenging, *inter-alia*, property tax levied from April 1, 2010 till date, on the open and scattered lands within the property in Powai (West) and the incorrect method of computation of the Capital Value ("CV") on the undeveloped and open land, which was not assessed under the Rateable Value method. L&T, *inter-alia*, prayed that (i) notices issued by Municipal Corporation of Greater Mumbai ("MCGM") be quashed and set aside; (ii) restrain Respondents from passing any order in respect of fixing rateable value without following statutory procedure of MCGM Act & MMRDA Act; (iii) call for records from MCGM; and (iv) restrain Respondents from passing any order unless instructions have been given by State of Maharashtra. The matter has been admitted before the Bombay High Court. The Court passed an order dated April 11, 2017 directing L&T to pay 50% differential property tax demanded in the property tax bills amounting to ₹ 3,230 lakhs. The matter is currently pending for hearing and final disposal.
7. L&T has filed Writ Petition No.1742 of 2002 before the Bombay High Court against the action taken by the Municipal Corporation of Greater Mumbai ("MCGM") of preventing L&T's trucks from entering the municipal limits of Mumbai. L&T had entered into an agreement with Systems Application and Products in Data Processing Private Limited ("SAP India") for obtaining license to use proprietary software (the "Software") of SAP India. The MCGM had required L&T to furnish certain documents for the purposes of investigating the use of the Software in Mumbai. Subsequently, the MCGM demanded an octroi of ₹ 23.6 lakhs from L&T. L&T raised objection to the same and paid an amount of ₹ 4.5 lakhs under protest. Due to non-payment of the entire octroi amount, MCGM had prevented L&T's trucks containing ready-mix cement from entering the municipal limits of Mumbai. Due to the short life of ready-mix cement, the consignment of cement had to be returned. The amount involved in the matter is ₹ 23.6 lakhs. The Bombay High Court *vide* an order dated June 28, 2002 directed MCGM to permit the trucks, which were detained on June 25, 2002 and all subsequent trucks and goods of L&T to enter into the municipal limit of greater Mumbai subject to payment of ₹ 19 lakhs, which was deposited by L&T on June 28, 2002. The writ petition was admitted on November 18, 2002. The matter is currently pending.
8. Municipal Corporation of Greater Mumbai ("MCGM") had issued notices to L&T under the Mumbai Municipal Corporation Act, 1888 for fixation of the ratable value of amenity with respect to a parcel of land held by L&T. The Small Causes Court passed an order in favour of L&T. MCGM then filed First Appeal No. 270 of 2006, First Appeal No. 287 of 2006 and First Appeal No. 269 of 2006, before the Bombay High Court against the order passed by the Small Causes Court, Mumbai against the ratable value fixed by MCGM. The amount involved in the matter is ₹ 11.2 lakhs. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The matter is currently pending.
9. Municipal Corporation of Greater Mumbai ("MCGM") has filed First Appeal No. 2207 of 2006 before the Bombay High Court against the order passed by the Small Causes Court, Mumbai tax in favour of L&T pertaining to assessment of property. The first appeal has been admitted by the Bombay High Court and will come up for final hearing in due course. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The amount involved in the matter is ₹ 365.7 lakhs. The matter is currently pending.
10. L&T had filed several applications before Municipal Corporation of Greater Mumbai ("MCGM") seeking their approval for commencement of various construction works. L&T had paid an amount of ₹ 30.7 lakhs under protest as directed by MCGM and thereafter filed a claim before it for refund of certain charges. MCGM rejected the claim of L&T. For refund of these sewerage charges, a Writ Petition No. 1601 of 2005 has been filed which is admitted and pending hearing and final disposal.

11. EMTA Coals Limited (“EMTA”) had purchased a total of 128 Komatsu HD785 Dump Trucks and other mining equipment from L&T for which EMTA had entered into 18 Full Maintenance Contracts (“FMC”) with L&T between January 2006 and August 2013. The FMCs were renewed from time to time. L&T approached EMTA for release of payments under FMC but the same was consistently delayed. A winding up notice bearing no. VBT/RDB/ADK 1049 dated March 4, 2015 was issued by L&T to EMTA under Sections 433 and 434 of the Companies Act, 1956 calling upon EMTA to pay a sum of ₹ 8,930 lakhs together with interest at the rate of 20% per annum and other charges. Despite receipt of the notice, no payment was made accordingly after subsequent correspondence exchanged between the parties. A total sum of ₹ 13,000 lakhs is due from EMTA for which a winding up petition numbered AP 476 of 2016 is filed before the Kolkata High Court. EMTA has filed a petition under Sections 11, 14 and 15 of the Arbitration and Conciliation Act, 1996 for ₹ 14,200 lakhs. The aggregate amount involved in this matter is ₹ 12,956.97 lakhs as on March 31, 2015 plus interest at the rate of 20% per annum till realization. The matter is pending.
12. G V Bapat, a food inspector filed a complaint against L&T, the supplier and buyer of food items used in the canteen of L&T, before the Additional Chief Metropolitan Magistrate, Mazgaon under Section 2 of the Prevention of Food Adulteration Act, 1954 in relation to adulterated food being supplied. An exemption application numbered CC No. 465/S of 2003 has been filed, which was allowed by the Additional Chief Metropolitan Magistrate, Mazgaon. The matter is currently pending.
13. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot - 1. Disputes have arisen pertaining to the works under different heads with claims being made for various additional works. The arbitration hearings have been concluded and the parties have filed their written submissions, in compliance with the order of the Arbitral Tribunal. The amount involved is ₹ 25,100 lakhs. The Arbitrators (by majority) have published an award for ₹ 62.88 crores which would be payable by NTPC. Further, future interest at the rate of 18% per annum, shall be payable on the awarded sum from the date of the said award till the date of payment.
14. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot-2. The arbitration is in progress and is posted for further proceedings between April 15, 2019 to April 17, 2019.
15. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (“NTPC”) Project Lot -2. There have been claims for declaration regarding impossibility of performance due to adverse geological conditions at the project site. By way of an amendment to the Statement of Claim, L&T has included monetary claim of ₹ 86,700 lakhs towards reimbursement of costs, payment of balance amounts and claims. NTPC has raised counter claim of ₹3,15,070 lakhs. The arbitration is in progress and the next hearing has been fixed on different dates between July 5- July 30, 2019.
16. L&T has raised claims of ₹16,567 lakhs in an arbitration against Rail Vikas Nigam Limited (“RVNL”) pertaining to the Kolkata Metro Railway Line Project (ANV IV Package) due to various delays of RVNL, revision of the rate on account of change in quantity of pile, execution of works outside the original scope of work and seeking for the declaration of entitlement of taking over certificate. The arbitration is in progress and has been posted for further hearing between April 9, 2019 to April 12, 2019.
17. L&T-SCOMI Engg. Bhd Consortium initiated two arbitration proceedings against Mumbai Metropolitan Region Development Authority (“MMRDA”), one with respect to claims of interest on delayed payment of the certified bills amounting to ₹ 10,855 lakhs and ₹ 5,200 lakhs, on escalation on uncovered price adjustment during extended period. With respect to first dispute, the arbitral tribunal on January 31, 2019 the tribunal has passed an award in favour of LTSE for an amount of ₹ 37.48 crores (as interest for delayed payment) against the total claim amounting to ₹ 69 Crores. The hearing at the arbitral tribunal with respect to the second dispute was held on February 12, 2019. Subsequent hearings are now posted for April 4, 2019 and April 12, 2019

respectively.

18. L&T had referred its disputes to arbitration against National Hydroelectric Power Corporation Limited (“**NHPCL**”) pertaining to Subansiri Lower Hydro Electric Project. L&T has raised contractual claims under various head to the tune of ₹ 1,90,883 lakhs. NHPCL has made a counter claim of ₹ 5,459 lakhs plus 14% interest. L&T filed its defence to the counter claim pursuant to which the parties were directed to file admission-denial of documents and issues were framed. The next date of hearing is on April 10, 2019.
19. L&T has initiated arbitration and filed a claim of ₹ 22,125 lakhs against Bhabha Atomic Research Centre, Trombay (“**BARC**”) towards pending final bills, claims and other charges. BARC has filed their counter claim of ₹ 249.76 crores and L&T has filed its reply to the defence cum counter claim and is further in the process of finalising further documents for filing. The next date of hearing is on April 10, 2019 for submission of affidavit of evidence.
20. L&T has a claim of ₹ 4,050 lakhs against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) pertaining to Reach 3A project. In respect of certain variation claims that fructified into a dispute, L&T has invoked additionally as a second reference in the same package, R3A package. BMRCL has made a counter claim of ₹ 2,050 lakhs. The submissions have been concluded and the matter has been reserved for passing of award.
21. L&T invoked arbitration with a claim of ₹ 5,297 lakhs against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) with respect to certain disputes arising out of the Reach 4P2 project. The claim is towards, *inter-alia*, extended stay costs and costs incurred towards variations. BMRCL has made a counter claim of ₹ 1,668 lakhs. The matter had been posted for reply from L&T and for arguments between February 18 and February 19, 2019 on which date the arguments were concluded and the matter has been posted for passing of award.
22. In respect of prolongation cost claims and variation, L&T has invoked arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) for a claim amount of ₹ 11,950 Lakhs. BMRCL made a counter claim of ₹ 2,857 lakhs. The arbitral tribunal in its Award on April 30, 2018 order for payment of ₹ 3,651 lakhs plus the arbitrator’s fee of ₹ 15.12 lakhs in favour of L&T and the bank guarantees of L&T were released. BMRCL have challenged the award (“**Award**”) vide Suit No. A.S. No. 141/2018 before the City Civil Court, Bengaluru and has filed an interim application seeking interim relief of stay of operation of the Award. The matter is posted to April 10, 2019 for further hearing.
23. In respect of certain claims relating to Viaduct and Elevated stations - Reach 3 package, L&T had initiated arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”). L&T had also filed their counter claim of ₹ 16,283 lakhs. On August 4, 2018, the arbitral tribunal awarded an amount of ₹ 1,743.94 lakhs to L&T and allowed BMRCL’s Counter Claim to an extent of ₹ 31.21 lakhs. L&T filed an arbitration suit no AA 221/2018 before the City Civil Court, Bengaluru challenging the arbitral award wherein certain claims of L&T on the extended stay cost and others were rejected. On BMRCL’s request, an adjournment was granted to file objections to L&T’s application under Section 34 of the Arbitration and Conciliation Act, 1996. On March 15, 2019, BMRCL sought further adjournment from the Hon’ble Court, which was rejected and the matter was posted to April 18, 2019 for hearing on the said application. BMRCL has also filed an arbitration suit no. AA 222/2018 before the City Civil Court, Bengaluru challenging the arbitral award passed in the arbitration proceedings between L&T and BMRCL.
24. The Collector and District Registrar, Hyderabad, issued a show cause notice No. G3/Sec-73/2013 dated March 3, 2013 (“**Notice**”) to L&T Metro Rail (Hyderabad) Ltd. (“**LTHMRL**”) and L&T alleging that in respect of an EPC contract executed between LTHMRL and L&T, L&T had paid less stamp duty. L&T had challenged the Notice vide a writ petition before the High Court, Andhra Pradesh (“**Court**”), wherein the Notice was suspended by the interim order of the Court dated April 7, 2014. The matter is pending, and interim stay has been extended until further orders. The amount involved in the matter is ₹ 61,975 lakhs.
25. The Joint Commissioner of Labour and Assessing officer, Government of Telengana, Ranga Reddy Zone, Hyderabad (“**Authority**”) issued a demand notice No. A/BOCW-27/2014 dated September

- 29, 2014 directing L&T Metro Rail (Hyderabad) Limited (“**LTHMRL**”) to pay cess of 1% under the Building & Other Construction Workers Act, 1996 (“**BOCW**”) on the cost of construction carried out up to end of February 2014, failing which the Authority has stated that he will assess the amount of cess and recover the arrears along with one time penalty. LTHMRL filed a case numbered W.P. No. 35582 of 2014 against the Authority before the High Court, Hyderabad. The court granted interim stay on the demand of 1% on cost of construction on November 24, 2014 for a period of 3 weeks. The High Court on December 09, 2014 extended the stay until further orders and directed the Respondents to file their counter. The date of next date of hearing has not been notified. The amount involved in the matter is ₹ 14,000 lakhs.
26. Sugruha, an association, had filed a complaint before the District Consumer Forum, Bangalore, alleging deficiency in services in respect of the South City Project but the same was dismissed. Sugruha then filed an appeal before the State Consumer Forum which was later on withdrawn by Sugruha with a liberty to approach the National Consumer Disputes Redressal Commission, New Delhi (“**NCDRC**”). Sugruha has now filed a complaint numbered 386 of 2014 before the NCDRC seeking the transfer of management and supervision of south city complex to Sugruha and to provide amenities like club house, restaurant, cycle track, library, jogging track, restaurant etc. detailed in the development agreement, brochures, sale deed, agreement to sell and have claimed a sum of ₹ 44,200 lakhs on various accounts. The matter is fixed for hearing on April 3, 2019.
27. L&T invoked arbitration against Dedicated Freight Corridor Corporation of India Ltd., (“**DFCCIL**”) with respect to two separate disputes under ICC Arbitration Rules for CTP 1 and 2 packages for ₹.13500 lakhs and ₹ 25400 lakhs. The first dispute is with regard to stage payment issues wherein pleadings are to be completed by April,2019. The dates of hearing have been fixed in between May 15, 2019 and May 22, 2019. The second dispute is for the cost associated with extended stay during achievement of milestone 1 for the project, wherein we have received the terms of reference dated March 25, 2019.
28. L&T invoked arbitration against Department of Atomic Energy, Mumbai in relation to construction of academic township, sports complex and residential township along with necessary infrastructural facilities for National Institute of Science Education and Research at Jatni, Khurda, raising claims towards outstanding payments, final bill, release of bank guarantee to the tune of ₹13,379 lakhs with an interest of ₹7,709 lakhs. The arbitration has begun and the matter is currently pending.
29. A consortium comprising of M/s. Patel Engineering and L&T (“**Patel-L&T Consortium**”) initiated arbitration against NHPC Limited in relation to Parbati Hydroelectric Project, Stage III-520 MW at Himachal Pradesh towards claims raised by Patel-L&T Consortium for outstanding payments, final bill, release of bank guarantee to the tune of ₹49211 lakhs. NHPC filed an Application under section 13 read with section 12 of Arbitration Act before the Tribunal praying for setting aside the appointment of Presiding Arbitrator which was set aside by the Tribunal. NHPC further filed another application seeking for stay of the proceedings before the Tribunal which was also rejected. Presently, NHPC has approached the District Court, Faridabad filing an application under section 14 of the Arbitration Act challenging the appointment of the Presiding Arbitrator. During the pendency of the said application, the court has directed stay of the arbitral proceedings.
30. Mr. Uday Dixit (“**Petitioner 1**”), who retired on April 30, 2016, had challenged his transfer from Mahape to Mysore in 2012. Mr. Dinesh H. Sawant (“**Petitioner 2**”) was terminated on May 19, 2010 as he had failed to report to duty from May 5, 2010 continuously, till terminated. Both Petitioners have been filing series of complaints against L&T before various authorities on the ground that L&T is illegally developing its land in Powai but their complaints have been consistently dismissed. Finally, the Petitioners filed a writ petition bearing Writ Petition No. 1578 of 2016 against, *inter-alia*, L&T before the Bombay High Court. The Petitioners have prayed for, *inter-alia*, confiscation of the land in Powai; appointment of a receiver for the land and withdrawal or change the user permission. L&T is yet to reply to the draft amendment made to the petition. The next date of hearing is on April 23, 2019.
31. Mr. Surendra Sharma (“**Petitioner**”) filed a suit bearing Suit No. 2755/ 2011 before the Bombay High Court. The suit arises from a family dispute with respect to non-payment of money as agreed in a settlement deed executed between the Petitioner and Smit Properties Pvt. Ltd. (“**Smit**”

Properties”), being L&T’s predecessor regarding the property. The property was bought by L&T from Lt. Durgadevi Sharma who had made a will and all defendants in the matter are family members and beneficiaries to the will. L&T was made defendant no. 20 since one of the prayers in the suit challenges the conveyance between L&T and Smit Properties. The chamber application was filed by Smit Properties to bring on record its written statement after a delay of 5 years. The next date is yet to be notified.

32. Mr. Rajendra Sharma filed an identical suit bearing Suit No. 2593 /2012 before the Bombay High Court against his family members, Smit Properties & L&T in 2012 for non- receipt of the amount due to him from Smit Properties thereby praying for the cancellation of the deed of conveyance between Chittaranjan Sharma & Smit Properties and the further sale between Smit Properties & L&T. The matter is listed for framing of issues on April 2, 2019.
33. L&T had leased plot no. 4D and 4E of the Marve Bungalow which is situated on a composite piece of land comprising of three sub plots bearing Nos.4C, 4D and 4E at Aksa Village, Madh Marve Road, Malad West, Mumbai. The lease of Plot no. 4D expired on January 31, 2016. The legal heirs of the lessors have filed a T.E.R Suit for eviction against L&T in the Bandra Small Causes Court. L&T filed an application to deposit rent for the period subsequent to April 1, 2017. As per the order dated November 10, 2017, the rent for the period between April 01, 2017 to March 31, 2018 has been deposited in the Court. The matter has been posted to April 12, 2019 for the reply of the Plaintiff and is currently pending.
34. A Criminal Complaint numbered 359/18 has been filed against L&T Ltd. and Mr. S.C. Bhargava, before the Presiding Officer & Judicial Magistrate First Class, Labour Court, Surat, for the alleged breach of provisions under Inter State Migrant Workmen (Regulation of Employment and condition of Service) Act 1979 and the Interstate Migrant Workmen (Regulation of Employment and condition of Service) Central Rule, 1980. The matter is currently pending.
35. A criminal complaint u/s 420 of IPC, has been filed by L&T through its Electrical and Systems Equipment Division (‘Company’), before the Police Station, Delhi Cantt. against Ravindra Brothers, a Proprietorship Firm. Ravindra Brothers had raised a Purchase Order No. RB/L&T/01 dated June 15, 2016 on the Company for “Supply of HT 11 KV VCB Panel Board as per specifications A/C MES Vasco Work with relay Numerical Type Siemens (7SJ62) / Schneider (P127)” (“Material”) for a sum of Rs. 22,75,000/- Ex-works, exclusive of taxes and duties. The said Material was duly delivered to MES, Goa and accordingly, the Company raised an Invoice dated October 07, 2016 on Ravindra Brothers for a sum of Rs. 23,90,563/-, being the amount payable to the Company. However, Ravindra Brothers failed to make the said payment.

b. Criminal Proceedings

1. Central Bureau of Investigation (“CBI”) has registered a FIR with Case No. RC. 8A/2017-D on September 8, 2017 in Dhanbad, Jharkhand against certain officials of Bharat Coking Coal Limited, L&T Ltd and unknown others in relation to alleged criminal conspiracy, cheating and criminal misconduct with regard to award of contract to L&T Ltd against notice inviting tender dated March 25, 2013 for supply of 100 numbers of 35 Te Tippers with Maintenance & Annual Repair Contract (MARC) for 6 years for estimated cost of ₹ 38,392 lakhs. Investigation is pending.
2. Manoj Mendon was an employee of a clearing house agent appointed by L&T for clearing pay-orders and customs duties for goods and components imported by L&T. While performing his duties, Manoj Mendon fraudulently claimed ₹ 29 lakhs from L&T's bank account in 2004. To recover this amount, L&T filed a criminal complaint numbered CC NO. 2269 / PW / 2005 in 2005 against Manoj Mendon and others. The case is pending in the Additional Chief Metropolitan Magistrate, Ballard Pier Court, Mumbai at the stage of hearing. Next date of hearing is on April 08, 2019.
3. Ramesh Bhatt (“**Accused**”) was working with L&T in accounts department at Powai Works. He was handling and was familiar with procedure for passing bills and releasing payments to the vendors. He indulged in preparing forged documents during the period of June 9, 1986 to June 16, 1992. He duped L&T to the tune of ₹125 lakhs by following different modus operandi. A criminal complaint numbered CC NO.PW / 2201897 / 1994 was filed to recover the amount from the

Accused and now the matter is still pending in Magistrate Court, Andheri, Mumbai at the stage of hearing. Next date of hearing is on April 16, 2019.

4. Kamaljeet Singh Shekhawat, a customer of L&T, filed a criminal case numbered CRLMP/2388/2014 against L&T and Komatsu India Private Limited before the Thana Mandan, District Alwar, Rajasthan alleging that Komatsu failed to return the equipment belonging to the Complainant. The matter is currently pending.
5. Mr. Uday Dixit is a disgruntled ex-employee of L&T Ltd. He had circulated various defamatory messages against L&T and its senior management in its Kolkata office. In relation to the same, criminal complaint numbered CS/0045822/2017 has been filed before the Court of 18th Metropolitan Magistrate, Calcutta under relevant provisions of Indian Penal Code, 1860 (“**IPC**”) for defamation and extortion. Matter has been fixed for hearing on the basis of police report. Further criminal complaints numbered 2473/2017 and 2126/2017 have been filed before the judicial magistrate, Patna under the relevant provisions of the IPC and the Information Technology Act for defamation and criminal intimidation. The court has taken cognizance and a warrant has been issued. The service and execution report of the warrant is awaited.
6. A Criminal Complaint being No. CS No. 4291 of 2019 has been filed before the Learned 14th Metropolitan Magistrate, Kolkata by L&T through its E&A Division against Messrs Arun Electricals acting through its Proprietor Mr. Avinash Singh in relation to the cheque issued by Messrs Arun Electrical towards its partial discharge of legal debt. The balance outstanding amount of ₹ 20,00,000/- is still due and payable by Messrs Arun Electricals. The matter is currently pending.
7. A criminal case No. TR No.153/2015 had been initiated by Labour Enforcement Officer (Central) before the Sub-Divisional Judicial Magistrate, Sherghati against the L&T and Mr. M.P. Sharma for alleged non-compliance under Building & Other Construction Workers (RE &CS) Act, 1996 (“**BOCW**”) read with the rules. A criminal revision application No. 52 of 2018 arising out of G.O. Case No.07/2005 is pending before District Judge, Gaya. The last date of hearing was March 06, 2019.
8. A criminal case numbered Special Case No. 28/ 2004 has been initiated by the Central Bureau of Investigation (“**CBI**”) before the Court of Special Judge CBI Court No. 2, South Bihar Patna against S.K. Soni, Project Director of National Highway Authority of India (“**NHAI**”), Brig Kapoor, Engineer appointed by NHAI, J. Ganguly, EVP, L&T under Sections 420 and 120B of Indian Penal Code, 1860 and Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act due to the execution of Golden Quadrilateral project in Delhi - Kolkata leg which was awarded by NHAI to L&T-HCC JV. The case relates to the alleged sub-contracting of more than 10% of the total value of the project in contravention of the contract conditions and causing alleged pecuniary loss of ₹ 2,200 lakhs to NHAI. While the case is pending before the special court, the same dispute was raised by NHAI before the Dispute Review Board (“**DRB**”) as well as the arbitral tribunal. Both DRB and the arbitral tribunal have totally dismissed the claims of NHAI and held that there was no subcontracting of more than 10% as alleged by NHAI and there was no pecuniary loss as alleged by NHAI. No appeal was filed and NHAI entered in to a settlement as well. L&T filed a criminal revision petition seeking quashing of the criminal case and the High Court of Patna was pleased to hold that CBI had to conduct a fresh investigation in light of the DRB and arbitral awards rendered in favour of L&T. As per the direction of the Patna High Court, CBI had investigated the issue again and submitted the final report before them. The discharge petition would be filed as and when the matter is taken up for framing of charges. The last hearing was held on March 14, 2019.
9. The matter with FIR No.RC0042010 A0003 where L&T is a party has been filed before Special Judge, Anti-corruption, Jammu and is pertaining to alleged irregularities in execution of the contract for executing the rural electrification works in Udhampur district and contract for supply of materials. The allegations are for procuring material from unapproved vendors. The last date of hearing was on March 20, 2019 and the matter is pending.
10. There has been prosecution with suit numbered CC No.10 FI/2014 against L&T for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) at the

DLF Capital Green Project site. The directors of L&T on behalf of L&T filed a quash petition which was disposed of with an observation to seek relief before the lower court where such discharge petition is pending. The matter has been posted for July 2, 2019.

11. Central Bureau of Investigation (“**CBI**”) has filed a criminal case CC No.70/2004 against the officials of L&T alleging conspiracy with the officials of Oriental Insurance in respect of NTPC Simhadri job claims settled by them. Separate appeals have been filed for the convicted individuals and our Company. The matter has been posted for appearance on June 03, 2019.
12. There has been prosecution with suit numbered CC No.55F1/2014 before Karkardooma Court, Delhi for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) at the DLF Capital Green Project site. L&T filed quash petitions in the High Court against the criminal complaint, which has been allowed in respect of all save and except for two petitioners for which necessary action is being taken up. The lower court proceedings have been adjourned to April 24, 2019.
13. A complaint has been filed by Labour Enforcement Officer against L&T before Metropolitan Magistrate, Patiala House, New Delhi for alleged violation of certain provisions of Contract Labour (Regulation and Abolition) Act at the construction site for elevated viaduct and ramp at Punjabi Bagh, ESI Hospital and Mayapuri, New Delhi. The cross-examination of the defendant’s witness No.3 was held on March 15, 2019.
14. During the execution of a bridge project (minor bridge location CH 429), a police head constable travelling on a motor cycle passing through L&T’s construction site met with a fatal accident on March 24, 2016. His brother, Mr. Govind Bapurao Gaikwad, filed a FIR against L&T and its employees before the Manwath police station under Sections 304A, 279 and 34 of the Indian Penal Code, 1860. Subsequently, an anticipatory bail with suit No. SCC 99 of 2016 had been granted to the staff members of L&T against whom the FIR was filed. The matter is posted for next hearing on June 14, 2019 for plea and particulars.
15. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa (“**Complainant**”) has alleged that L&T had commenced its contract works from March 18, 2014 by engaging about 395 contract workmen without obtaining the requisite license and violating Section 12(1) of Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971. Two criminal petitions have been filed by the Complainant against L&T and its officials before the Judicial Magistrate First Class, Panaji, Goa pertaining to non-compliance of the provisions of Inter-state Migrant Workmen Act and Contract Labour Act, relating to Goa-Mandovi Bridge project. The last hearing for the purpose of reporting was held on December 7, 2018 and has now been posted next on February 08, 2019. for reporting of Accuse No.1 and 2. The matter has been adjourned to June 10, 2019.
16. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa (“**Complainant**”) has alleged L&T had employed Inter State Migrant Workmen numbering 395 workmen without obtaining the requisite license thus violating Section 8(1) (b) of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and non-maintenance of Register of Migrant Workmen in Form XIII, thus breaching Rule 49 of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) & Central Rules, 1980. The matter is before Judicial Magistrate First Class, Panaji, Goa and the last hearing was held on December 7, 2018 for the purpose of reporting. The next hearing has now been posted on February 08, 2019. The matter has been adjourned to June 10, 2019.
17. The Municipal Corporation of Greater Mumbai (“**Complainant**”) filed complaints against an official of Scomi Engineering Berhad, an official of L&T and an incorporated consortium consisting of L&T and Scomi (“**LTSE**”) (collectively the “**Accused**”), before the Metropolitan Magistrate under Sections 478, 478-1A and 478-1B of the Mumbai Municipal Corporation Act, 1888. The complaint bearing C.C. No. 4200058/Misc/15 was filed for fabrication of receipts of Octroi duty of ₹ 113.6 lakhs and complaint bearing C.C. No. 4200003/Misc/16 was filed for evasion of Octroi duty of ₹ 6.7 lakhs. The last hearing was held on March 25, 2019 and the matter is currently pending.

18. Sandhya engineering, a sub-contractor in Techno park project filed a criminal complaint bearing C.C. No.124/2017 in J.M.F.C. Paravur, Kollam before Judicial Magistrate, Paravur, Kerala alleging cheating and criminal breach of trust relating to his sub contract payments and under the Orders of the Court, police conducted investigation and filed final report. L&T filed a quash petition before the High Court and secured stay of proceedings. L&T has filed a discharge petition before the lower court. The matter was posted on February 27, 2019 for further arguments and the next date is yet to be notified.
19. A complaint has been filed by a sub-contractor alleging the offences of cheating, forgery against the officials of L&T, in respect of work done at Perto Project. L&T preferred a petition bearing Miscellaneous Petition No. 6702/2017 under Section 482 of Code of Criminal Procedure, 1973 before the Judicial Magistrate, Jaipur which stayed the investigation of the FIR registered at P.S. Vaishali Nagar, Jaipur (West). The matter is pending. The court had referred the matter to the High Court mediation Centre to explore settlement. However, the mediation failed. The matter came up for final arguments on March 11, 2019 and is currently pending.
20. A complaint bearing Suit No. CC No. 161/2L/16 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition) Act. The appearance has been entered and the matter has been posted on May 3, 2019.
21. A complaint bearing No. CC No. 109/2L/18 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition Act). The appearance has been entered and the matter was posted on February 28, 2019. The next date is yet to be notified.
22. A complaint bearing case No. 3060/04 was filed before the 11th Chief Metropolitan Magistrate, Kolkata under Section 420 of the Indian Penal Code, 1860 by S. K. Poddar of Kiran Properties against L&T alleging non-payment of brokerage relating to leasing out of office space on the 5th floor to British Airways. A summons was issued and subsequently Sadhana Mishra was produced in Court on October 14, 2004 and released on bail on a surety of ₹ 0.10 lakhs. L&T filed an application under Section 205 which has been allowed. The last hearing was held on December 31, 2018. The matter has been posted for hearing on June 15, 2019 and is currently pending.
23. On September 02, 2015, Anil Baxla who was working in Fabrication shop sustained minor injuries. This was reported to the Factory Inspector, Rourkela. The Factory Inspector filed this case bearing Case No. 2 (C) CC 96/15 in the court of JMFC, Rajgangpur against SNS (the then occupier) and Mr. Sandip Choudhuri (the then manager) of the factory on the allegation of the lacuna on the part of the management. The matter was not taken up for hearing on February 11, 2019 and was adjourned to May 15, 2019.
24. A complaint bearing CC No.3308662 has been filed against L&T by the Labour Enforcement Officer, BOCW, before the Lucknow Magistrate Court regarding non-compliance of provisions of Building & Other Construction Workers Act, 1996 (“**BOCW**”) pertaining to River View Apartment Project at Lucknow for the Lucknow Development Authority. The last hearing was on December 17, 2018 and the next date is yet to be notified.
25. A criminal complaint bearing A.B.A No. 4663 of 2018 and A.B.P. No. 367 of 2018 was filed by one of L&T’s vendors Shama Construction Services in connection with non-payment of dues for the services provided by them at L&T’s Bokaro Steel City Project. The summons was received from the Court of SDJM, Bokaro against L&T’s staff, Mr. Tanmoy Boxi and Mr. Srinivas Pabolu under Section 323, 385, 379 and 34, Indian Penal Code, 1860. Anticipatory bail was applied for both the employees before the High Court of Jharkhand at Ranchi. The Hon’ble Court was pleased to stay the proceedings until further orders. The last hearing was held on January 16, 2019. The matter was adjourned on the said date and the next date for hearing is yet to be notified.
26. In connection with non-compliance of labour laws and series of variation, Deputy Director of Factories, Kancheepuram, issued a show cause notice and initiated criminal proceedings bearing CC Nos. 137 to 142 of 2018 before the Chief Judicial Magistrate, Chenglepet against the Occupier (MVS) and the Factory Manager, Mr. P Dinesh Kumar. However, fresh notice was issued against

MVS and the matter was posted on January 8, 2019 for the next hearing on which date, the matter was closed.

c. Regulatory Proceedings

1. The Regional Officer, of Gujarat Pollution Control Board (the "GPCB") filed a criminal complaint numbered 73507 of 2014 on behalf of GPCB, against L&T and seven officers of L&T, before the Chief Judicial Magistrate First Class, Surat under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is currently pending.
2. The Regional Officer, of Gujarat Pollution Control Board (the "GPCB") filed a criminal complaint with criminal case number 4897 of 2012, on behalf of GPCB, against L&T and the directors of L&T, including A. M. Naik and S. N. Subrahmanyam, before the Chief Judicial Magistrate First Class, Vadodara under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is currently pending.
3. Mr. Mayank Agrawal ("Complainant") has filed a complaint bearing Complaint No. CC00600000056800 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 403 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ₹ 404 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal being No.AT006000000021232 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.
4. Mr. Ankesh Agrawal ("Complainant") has filed a complaint bearing Complaint No. CC00600000056809 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 503 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ₹ 406 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021231 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.
5. Mr. Mittal Anil Padia ("Complainant") has filed a complaint bearing Complaint No. CC00600000056757 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 601 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to ₹ 504 lakhs. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021230 before the Appellate Tribunal challenging the said order. The next date of hearing in the appeal is awaited.
6. Mr. Banmali Tandon ("Complainant") has filed a complaint bearing Complaint No. CC00600000057215 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 305 in Tower T04, Emerald Isle and had withdrawn his complaint *vide* order dated October 24, 2017. The Complainant has again filed this complaint alleging non-refund of TDS amount, service tax, and MVAT and interest due on the prepayment of the advance money. The next date of hearing has been fixed on April 9, 2019.

7. Mr. Suresh Swamy (“**Complainant**”) has filed a complaint bearing Complaint No. CC00600000057656 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked a flat bearing number 301 in Tower T08, Emerald Isle. The Complainant wants to proceed with the project but is seeking compensation for delay in handing over of possession of his flat. The next date of hearing is April 16, 2019.
8. Mr. Reny Varghese (“**Complainant**”) has filed a complaint bearing Complaint No. CC00600000057669 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1401 in Tower T08, Emerald Isle. The Complainant wants to continue with the project but is seeking compensation for delay in handing over of possession of his flat. The next date of hearing is April 03, 2019.
9. Mr. Vishal Singhal & Ors. (“**Complainant**”) has filed a complaint bearing Complaint No. CC00600000057747 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1302 in Tower T08, Emerald Isle. The Complainants wants to continue with the project but are seeking compensation for delay in handing over of possession of flat. The next date of hearing is April 03, 2019.
10. Mrs. Rekha Sinha (“**Complainant**”) had filed a complaint before MahaRERA bearing Complaint No. 23296. The Complainant after taking possession of her flat filed complaint seeking compensation for delay in hand over of possession of her Flat. The said complaint was disposed of as dismissed vide order dated May 3, 2018. The Complainant had challenged the said order dated May 3, 2018 before the Maharashtra Real Estate Appellate Tribunal. The appeal has been disposed off vide order dated March 14, 2019 wherein the Appellate Tribunal has set aside the order dated May 03, 2018 passed by the Learned Member and Adjudicating Officer of RERA. It has further directed the Promoter to pay interest on delayed possession of six months on the amount of ₹.1,65,88,062 to the allottee at the prescribed rate.

d. Proceedings pertaining to Tax

1. L&T has filed this appeal vide Case No. 7223/M/13 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 8,044 lakhs.
2. L&T has filed this appeal vide Case No. 9076/M/10 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 5,176 lakhs.
3. L&T has filed this appeal vide Case No. 8783/M/11 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in - progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 12,862 lakhs.
4. L&T has filed this appeal vide Case No. 609/Mum-2013 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 21,359 lakhs.
5. L&T has filed this appeal vide Case No. 856/Mum/2014 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this

matter is ₹ 20,002 lakhs.

6. L&T has filed this appeal vide Case No. 2315/Mum-2015 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for warranty, TP adjustment, etc. The amount involved in this matter is ₹ 23,007 lakhs.
7. L&T has filed this appeal vide Case No. 1855/Mum- 2016 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ₹ 31,354 lakhs.
8. L&T has filed this appeal vide Case No. 2112/M/2017 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ₹ 18,085 lakhs.
9. L&T has filed this appeal against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, TP adjustment, etc. The amount involved in this matter is ₹ 3,273 lakhs.
10. L&T has filed this appeal vide Case No.297/2014-15 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, TP adjustment, etc. The amount involved in this matter is ₹ 1,320 lakhs.
11. L&T has filed a Special Leave Petition bearing numbers SLP-11038 of 2018 and SLP-11039 of 2018 dated April 23, 2018 in the Supreme Court of India against orders given by the Punjab & Haryana High Court for the period 2011-12 and 2012-13 pertaining to, *inter-alia*, disallowance of exemption of interstate sale in transit, levy of tax on high sea sales, exemptions claimed for labour and like charges, input tax credit not allowed in full, consequential interest and penalty levied. The Supreme Court has issued notice to the tax department and the tax department has submitted the counter affidavit. The matter has been adjourned and the next date of hearing is awaited. The amount involved in this matter is ₹ 35,845 lakhs and ₹ 28,524 lakhs.
12. L&T has filed an appeal bearing CEXA/91/2016 in the Bombay High Court against an order bearing reference V (84/87)1575/2011/Adj/2012/C/3654 dated August 9, 2012 demanding excise duty on parts of the construction equipment for the period 2007 to 2012. The amount involved in the matter is ₹ 32,322 lakhs.
13. L&T has filed objections under matter number 150082267484/5757 dated March 28, 2017 against an order of the Special Commissioner, Appeals, Delhi, VAT, for the period 2008-09 disallowing exemption on sub-contractor turnover and on labour & like charges. The matter is pending with the objection hearing authority. The amount involved in the matter is ₹ 15,291 lakhs.
14. L&T has filed an appeal bearing reference JC/App-5/VAT/831/2015-16 dated January 29, 2016 against VAT assessment order for the period 2009-10 disallowing hire charges of plant & machinery, offshore services rendered to ONGC, tax on material portion on which VAT has been paid, ITC reversal. The appeal is pending for hearing. The amount of matter involved is ₹ 12,764 lakhs.
15. L&T has filed an appeal bearing number C/852009, 852010, 852011-2014 before the CESTAT,

Mumbai against an order passed by the Commissioner of Central Excise, Maharashtra demanding duty on difference between transaction value and duty on MRP (less abatement) on ESP Imported products (CETH 8536). The matter is pending for adjudication. The amount involved is ₹ 11,274 lakhs.

16. L&T has filed a writ petition bearing reference number WPST/34360/2018 in the Bombay High Court against a demand of pre-deposit for the period 2007-08 by disallowing the sale in the course of imports - ONGC, high sea sales, sale in transit under section 6(2) disallowed. The matter was heard and the court has directed not to take any coercive measures till the matter is heard. The next hearing is scheduled on January 24, 2019. The amount involved is ₹ 18,487 lakhs.
17. L&T has filed an appeal bearing CA-//11-12 with the Joint Commissioner (Appeal-I) for the period 2003-04 against an order disallowing the non-submission of declarations, high sea sales, non-taxable charges, sales occasioning imports, purchases effected under Form H, insurance charges on material component of ONGC, import purchases of other states treated as branch transfers. The matter is at pending for hearing. The amount involved in the matter is ₹ 10,145 lakhs.
18. L&T has filed ten appeals before the Income Tax Appellate Tribunal (“ITAT”) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding section 80-IA deduction on infrastructure projects. The deduction claimed by L&T under section 80-IA of the Income Tax Act, 1961 has been denied by the tax authorities treating L&T as the works contractor instead of the developer. L&T has contended that the conditions of section 80-IA (4) have been fulfilled. L&T has submitted that the nature of activity performed by them is a development activity pursuant to an agreement with the central government, state government, local authority, statutory body. The jobs have not been received by L&T as sub-contracts from third parties. L&T itself has made the investment and executed the development work to carry out civil construction work as against just execution of work. L&T has submitted extracts of the development agreements for various projects for which they have claimed deductions under section 80-IA. The matter will have a tax effect of ₹ 44,091 lakhs. The matter is currently pending.
19. L&T is in the process of filing an appeal before the Commissioner of Income Tax- Appeals (CIT(A)) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding short-term capital loss on sale of JM Arbitrage Fund units treated as business loss, disallowance of expenses due to failure of parties to provide transaction confirmations, disallowance of R&D expense (not reported by DSIR), imputed charge for use of L&T brand, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, etc. The amount involved in this matter is ₹ 52,100 lakhs.
20. L&T has filed ten appeals before the Income Tax Appellate Tribunal (“ITAT”) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding ESOP Expenses. ESOP discount has been treated as a contingent or notional in nature and therefore disallowed by the income tax authorities. The income tax authorities have regarded ESOP discount as capital in nature while L&T has contended that ESOP discount represents employee remuneration and thus, is a revenue expenditure which is not contingent in nature. The Commissioner of Income Tax (Appeals) has granted L&T relief for the ESOP expenses on the basis of actual exercise of options by employees in Assessment Year 2013-14. The matter will have a tax effect of ₹35,241.6 lakhs. The matter is currently pending.
21. L&T has filed ten appeals before the Income Tax Appellate Tribunal (“ITAT”) against the Deputy Commissioner of Income Tax at Mumbai, in relation to direct tax matters regarding taxing notional profit on construction work- in- progress valued at cost. In accordance to the accounting standards (AS), L&T does not recognise profit for projects until it reaches 25% completion. However, the income tax authorities have added notional profit in case of contracts below 25% stage of completion. The matter will have a tax effect of ₹ 28,805.7 lakhs. The matter is currently pending.

B. L&T Finance Holdings Limited (our Promoter)

There are no civil litigations initiated by and/or against our Promoter basis the materiality policy adopted by our Promoter. Further, there are no criminal cases initiated by and/or against our Promoter.

C. L&T Infrastructure Finance Company Limited

L&T Infrastructure Finance Company Limited (“**LTIFL**”) is a related party of our Company. There are various litigations instituted by and against LTIFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosure of such cases in this Shelf Prospectus, LTIFL has applied the same materiality threshold which has been applied for our Company.

1. LTIFL has filed an original application numbered 122 of 2017 before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) against Surana Power Pvt. Ltd (“**Borrower**”) and its guarantors, G.R. Surana, Vijayraj Surana, Shantilal Surana, Dinesh Chand Surana and Surana Industries Ltd. (“**Guarantors**”), for a claim of ₹ 10,498 lakhs, praying for (i) issuance of recovery certificate for the claim amount; (ii) sale of the scheduled properties in case of failure to make payment; (iii) pass a decree against the personal guarantors; (iv) pass orders for disclosure of assets of guarantors. The Tribunal *vide* its order dated November 7, 2018 has directed the Guarantors to disclose their assets, allowed an application of LTIFL to permit and continue proceedings as against the Guarantors while the moratorium subsists as against the Borrower under the Bankruptcy Code. The Guarantors have also been directed not to leave the country without getting prior permission of the Tribunal. The matter is currently pending.
2. LTIFL has filed an original application before the Debt Recovery Tribunal, New Delhi (“**Tribunal**”) for the adjudication of the debt owed by C&C Western Up Expressway Limited (“**Borrower**”) and its personal guarantors, which is to the tune of ₹ 4,668 lakhs. The matter is at the stage of evidence, wherein LTIFL has completed its evidence and the matter has been posted for January 4, 2019 for directions on the right of the Defendants to lead evidence in the application. The defendants were granted last and final opportunity to lead evidence failing which the right was to be closed automatically. Accordingly, the matter was re-notified to March 25, 2019 before the Ld. Presiding Officer for appropriate directions. The matter is currently pending and the next date is awaited.
3. LTIFL has filed an original application numbered 39 of 2018 against SVOGL Oil Gas & Energy Limited (“**Borrower**”) before the Debt Recovery Tribunal, Delhi (“**Tribunal**”) for a claim of ₹ 26,767.48 lakhs, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the guarantors. However, LTIFL had also filed an application for withdrawal of original application, due to discrepancy of documents annexed to it. The Tribunal has allowed our application for withdrawal of the original application.
4. A moratorium on Aircel Cellular Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.
5. A moratorium on Aircel Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.
6. A moratorium on Dishnet Wireless Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.
7. An application to initiate corporate insolvency resolution process (“**CIRP**”) against Ind-Barath Thermal Power Ltd. was filed by an operational creditor, Gandhar Oil Refinery (India) Ltd. LTIFL has submitted Form C before NCLT, Hyderabad with its claim of ₹ 8588.6 lakhs against the Corporate Debtor. The matter has been settled by the Borrower because of which the NCLT’s order has been set aside by the NCLAT.
8. LTIFL has filed an original application numbered 776 of 2017 against Emta Coal Limited (“**Borrower**”) and its personal guarantors before the Debt Recovery Tribunal, Kolkata (“**Tribunal**”)

for a claim of ₹ 2,056 lakhs, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the personal guarantors. The Tribunal has admitted the matter and issued summons. The matter is currently pending.

9. LTIFL has filed an original application numbered 932 of 2015 against Icomm Tele Limited (“**Borrower**”) and Sumanth Paturu, Rama Rao Paturu and Istiva Ventures Pvt. Ltd. (“**Guarantors**”), before the Debt Recovery Tribunal, Hyderabad (“**Tribunal**”) for a claim of ₹ 2,956 lakhs, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. The application for interim relief and injunction against the assets of the Borrower was allowed but the injunction was vacated later on. LTIFL had approached Debt Recovery Appellate Tribunal, Kolkata against the aforesaid order. The matter is currently pending.
10. LTIFL filed an application numbered CP(IB)462/7/HDB/2018 (“**Application**”) against Icomm Tele Limited (“**Borrower**”) under Section 7 of the Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The Application was admitted and the CIRP is ongoing with LTIFL claiming an amount of ₹ 4,454.92 lakhs against the Borrower. The matter is currently pending.
11. An appeal bearing reference Co. Appeal 709/2018 was filed by a financial creditor, PTC India Financial Services of the Borrower (“**Financial Creditor**”) against LTIFL before the National Company Law Appellate Tribunal. The Financial Creditor contended that the Application filed by LTFIL could not have been admitted by the Tribunal as the company petition filed by the Financial Creditor before the Hyderabad High Court had already been admitted in 2016. LTIFL is taking necessary steps to have the appeal dismissed. The matter is currently pending for orders.
12. LTIFL filed an application numbered CP(IB)672/7/HDB/2018 against RVK Energy and Infrastructure Private Limited (“**Borrower**”) under Section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The application is currently pending admission.
13. LTIFL filed an application numbered CP(IB)674/7/HDB/2018 against KVK Energy and Infrastructure Private Limited (“**Borrower**”) under Section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The application is currently pending admission.
14. LTIFL has filed an original application numbered 2556/2017 (417/2016) along with the consortium of lenders against Vibha Agrotech Limited (“**Borrower**”) before the Debt Recovery Tribunal, Hyderabad (“**Tribunal**”) for a claim of ₹2,468 lakhs. The matter is at the stage of evidence and is currently pending.
15. LTIFL has filed an original application numbered 652 of 2015 against Neueon Towers Ltd (erstwhile Sujana Towers Ltd.) (“**Borrower**”) and Yalamanchili Satyanarayana Choudary and G. Srinivasa Raju (“**Guarantors**”), before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) for a claim of ₹ 4,931.96 lakhs. The application, *inter-alia*, prays for (i) issuance of recovery certificate for the claim amount; (ii) sale of the scheduled properties in case of failure to make payment; (iii) other reliefs as against the Guarantors; (iv) a decree against the personal guarantors and (v) pass orders for disclosure of assets of Guarantors. The matter is currently pending.
16. LTIFL has filed an original application numbered 328 of 2015 against Hanjer Biotech Mira Pvt. Ltd (“**Borrower**”) and Irfan Ashraf Furniturewala, Nazim Ashraf Furniturewala, Nadeem Ashraf Furniturewala, Nuzhat Irfan Furniturewala, Hanjer Biotech Energies Pvt. Ltd. and Hanjer Biotech Pvt. Ltd. (“**Guarantors**”) before the Debt Recovery Tribunal, Delhi for a claim of ₹ 2,697.3 lakhs. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. Interim orders were passed in 2015 and 2016 on the application for injunction against disposal of assets of the Guarantors. The Tribunal in 2018 had dismissed an application filed by the Borrower to cross examine the witness of LTIFL. The matter is currently pending.
17. LTIFL has filed an original application numbered 1243 of 2011 against IDEB Projects Pvt. Ltd and

- Harkirat Singh Bedi (“**Borrowers**”) before the Debt Recovery Tribunal, Mumbai for a claim of ₹ 4,052 lakhs. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount. The secured assets were being sold under the Memorandum of Understanding (“**MOU**”) whereby the sale proceeds were being shared amongst Jindal Holidays (Broker) and SBI (lead of WCTL Lenders). However, LTIFL terminated the MOU in 2018. The matter is currently pending.
18. An application numbered CP (IB)1765/MB/2018 to initiate corporate insolvency resolution process (“**CIRP**”) was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited (“**Borrower**”) before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹ 8,938.92 lakhs. The Resolution Professional had published the Expression of Interest pursuant to which prospective resolution applicants have submitted their interest in the Corporate Debtor. Due diligence exercise is currently ongoing and the matter is currently pending.
 19. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process (“**CIRP**”) was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited (“**Corporate Debtor**”) before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has submitted Form C with a claim of ₹ 26,259 lakhs against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to Warasgaon Assets Maintenance Limited (“**Borrower**”). The Resolution Professional had published the Expression of Interest pursuant to which prospective resolution applicants have submitted their interest. Due diligence exercise is currently ongoing and the matter is currently pending.
 20. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process (“**CIRP**”) was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited (“**Corporate Debtor**”) before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has submitted Form C with a claim of ₹ 30,428.12 lakhs against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to Warasgaon Power Supply Limited (“**Borrower**”). The Resolution Professional has published the Expression of Interest. The matter is currently pending.
 21. An application numbered CP 1757/I&BP/NCLT/MAH/2018 was filed to initiate corporate insolvency resolution process (“**CIRP**”) against Warasgaon Assets Maintenance Limited (“**Borrower**”) before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has filed a claim of ₹ 27,465 lakhs. The matter is currently pending.
 22. LTIFL has filed an original application numbered 341 of 2017 against Gupta Infrastructure Pvt Ltd (“**Borrower**”) and Padmesh Gupta, Piyush Marodia and Anuradha Gupta (“**Guarantors**”) before the Debt Recovery Tribunal, Mumbai for a claim of ₹ 8,660.53 lakhs. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. The Borrower and Guarantors are to file their reply on the interim reliefs against the Guarantors. The matter is currently pending.
 23. The National Company Law Tribunal, Allahabad (“**NCLT**”) in C.A No. 26/2018 in CP No. (I.B) 77/ALD/2017 passed an order dated May 16, 2018 in favour of the Resolution Professional of Jaypee Infratech Limited (“**Corporate Debtor**”). The order (i) declared the mortgages created by the Corporate Debtor in favour of the lenders of Jaiprakash Associates Limited, including LTIFL as fraudulent, preferential and undervalued transactions; (ii) directed the security interests created by the Corporate Debtor in favour of the lenders, including LTIFL be released and discharged; and (iii) declared that the mortgaged properties shall now be deemed to be vested in the Corporate Debtor. LTIFL filed an appeal bearing Comm App (AT) (INS) 376/2018 before National Company Law

Appellate Tribunal, Delhi ("NCLAT") challenging the order dated May 16, 2018. LTIFL has also filed its claim of ₹ 18,991 lakhs with the resolution professional. The matter is currently pending.

24. LTIFL filed an application against Essar Power Limited ("**Corporate Debtor**") under Section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal, Ahmedabad ("**Tribunal**") to initiate corporate insolvency resolution process ("**CIRP**") against it in its capacity as the Corporate Guarantor to the financial assistance provided by LTIFL to Essar Power Gujarat Limited ("**Borrower**"). The amounts involved is ₹ 4554.49 lakhs. The application is currently pending admission.
25. LTIFL has filed intervention applications in the National Company Law Appellate Tribunal ("**NCLAT**") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("**UOI**") pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited ("**WGEL**") and Moradabad Bareilly Expressway Limited ("**MBEL**"), all being subsidiaries of IL&FS Transportation Networks Limited ("**ITNL**"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("**IL&FS**"). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIFL. The matter is posted for hearing on March 29, 2019.

Our Company has also preferred a Civil Appeal before the Hon'ble Supreme Court of India under section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

26. State Bank of India filed an application for initiation of corporate insolvency resolution process ("**CIRP**") against the Corporate Debtor. The CIRP process has ended and the Corporate Debtor has headed to liquidation with a liquidation order passed by the National Company Law Tribunal, Calcutta on December 06, 2018. LTIFL has filed its claim of ₹ 17,672 lakhs on January 02, 2019. The matter is currently pending.

In the meantime, a consortium of lenders including LTIFL, led by the State Bank of India, filed an original application before the Debt Recovery Tribunal, Hyderabad for recovery of debt owed by Coastal Projects Limited ("**Corporate Debtor**"). The original application is yet to come up for admission. The matter is currently pending.

27. LTIFL filed its claim amount to be recovered from Essar Steel India Limited ("**Corporate Debtor**") in the format provided in Form C. However, the resolution professional ("**RP**") rejected LTIFL's claim and refused to declare LTIFL as a financial creditor of the Corporate Debtor. Aggrieved by this, LTIFL filed a case bearing I.A. in C.P. (IB) 39 and 40 of 2017 before the National Company Law Tribunal, Ahmedabad ("**NCLT**") challenging the decision of the RP of the Corporate Debtor. The amount involved in this matter is ₹ 3,367 lakhs. The NCLT vide its order dated March 08, 2019, rejected LTIFL's contentions and disposed off the Application.
28. The resolution professional ("**RP**") of Essar Steel India Limited ("**Corporate Debtor**") filed an interlocutory application against LTIFL bearing I.A. 434 of 2018 in C.P. (IB) 39 and 40 of 2017 before the National Company Law Tribunal, Ahmedabad ("**NCLT**") praying for an order restraining LTIFL from (i) encashing cheques of the Corporate Debtor during the continuation of the moratorium period, and (ii) pursuing criminal action under Section 138 of the Negotiable Instruments Act, 1881 against the RP. The RP has prayed for a refund of ₹ 617 lakhs from LTIFL on the ground that LTIFL encashed cheques of the said amount during the moratorium period. The NCLT passed an order directing LTIFL to refund an amount of ₹ 617 lakhs to the Corporate Debtor.

LTIFL has preferred an appeal against the said order before the NCLAT, Delhi. The NCLAT has reserved its order in the present application. However, the present proceeding does not have a material adverse effect. The matter is currently pending.

29. An application numbered (IB)02(PB)/2018 to initiate corporate insolvency resolution process (“CIRP”) was filed by State Bank of India against C&C Constructions Limited (“Borrower”) before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹ 478,27,10,777. The matter is currently pending.
30. An application numbered (IB)02(PB)/2018 to initiate corporate insolvency resolution process (“CIRP”) was filed by State Bank of India against C&C Constructions Limited (“Corporate Debtor”) before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹ 70,52,69,872 in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to C&C Western UP Expressway Limited (“Borrower”). The matter is currently pending.
31. An application numbered (IB)731(PB)/2018 to initiate corporate insolvency resolution process (“CIRP”) was filed by ICICI Bank against Punj Lloyd Limited (“Corporate Debtor”) before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹100,44,74,580. The matter is currently pending.

Cases filed by LTIFL under Section 138 of the Negotiable Instruments Act, 1881

LTIFL has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Shelf Prospectus, there are approximately 53 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 2128024398.45.

D. Larsen & Toubro Infotech Limited

Larsen & Toubro Infotech Limited (“LTIL”) is a related party of our Company with only criminal litigations, as disclosed below. LTIL has no civil litigations against or by it, which crosses the materiality threshold adopted by the board of LTIL.

1. Suhas Ambade filed a FIR on behalf of Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) before the Kalyan Police Station against Nitin Patwardhan (the “Accused”), an employee of LTIL in his capacity as a representative of LTIL for illegal use of electricity. In furtherance to this, MSEDCL has filed a complaint bearing no. 722 of 2008 before the Court of Special Judge, Thane under Section 135, Electricity Act, 2003. LTIL then filed an application with MSEDCL dated July 11, 2008 for compounding of the alleged offence. MSEDCL has approved the application and LTIL has paid an amount of ₹ 3.5 lakhs towards compounding charges. The matter is currently pending.
2. Krishnan Subramanian had filed an FIR before the Powai police station against Munnawar Bux, Ghanshyam Mhatre, Ganesh Apte and V. K. Magapu, and Chris Colaco (the “Petitioners”) under, inter-alia, Sections 34, 120B, 201 and 406 of the Indian Penal Code 1860 read with Sections 20 and 25 of the Indian Telegraph Act, 1885 and Sections 65, 66 and 85 of Information Technology Act, 2000 alleging illegal transfer of the international calls and related losses to the Government and Tata Teleservices (Maharashtra) Limited amounting to ₹ 64.5 lakhs. Subsequently, the Petitioners filed discharge applications filed in criminal case no. 3700327/PW/2007, which were rejected by the Magistrate. The Petitioners have filed two criminal writ petitions numbered 1743 of 2006 and 217 of 2007 before the Bombay High Court in relation to criminal proceedings initiated against the Petitioners and seeking quashing of the FIR lodged. Our Company has withdrawn one of the writ

petitions bearing no. 1743 of 2006 and the Bombay High Court has disposed the other writ petition filed by our Company bearing no. 217 of 2007 by directing the Magistrate to dispose of the discharge applications filed by the Petitioners. The matter is currently pending.

E. L&T Capital Company Limited

L&T Capital Company Limited (“**LTCCL**”) is a related party of our Company and is involved in the only litigation as disclosed below which would have a material adverse effect, in accordance with its internal policy.

During the course of assessment of LTCCL for Assessment Year 2010-11, the assessing officer disallowed a sum of ₹ 239 lakhs by invoking provisions of Section 14A, Income Tax Act, 1961 read with Rule 8D, Income Tax Rules, 1962. The assessing officer invoked Rule 8D for the purpose of computing disallowance under section 14A without indicating any cogent reasons in assessment order for dissatisfaction of the correctness of the method followed by LTCCL. The said disallowance was upheld by Commissioner of Income Tax (Appeals). However, Income Tax Appellate Tribunal (“**ITAT**”) has considered the view of the LTCCL and has directed the assessing officer to adjudicate the issue afresh. The matter is currently pending.

F. L&T Capital Markets Limited

There are no civil or criminal litigation by or against L&T Capital Markets Limited as on the date of the Shelf Prospectus.

G. L&T Housing Finance Limited

L&T Housing Finance Limited (“**LTHFL**”) is a related party of our Company. There are various litigations instituted by and against LTHFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosures in this Shelf Prospectus, LTHFL has applied the same materiality threshold which has been applied for our Company.

1. LTHFL had filed an arbitration petition bearing Comm. Arbitration Petition (L) 503 of 2018 against Shri Balaji Infrastructure, Vinay Raj Modi, Miny Raj Modi, Sushil Agarwal, Dharmendra Gupta, Santkripa Infra and Services Pvt. Ltd. (“**Respondents**”) before the Bombay High Court (“**Court**”), *inter-alia*, under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated July 27, 2018 appointed the arbitral tribunal to decide the disputes between the parties arising out of the facility agreement dated May 5, 2016. The Court also recorded the statement of the Respondents admitting to an award of a sum of ₹ 800 lakhs with interest at the rate of 12% p.a. payable to the LTHFL from the date of the Award by the arbitrator until realization. Mr. Minoo Sisodia was appointed as an arbitrator. While the borrower has admitted their liability towards payment of ₹ 800 lakhs, they claim to not have the financial ability to pay such amount. However, LTHFL has heavily contested this point. Order dated December 12, 2018 was passed wherein the Respondents were directed to sell 3 flats within 21 days after obtaining prior No Objection Certificate from LTHFL, sell 10 flats (which are not totally not completed), from the remaining 20 flats and deposit the amounts into the escrow account maintained by LTHFL. In the event the Respondents fail to do so, costs would be imposed on the Respondents. The amount involved in the matter is ₹ 954 lakhs. The matter is currently pending before the arbitrator. The petition under Section 17, Arbitration and Conciliation Act, 1996 is currently pending before the arbitrator.
2. LTHFL had filed an arbitration petition under Section 9 of the Arbitration and Conciliation Act, 1996 against JSM Devcons Pvt. Ltd., (“**Borrower**”) Mr. Ashish Das, Mr. Puspendra Badera, Ashok Hi-Tech Builders Pvt., Vijaynagar Police Station, the Registrar, Indore and District Registration Authority (collectively referred to as the “**Respondents**”) before the Bombay High Court (“**Bombay High Court**”). The Court passed an order dated July 25, 2018 appointing a court receiver who has taken physical possession of the phase II property, 3 incomplete buildings and Phase III land which is an open plot of land, by putting appropriate boards. Security Guards were also appointed. The court receiver and the surveyor have filed their respective reports in the Court.

In the meantime, LTFHL has also invoked the arbitration clause by issuing appropriate notices to the Respondents, being the borrowers and the guarantors. The amount involved in the said matter is ₹ 3,765 lakhs plus interest till realisation. There have been notices by LTHFL to the Respondents

under Section 13 (2) SARFAESI Act, 2002.

The flat buyers of the Borrower had filed a writ petition bearing W.P No. 15443/2018 in the Madhya Pradesh High Court ("**MP High Court**") against the Respondents. LTHFL is not a party to the said proceedings. However, the MP High Court in the said writ petition, set up a quasi-judicial body ("**SIT**") to hear and verify the claims of the multiple flat buyers of the Borrower. The SIT has filed its interim report was before the MP High Court. The period of the SIT has expired. The amount involved in the matter is ₹ 3,765 lakhs due as on December 15, 2017 plus interest of 20.75 p.a. and default interest thereon of 2% p.a. from December 16, 2017 till realisation. The matter is currently pending. Certain flat buyers of the Borrower have also filed complaints before Real Estate Regulations Authority, Indore, which is currently pending.

LTHFL has further filed three petitions under Section 11 of the Arbitration and Conciliation act, 1996 against the Borrower and the other Respondents. The Bombay High Court passed a detailed order and appointed Smt. R.P. Sondurbaldota, as the Sole Arbitrator to resolve all the disputes existing between the parties.

3. LTHFL had made a demand for ₹ 1,745 lakhs due as on January 18, 2017, under its demand notice dated January 18, 2017. Thereafter, LTHFL filed an arbitration petition under Section 9 of the Arbitration & Conciliation Act, 1996 against Trishul Developers (**Borrower**) and 29 guarantors ("**Guarantors**") (collectively referred to as the "**Respondents**") bearing CARBP No. 136 of 2017 before the Bombay High Court. By an order dated March 27, 2017, the Bombay High Court an arbitrator and an ad-interim order was passed against the Borrower to not create third party rights over the mortgaged properties. The arbitrator passed an interim order on December 02, 2018 ("**Interim Order**") directing the Respondents to, *inter-alia*, deposit an amount of ₹ 1,593 lakhs within a period of 6 weeks from the date of the order and to declare on oath the movable and immovable assets held by the Respondents and not to create third party rights on the hypothecated assets. The matter is currently pending. The Borrower failed to comply with the interim order pursuant to which LTFHL has filed a contempt petition against the Borrower in the Hon'ble Bombay High Court which is currently pending.

In the meantime, LTHFL filed a Section 9 petition under the Arbitration & Conciliation Act, 1996 bearing no. 1113 of 2018 before the Bombay High Court against the Guarantors. The Bombay High Court passed an ad interim order granting a stay against the auction proceedings initiated by Vijayshankar Constructions against the Borrower over one of the Mysore properties being mortgaged to LTHFL. The matter is currently pending.

LTHFL had also issued notices to the Respondents under the SARFAESI Act, 2002 for various properties of the Respondents in Mumbai, Mysore and Bangalore, mortgaged to LTHFL.

With respect to the Mumbai property, the matter is pending under Section 14 of SARFAESI Act, 2002 and has been listed before the CMM Court, Mumbai for further orders. A third party, Mr. Bipin Shah has challenged the above proceedings by filing an application under Section 17 of Debt Recovery Tribunal Act. The matter is currently pending.

With respect to the Mysore property, the Debt Recovery Tribunal, Bangalore ("**DRT**") passed an order allowing LTHFL to take physical possession pertaining to the petition filed under Section 14, SARFAESI, 2002 ("**Order**"). The Borrower filed an appeal before the DRT against the Order, which stayed the Order. LTHFL has filed an appeal before the Debt Recovery Appellate Tribunal, Chennai ("**DRAT**"). The matter is currently pending before the DRAT.

With respect to the Bangalore property, LTHFL had filed a petition under Section 14 of the SARFAESI Act for obtaining possession of the property. However, before the final order, the Borrower filed an appeal before the DRT against the petition filed by LTHFL with a prayer to set the petition aside. The DRT passed an order setting aside the petition filed by LTHFL. LTHFL has filed an appeal before the DRAT against such order. The matter is currently pending before the DRAT.

A criminal complaint was filed before the Mysore police station complaint by LTHFL under Section

200 of the Code of Criminal Procedure, 1973 against the Borrower as the apartments in possession of LTHFL were broken into. The Judicial Magistrate directed the police to investigate the matter under Section 156(3) of Code of Criminal Procedure, 1973. The matter is currently pending.

A criminal complaint was also filed by LTHFL with the Mumbai police station on April 8, 2018 against the Guarantors for criminal breach of trust, cheating for wrongful gain, dishonestly and fraudulently preventing debt being available for LTHFL and mischievous conduct towards the creditor under Section 34, 38, 405, 415, 420, 421, 422, 424 and 425 of the Indian Penal Code, 1860. An additional complaint with the updated status of an auction notice was also tendered. A show-cause notice has been issued dated November 12, 2018 by the police station under the complaint for recording the statement and providing the relevant documents. The outstanding amount claimed as on July 31, 2018 is ₹ 2,079 lakhs. The matter is currently pending.

Cases filed by LTHFL under Section 138 of the Negotiable Instruments Act, 1881

LTHFL has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Shelf Prospectus, there are approximately 1780 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 179,73,03,954.

H. L&T Investment Management Limited

There are no civil (material) or criminal litigation by or against L&T Investment Management Limited as on the date of the Shelf Prospectus, other than as disclosed below.

- The Directorate of Enforcement, the adjudicating authority under the Prevention of Money Laundering Act, 2002 (“PMLA”) issued a show cause notice and filed a complaint under section 5(5) of the Prevention of Money Laundering Act, 2002 against individuals and companies and passed provisional attachment orders.

Brief background as per the Complaint: (i)After the exposure of discrepancies regarding the bribery and service of middlemen for procurement of contract of M/s Agusta Westland, SPA Italy, CBI had initiated a preliminary inquiry u/s 150-B r/w 420 of IPC & 7,8,9,12,13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988. (ii) The Ministry of Defence, India had signed a contract with M/s AgustaWestland for the supply of VVIP & Non VIP helicopters. Upon investigation, there were certain irregularities regarding the said procurement. (iii) Subsequently, Provisional Attachment Orders were passed against individuals including one Mr. Sanjeev Tyagi and Mr. Sandeep Tyagi and Companies associated with the said individuals. The said individuals were allegedly involved in the corrupt practices to help M/s AgustaWestland procure the tender of VVIP helicopters. (iv) During the investigation it was found that the Tyagi brothers had opened various bank accounts including bank accounts in the name of the Companies associated with them and made investments into Mutual Funds, Shares and Debentures including through some of their companies.

The above mentioned individuals and the Companies associated with them have invested in various mutual funds including L&T Mutual Funds. L&T Investment Management Limited (LTIM) acts as an investment manager for L&T Mutual Fund) has been made a party defendant in addition to the other mutual funds and Banks who have also been made party defendants. On March 25, 2019, LTIM through its authorized representative, filed reply to the show cause notice and complaint by the Enforcement Directorate in the PMLA Court. The next date of hearing is April 04, 2019. LTIM has currently marked a freeze on the folios as mentioned in the above complaint.

The current value of the investment in the above folios are approx. ₹ 9,00,000 (nine) lakhs. Notwithstanding anything contained hereinabove, L&T Investment Management Limited is of the opinion that the notice and complaint are not material for LTIM as there are no specific allegations against LTIM in the same.

I. L&T Financial Consultants Limited

L&T Financial Consultants Limited for the purpose of disclosure of the cases in this Shelf Prospectus, has applied the materiality threshold which has been applied for our Company. There are no civil or criminal cases above the materiality threshold.

J. L&T Infra Investment Partners Advisory Private Limited

There are no civil or criminal litigation by or against L&T Infra Investment Partners Advisory Private Limited as on the date of the Shelf Prospectus.

K. L&T Infra Debt Fund Limited

L&T Infra Debt Fund Limited (“LTIDFL”) is a related party of our Company. For the purpose of disclosure of cases (filed by or against LTIDFL) in this Shelf Prospectus, LTIDFL has applied the same materiality threshold which has been applied for our Company.

LTIDFL has filed intervention applications in the National Company Law Appellate Tribunal (“NCLAT”) under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India (“UOI”) and Company Appeal (AT) No. 347 of 2018 filed by Infrastructure Leasing and Financial Services Limited (“IL&FS”), pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited (“WGEL”), Hazaribagh Ranchi Expressway Limited (“HREL”), Jharkhand Road Projects Implementation Company Limited (“JRPICL”) and Moradabad Bareilly Expressway Limited (“MBEL”), all being subsidiaries of IL&FS Transportation Networks Limited (“ITNL”), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited (“IL&FS”). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of LTIDFL. The matter is posted for hearing on March 29, 2019.

Our Company has also preferred a Civil Appeal before the Hon’ble Supreme Court of India under section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

Details of acts of material frauds committed against our Company since fiscal year 2014 till period ended December 31, 2018, if any, and if so, the action taken by our Company in response:

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company since fiscal year 2014 till period ended December 31, 2018. The total amount involved in all acts of fraud committed against our Company in the last five Fiscals is set forth below:

December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
1 instance of fraud aggregating to ₹ 13.48 lakhs was reported in the quarter ended June 2018. 1 instance of fraud aggregating to ₹ 27.30 lakhs was reported in the quarter ended September 2018.	12 instances of frauds aggregating to ₹62.52 lakhs were reported.	20 instances of frauds aggregating to ₹ 59.21 lakhs were reported	7 instances of cash misappropriation were reported aggregating to ₹ 24.84 lakhs	10 instances of misrepresentation by customers were reported whereby loans were obtained on the basis of fictitious documents aggregating ₹ 54.87 lakhs and 3 instances of loan instalments collected by a third party under	15 instances of loans given based on fraudulent misrepresentation by the borrowers aggregating to ₹ 19.21 lakhs.

December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
1 instance of fraud aggregating to ₹13.58 lakhs was reported in the nine months ended December 2018.				false identity of employees of our Company aggregating to ₹ 0.58 lakhs.	

STATEMENT OF TAX BENEFITS

January 17, 2019

The Board of Directors
L&T Finance Limited (formerly known as “Family Credit Limited”)
7th Floor, Technopolis
A- Wing, Plot No 4
Block - BP, Sector - V
Salt Lake, Kolkata 700091

Dear Sirs,

Sub: Statement of possible tax benefits available to Debenture Holders of L&T Finance Limited (formerly known as “Family Credit Limited”) in connection with the proposed public issue of redeemable secured non-convertible debentures and/or redeemable unsecured subordinated non-convertible debentures of face value of ₹ 1,000/- each (the “Debentures” or the “NCDS”) for an amount aggregating up to ₹ 50,000 million (Rupees Fifty Thousand million) (hereinafter referred to as the “Issue”)

We refer to the proposed Issue by **L&T Finance Limited** (formerly known as “Family Credit Limited”) (the “**Company**”) and enclose the Statement of possible tax benefits available to the debenture holders under the Income-tax Act, 1961 (the “**Statement**”) showing the current position of taxation applicable to the debenture holders as per the provisions of the Income Tax Act, 1961 (the “**Act**”) and Income tax Rules, 1962 including amendments made by Finance Act 2018 as applicable for the financial year 2018-19, for inclusion in the Draft Shelf Prospectus and Shelf Prospectus (together the “**Prospectus**”) which is proposed by the Company to be issued in connection with the Issue. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the debenture holders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

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

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

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

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

Limitations

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

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

or relied upon by you for any other purpose, save that you may disclose this Statement to Edelweiss Financial Services Limited A.K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited (together, the “Lead Managers” or “Permitted Recipients”) on the basis that (i) the Lead Managers cannot rely on this Statement, (ii) we do not assume any duty or liability to the Lead Managers (iii) the Lead Managers have no recourse on us.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: MUMBAI
Date: January 17, 2019

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. Tax would need to be withheld at the rate of 10% at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
 - a. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
 - b. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), the interest does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being accompany or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the amount of any income of the nature referred to in section 197A(1) or 197A(1A), as the case may be, or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.

To illustrate, as on 01.04.2018 –

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,50,000;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2018-19

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of ₹ 2,500 whichever is less to a resident individual whose total income does not exceed ₹ 3,50,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
 - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
2. In *case* where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. *Capital gains and other general provisions*
- a) As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases, it is 36 months immediately preceding the date of its transfer.
 - b) As per section 112 of the I.T. Act, capital gains arising on the transfer of long-term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.
 - c) However as per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.
 - d) In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long- term capital gains shall be computed at the rate mentioned above.
 - e) Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para d above would also apply to such short-term capital gains.
 - f) As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. *Classification of gains on transfer*

In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of

such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

II. To the Non-Resident Debenture Holder

A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

1. *Interest on NCD and capital gains on transfer*
 - a. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - b. Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the entire net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.
2. *Other relaxations*
 - a. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - b. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
3. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
 - a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10 percent computed without indexation.
 - b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
4. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non-Resident Indian. This is subject to discussion in para 7.
5. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term

as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

6. The income tax deducted shall be increased by a surcharge as under:
 - a. In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 50,00,000 and 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 1,00,00,000.
 - b. In case of foreign companies, where the income paid or likely to be paid exceeds ₹ 1,00,00,000 but does not exceed ₹ 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds ₹ 10,00,00,000, surcharge at 5% of such tax is payable.
7. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.
8. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(2) & 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.
9. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset /stock in trade.

III. To the Foreign Institutional Investors (FIIs/FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs which have invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
3. The Finance Act, 2013 (by way of insertion of a new section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.

4. In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs/FPIs.
5. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their Income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule ('GAAR')

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter-alia denial of tax benefit. Applicable with effect from 1-04-2017, the GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 68 75/2013 dated 23 September 2013.

VI. Exemption under Sections 54F of the I.T. Act

1. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of a residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired

VII. Requirement to furnish PAN under the I.T. Act

1. Sec.139A (5A)

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
2. Sec.206AA
 - a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

- i. at the rate specified in the relevant provision of the I.T. Act; or
- ii. at the rate or rates in force; or
- iii. at the rate of twenty per cent.

However, new rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the Act shall not apply on payments made to non-resident deductee who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia TRC and Tax Identification Number (TIN).

- b. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- c. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply apart from penal consequences.

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st April 2017:

- i. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- ii. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on section 56(2)(x) of the Act.

Notes:

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither
 - a. designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax
 - b. consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic law.
9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

We will not be liable to any other person in respect of this statement.

SECTION IV- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Tranche 2 Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra between 10 am to 5 pm on any Working Day (Monday to Friday) during which Tranche 2 Issue is open for public subscription under this Tranche 2 Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated January 17, 2019 executed between our Company and the Lead Managers.
2. Registrar Agreement dated January 8, 2019 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 8, 2019 executed between our Company and the Debenture Trustee.
4. Public Issue Account Agreement dated March 28, 2019 executed between our Company, Lead Managers, Bankers to the Issue and Registrar to the Issue.
5. Consortium Agreement dated March 28, 2019 executed between our Company, Lead Managers and Consortium Members.
6. Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL.
7. Tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated November 24, 1993, February 14, 1994, July 12, 2007 and March 17, 2017, issued by Registrar of Companies, Kolkata (previously Registrar of Companies, West Bengal).
3. Certificate of Registration as an NBFC dated September 03, 2007 and May 04, 2017 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated April 2, 2018 under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated July 19, 2018, read together with resolution by the Board of Directors dated March 21, 2018 approving the issue of NCDs.
6. Copy of the resolution dated February 22, 2019 passed by circulation by the Committee of Directors approving the Shelf Prospectus and Tranche 1 Prospectus.
7. Copy of the resolution dated March 28, 2019 passed by circulation by the Committee of Directors approving this Tranche 2 Prospectus
8. Credit rating Letter dated December 21, 2018 revalidated vide revalidation letter dated February 1, 2019, further revalidated by letter dated February 20, 2019, and further revalidated by letter dated March 26, 2019 credit rating rationale dated January 2, 2019 by ICRA Limited assigning a rating of [ICRA] AAA / Stable (pronounced as ICRA triple A with Stable Outlook) to the long-term borrowing programme of our Company.
9. Credit rating Letter dated December 28, 2018, revalidated vide revalidation letter dated January 31, 2019, further revalidated by letter dated February 20, 2019 and further revalidated by letter dated March 26, 2019 credit rating rationale dated December 31, 2018 by CARE Ratings assigning a rating of CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) to the long-term borrowing programme of our Company.
10. Credit rating Letter dated December 31, 2018 revalidated vide revalidation letter dated January 31, 2019, further revalidated by letter dated February 20, 2019, and further revalidated by letter dated March 25, 2019

credit rating rationale dated December 24, 2018 by India Ratings assigning a rating of IND AAA / Stable (pronounced as IND triple A with Stable Outlook) to the long-term borrowing programme of our Company.

11. Consents of the Directors, our Compliance Officer to the Issue, Company Secretary of our Company, Chief Financial Officer, Lead Managers, Legal Advisor to the Issue, Registrar to the Issue, the Debenture Trustee for the Issue, Banker to the Company, Bankers to the Issue, Consortium Members to the Issue, ICRA for the Industry Report and Credit Rating Agencies to include their names in this Tranche 2 Prospectus, in their respective capacities.
12. Consent Letter dated March 28, 2019 from the Current Statutory Auditors, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Shelf Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Current Statutory Auditor and in respect of their (i) examination reports, each dated January 15, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, included in this Shelf Prospectus; and (iv) Review Report on the Special Purpose Unaudited Interim Standalone Condensed Financial Information dated February 21, 2019 for the nine month period ended December 31, 2018. The statement of tax benefits dated January 17, 2019 has been issued by our Current Statutory Auditors
13. Annual Report of our Company for the last five Fiscals.
14. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/24/18-19 dated January 24, 2019,
15. In-principle listing approval from NSE by its letter no. NSE/LIST/72314 dated January 24, 2019.
16. Due Diligence Certificate dated March 28, 2019 filed by the Lead Managers with SEBI.
17. Examination Report dated January 15, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants along with the Reformatted Financial Information dated January 15, 2018.
18. Limited Review Financial Results of our Company for the year ended September 30, 2018.
19. Special Purpose Unaudited Interim Standalone Condensed Financial Information dated February 21, 2019 for the nine-month period ended December 31, 2018.
20. Industry report titled ‘Industry Overview of Retail focused NBFCs, Housing Finance Companies and Infrastructure Finance NBFCs’ dated January 2018 issued by ICRA.
21. Shareholders Agreement dated June 5, 2015 executed amongst our Company, Grameen Foundation Asia, Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited and Grameen Capital India Limited.
22. Securities Subscription Agreement dated June 5, 2015 between our Company and Grameen Capital India Limited.
23. Group Function Outsourcing Agreement dated October 5, 2018 between L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited, L&T Housing Finance Limited and L&T Finance Limited made effective from April 1, 2018.
24. Agreement dated March 6, 2019 executed between L&T Capital Markets Limited and L&T Capital Markets (Middle East) Limited.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue have been complied with and no statement made in Tranche 2 Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche 2 Prospectus.

We further certify that all the disclosures and statements in this Tranche 2 Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche 2 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Dinanath Mohandas Dubhashi
Non-Executive Director & Chairperson

Pradeep Vasudeo Bhide
Independent Director

Rajani Rajiv Gupte
Independent Director

Ashish Arvind Kotecha
Non-Executive Director

Date: March 28, 2019

Place: Mumbai

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA

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ANNEXURE A
CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA



ICRA Limited

CONFIDENTIAL

Ref:2018-19/MUMR/1857
March 26, 2019

Mr. Kumar Ayashkanta
Head- Treasury Strategy and Ratings Group
L&T Finance Limited (erstwhile known as Family Credit Limited)
5th Floor, City 2,
Plot No. 177, C.S.T. Road, Kalina,
Santacruz (E),
Mumbai - 400098

Dear Sir,

Re: Revalidation of Public Issue of Secured Redeemable Non-convertible Debenture programme of Rs. 5000 Crore (Amount outstanding – Rs. 1,500 crore; Amount to be placed – Rs. 3,500 crore) (the rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue])

This is with reference to your request for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AAA" (pronounced as [ICRA] triple A) rating with Stable Outlook assigned to the captioned programme and last communicated to you vide our letter dated December 21, 2018 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. The rated instrument carries lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: 2018-19/MUM/1456 dated December 21, 2018.

With kind regards,

Yours faithfully,
For ICRA Limited

AASHAY CHOKSEY
Assistant Vice President
aashay.choksey@icraindia.com

SANDEEP SHARMA
Analyst
sandeep.sharma@icraindia.com

Electric Mansion, 3rd Floor
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Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

RATING • RESEARCH • INFORMATION 34773



ICRA

ICRA Limited

CONFIDENTIAL

Ref:2018-19/MUMR/1734
February 20, 2019

Mr. Kumar Ayashkanta
Head- Treasury Strategy and Ratings Group
L&T Finance Limited (erstwhile known as Family Credit Limited)
5th Floor, City 2,
Plot No. 177, C.S.T. Road, Kalina,
Santacruz (E),
Mumbai - 400098

Dear Sir,

Re: Revalidation of Rs. 5000 Crore Public Issue of Secured Redeemable Non-convertible Debenture programme (the rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue])

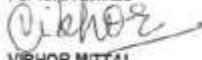
This is with reference to your request for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AAA" (pronounced as [ICRA] triple A) rating with Stable Outlook assigned to the captioned programme and last communicated to you vide our letter dated December 21, 2018 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. The rated instrument carries lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: 2018-19/MUM/1456 dated December 21, 2018.

With kind regards,

Yours faithfully,
For ICRA Limited


VIBHOR MITTAL
Vice President
vibhor@icraindia.com



AASHAY CHOKSEY
Assistant Vice President
aashay.choksey@icraindia.com

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35160



ICRA Limited

CONFIDENTIAL

Ref:2018-19/MUMR/1674

February 01, 2019

Mr. Kumar Ayashkanta
Head- Treasury Strategy and Ratings Group
L&T Finance Limited (erstwhile known as Family Credit Limited)
5th Floor, City 2,
Plot No. 177, C.S.T. Road, Kalina,
Santacruz (E),
Mumbai - 400098

Dear Sir,

Re: Revalidation of Rs. 5000 Crore Public Issue of Secured Redeemable Non-convertible Debenture programme (the rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue])

This is with reference to your request for re-validating the rating for the captioned programme.

We hereby confirm that the "[ICRA]AAA" (pronounced as [ICRA] triple A) rating with Stable Outlook assigned to the captioned programme and last communicated to you vide our letter dated December 21, 2018 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. The rated instrument carries lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: 2018-19/MUM/1456 dated December 21, 2018.

With kind regards,

Yours faithfully,
For ICRA Limited

ANJAN DEB GHOSH
Executive Vice President
achosh@craindia.com

ROHAN RUSTAGI
Analyst
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RATING • RESEARCH • INFORMATION 4069



ICRA Limited

CONFIDENTIAL

Ref: 2018-19/MUM/1456
Date: December 21, 2018

Mr. Kumar Ayashkanta
Head- Treasury Strategy and Ratings Group
L&T Finance Limited
2nd Floor, Brindavan Bldg,
Plot no.177, Kalina,
Santacruz (East), Mumbai - 400098

Dear Sir,

Re: ICRA Credit Rating for Rs. 5000 Crore Public issue of Secured Redeemable Non-convertible Debenture programme (the rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue])

Please refer to the Rating Agreement dated December 12, 2018 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]AAA (pronounced as ICRA triple A) rating to the captioned NCD Programme. Instruments with [ICRA]AAA rating indicate highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. The outlook on the long term rating is 'Stable'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]AAA (stable)". We would request if you can sign the acknowledgement and send it to us latest by **January 01, 2019** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you. The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default' Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to your communication and assure you of our best services.

With kind regards,
For ICRA Limited


KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com



ROHAN RUSTAGI
Analyst
rohan.rustagi@icraindia.com

Electric Mansion, 3rd Floor
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Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91 11 23357940-45

RATING • RESEARCH • INFORMATION 33985

L&T Finance Limited (erstwhile Family Credit Limited)

January 02, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Secured Redeemable Non-convertible Debenture [public issue] *	0	5,000.00	[ICRA]AAA (stable); assigned
Long-term Market Linked Debenture Programme	500.00	500.00	PP-MLD[ICRA]AAA(stable); outstanding
Non-convertible Debenture Programme	6,519.00	6,519.00	[ICRA]AAA (stable); outstanding
Non-convertible Debenture Programme (Public Issuance)	681.70	681.70	[ICRA]AAA (stable); outstanding
Subordinated Debt Programme	1,325.00	1,325.00	[ICRA]AAA (stable); outstanding
Perpetual Debt Programme	600.00	600.00	[ICRA]AA+ (stable); outstanding
Commercial Paper Programme	18,500.00	18,500.00	[ICRA]A1+; outstanding
Total	28,125.70	33,125.70	

*Instrument details are provided in Annexure-1

* The rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue]

Rationale

L&T Finance Holdings Limited (LTFHL, rated [ICRA]AAA(Stable)/[ICRA]A1+) is a non-operating holding company with a diversified business profile in the financial services space. LTFHL's wholly-owned subsidiaries operate in rural, housing and wholesale finance and asset management businesses. While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of LTFHL and its finance subsidiaries (namely L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited & L&T Finance Limited, collectively referred to LTFHL Group) given the strong operational and financial synergies between the companies.

The ratings continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.97% equity in the company as on September 30, 2018. The ratings also draw comfort from the LTFHL Group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business. The ratings also take into consideration the change in LTFHL's business profile during FY2017, following a rationalisation of product offerings and increasing proportion of retail loans on the total book (34% as on September 30, 2018 as compared with 27% as on March 31, 2017). The ratings also factor in the capital funding, management, systems and infrastructure support that the company receives from LTFHL and other Group companies. ICRA expects the company to be adequately capitalised in relation to its growth plans over the medium term, supported by timely capital infusion by LTFHL.

The long-term rating factors in the group's ability to profitably grow the business volumes (the AUM grew by 26% in FY2018 and further to Rs. 91,201 crore as on September 30, 2018) while gradually improving the share of retail loans in the overall mix and improved capitalisation profile of the group supported by the sizeable capital infusion of Rs. 3,000 crore in March 2018. The ratings factor in ICRA's expectation of continued commitment from L&T in the form of management, liquidity and capital support (Rs. 2,000-crore equity infusion by L&T in Q4FY2018) to LTFHL group and expects the group to maintain prudent leverage levels going forward as well. The ratings also factor in the group's experience in the appraisal of infrastructure projects, and its focus on underwriting with the subsequent down-selling of assets, provides scope for fee-based income, which is likely to support overall profitability. ICRA has also taken note of

the higher share of the wholesale lending book and exposure to the infrastructure sector and real estate loans, and management's efforts to realign the portfolio towards the retail segments like micro loans and two-wheeler loans. While the focus is on sectors such as renewable, transportation and transmission in the wholesale segment, which are relatively less risky, the full benefit of this would only be visible over the medium term. While the group has provided for the legacy stressed assets, the ability of the group to continue to grow the business while controlling fresh slippages would be a key rating sensitivity. ICRA has also taken note of the Group's improving profitability indicators though these are expected to remain largely at current levels in FY2019 with the Group continuing to provide for the stressed assets in excess of regulatory requirements. In ICRA's opinion, accelerated provisioning, in addition to augmentation of capital through various avenues, would help the Group strengthen the consolidated balance sheet. Going forward, continued support from L&T and the sustained financial performance and asset quality indicators of LTFHL's subsidiaries will remain key rating sensitivities.

Outlook: Stable

LTF is the Group's primary vehicle for retail financing and also provides non-infrastructure related financing to corporates. ICRA believes LTF will continue to benefit from being a part of L&T Financial Services Group, its demonstrated track record of scaling its operations and its ability to raise funds at competitive rates. Any change in the risk profile of L&T Financial Services Group will affect LTF's rating given their close linkages. The outlook may be revised to 'Negative' if there is a significant deterioration in LTF's asset quality and profitability indicators, thereby adversely affecting its financial risk profile.

Key rating drivers

Credit strengths

Expectation of continued support from the ultimate parent; experienced management team with strong leadership -LTF is a wholly-owned subsidiary of LTFHL, which, in turn, is majority owned by L&T. LTFHL and its subsidiaries, while operating independently, benefit from L&T's brand name. LTF also receives capital and management support from its parent. Thus, LTF's ratings draw significant strength from L&T and LTFHL and any change in the rating of the parent and/or support from the Group could warrant a rating change. LTF also has a strong management team with considerable experience across functions.

Diversified product mix with portfolio growth supported by well-established franchise, good market knowledge and standing as part of L&T Group -LTFHL undertook a rationalisation of its product offering in FY2017 following which, certain product segments (including four-wheeler financing, commercial vehicles, construction equipment, leases, SME term loans and receivable discounting) were discontinued. Nonetheless, the product offering remains extensive. Also, as part of the restructuring, L&T Finance Limited and L&T FinCorp Limited were merged with Family Credit Limited with the merged entity being rechristened L&T Finance Limited. Going forward, LTF along with L&T Housing Finance, will be one of the Group's primary vehicles for retail financing, while it will also extend non-infrastructure loans to corporates. LTF's portfolio stood at Rs. 42,590 crore as on September 30, 2018 (Rs. 39,146 crore as on March 31, 2018). LTF benefits from the brand name of L&T, which it has leveraged to grow its corporate and retail portfolios while maintaining adequate profitability.

At a consolidated level, LTFHL's lending book stood at Rs. 91,201 crore as on September 30, 2018 (compared to Rs. 73,487 crore as on September 30, 2017) and comprised of 35% of the loans to retail segments (Micro loans (11%), Two-wheeler(5%) & Farm Equipment(7%) and Home Loans/LAP(11%)) and balance 66% to the wholesale segments (Real Estate Finance (13%), Infrastructure Financing (38%) and the balance towards corporate loans, supply chain finance, Debt & Capital Markets book, etc).

Adequate capitalisation levels with committed financial support from parent—LTF's capital adequacy ratio stood at 17.11% as on September 30, 2018, above the 15% level stipulated by the RBI. The gearing, as on September 30, 2018, was moderate at 4.90 times. While internal capital generation is likely to be subdued in the medium term due to the amortisation of goodwill of Rs. 2,829 crore (as on March 31, 2017) over five years starting March 2017, the strategic importance of the company to the Group and the track record of capital infusion from LTFHL (equity infusion of Rs. 1,400 crore by LTFHL in Q4FY2018) to its subsidiary companies supports capitalisation. ICRA's opinion is that the capital support from the parent should remain forthcoming as and when required. At a consolidated level, the Group's leverage remains moderate (7.05 times as on September 30, 2018) given that a significant proportion (~65%) of the lending book consists of the wholesale¹ lending segment. ICRA expects the Group to maintain prudent capitalisation and expects that support from L&T would be forthcoming as and when required.

Good financial flexibility enables company to raise funding at competitive rates; comfortable liquidity position—LTF has a fairly-diversified funding mix with 50% of the funding as on September 30, 2018 raised from the capital markets (NCDs, subordinated debt, perpetual debt and commercial papers). Given its operational track record and the strong parentage, LTF is able to raise funding at competitive rates, which supports the overall profitability. The company also maintains a healthy liquidity profile with positive cumulative mismatches in all the buckets till 1 year as per ALM as on September 30, 2018. The unutilised bank limits, and liquidity support from the ultimate parent L&T adds to the comfort.

Credit challenges

Moderate asset quality indicators—LTF's asset quality indicators improved during FY2018 even after migration to stricter NPA recognition norms and slippages in a few product segments during the year. The improvement was supported by healthy collections and continuous risk monitoring. Asset quality indicators improved further in H1FY2019. Gross and net Stage 3 assets were 4.21% and 1.62%, respectively, as on September 30, 2018, compared to Gross and Net NPA of 6.1% and 2.8%, respectively, as on March 31, 2018 (8.36% and 5.13% respectively, as on September 30, 2017). However, given that a large part of the incremental business is coming from relatively riskier asset classes such as micro loans, two-wheelers and real estate finance. While so far, the asset quality has been holding in these segments, the ability of the group to manage the asset quality through cycles would be a monitorable.

At a consolidated group level, on account of transition to IND AS, standard stressed assets have been included as part of Stage 3 over and above the Non-Performing Assets. This has resulted in Gross and Net Stage 3 Assets of 7.10% and 2.79% respectively as on September 30, 2018 as compared to Gross and Net NPA of 4.80% and 2.34% respectively as on March 31, 2018. The asset quality indicators are expected to remain stable given group is taking incremental exposure in sectors such as renewable, transportation and transmission in the wholesale segment, which are relatively less risky though, the full benefit of this would only be visible over the medium term. Overall, the Group's ability to profitably grow business volumes while improving the asset quality would have a bearing on its overall financial profile and would be a key monitorable.

Modest profitability indicators—During H1FY2019, the company reported return on asset (RoA) of 1.85% and return on net worth (RoNW) of 10.35% (vis-à-vis RoA of 0.71% and RoNW of 3.75% during FY2018) supported by an improvement in yield on account of increased retailisation of the portfolio and improved credit cost. ICRA expects improvement in the profitability indicators, provided the company is able to maintain its credit cost.

LTFHL Group's profitability, at a consolidated level, has been moderate over the last five years. However, in FY2017, the company implemented a change in strategy which included the rationalisation of the products and streamlining of the Group's structure. ICRA notes that with the implementation of the new strategy, the company's profitability indicators improved in FY2018 and vis-à-vis FY2017. Profitability improved further in H1FY2019. The return on equity during FY2018

¹ Wholesale book + Real Estate Finance segment of the Housing book

improved to 14.28% (as per IGAAP) from 13.81% (as per IGAAP) in FY2017 and further to 17.68% (as per IND AS) in H1FY2019.

Liquidity Position:

The liquidity profile of the group is comfortable at a consolidated level. As on November 30, outflows due to repayments, over the next three months stood at Rs. 14,363 crore, while collections expected from loan assets' inflows were about Rs. 6000 crore. The company had cash and liquid investments of Rs. 6,262 crore, unutilized bank lines of Rs. 2,877 crore and Rs. 2,000 crore backup line of credit from L&T Ltd. as on November 30, 2018 which it can use to meet the funding gaps and future funding requirements. LTF enjoys strong financial flexibility to mobilized long term funding on the back of its established track record and strong parentage. ICRA expects the liquidity support from the parent to be forthcoming, as and when required.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies
Parent/Group Support	Ultimate parent / Investor: Larsen & Toubro Ltd. The assigned rating derives significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.97% (as on September 30, 2018) equity in the company, and LTFH group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business.
Consolidation / Standalone	While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of LTFHL and its subsidiaries carrying businesses as finance companies (namely L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited & L&T Finance Limited, collectively referred to LTFHL group) given the strong operational and financial synergies between the companies.

About the company:

L&T Finance Limited

L&T Finance Limited (LTF), erstwhile Family Credit Limited, was originally incorporated as Apeejay Finance Group Ltd in 1993. In December 2012, L&T Finance Holdings Limited (LTFHL) acquired 100% equity in the entity, following which its name was changed to Family Credit Limited. In FY2017, as a part of LTFHL's business restructuring, L&T Finance Limited and L&T FinCorp Limited (both entities now dissolved) were merged with Family Credit Limited and the combined entity was rechristened L&T Finance Limited.

For H1FY2019, LTF reported PAT of Rs. 448 crore on an asset base of Rs. 52,388 crore. As on September 30, 2018, the company had a total loan book of Rs. 42,590 crore, with the corporate finance portfolio accounting for 31%, micro loans for 24%, farm equipment for 15%, housing finance for 14%, two-wheelers for 10% and supply chain finance and other retail products for the balance.

L&T Finance Holdings Limited

L&T Finance Holdings Limited (LTFHL) was originally incorporated as L&T Capital Holdings Ltd in May 2008 and its name was subsequently changed in September 2010. The company is registered as an NBFC-CIC with the RBI. It is promoted by Larsen & Toubro Limited (L&T) as the holding company of L&T Group's financial services companies. LTFHL has three wholly-owned subsidiaries, namely, L&T Infrastructure Finance Company Limited, L&T Finance Limited and L&T Housing

Finance Limited, which undertake the Group's lending operations. L&T Infra Debt Fund, an NBFC-IDF, was incorporated in 2013, with LTFHL and its subsidiaries together holding a 100% stake in the company.

LTFHL, through its subsidiaries, offers a diverse range of financial products and services across rural, housing and wholesale finance businesses. It also offers fund management and other non-fund based services, such as insurance and mutual fund distribution and financial advisory services (project finance and pre-bid advisory), through its subsidiaries. Following an initial public offering in July 2011, L&T's shareholding in LTFHL declined to 82.64% from 99.99% earlier. Following some open market transactions, L&T's shareholding reduced further to 72.95% as on March 31, 2015. L&T currently holds a 64.01% stake in LTFHL.

On a consolidated basis, for H1FY2019, LTFHL reported PAT of Rs. 1,099 crore on an asset base of Rs. 1,00,316 crore compared to PAT of Rs. 669 crore for H1FY2018 (as per IGAAP), on a total asset base of Rs. 78,649 crore as on September 30, 2017(as per IGAAP). The consolidated entity's net worth was Rs. 12,315 crore as on September 30, 2018.

Larsen & Toubro Limited

Larsen & Toubro Limited (L&T, rated [ICRA]AAA(Stable)) is a leading engineering and construction company in India with a global presence. Headquartered in Mumbai, it has interests in infrastructure, power, metallurgical & material handling, heavy engineering, shipbuilding, electrical & automation, machinery and industrial products, and realty. Apart from India, it has a significant presence in the Middle East. Through its subsidiaries, associate companies and joint ventures, the Group is engaged in the hydrocarbon business, IT services, financial services, and infrastructure development ventures. For H1FY2019, L&T reported a consolidated PAT of Rs. 3,903 crore on a total asset base of Rs. 2,61,776 crore as on September 30, 2018 compared to PAT of Rs. 3,197 crore for H1FY2018 on a total asset base of Rs. 2,22,694 as on September 30, 2017.

Key financial indicators for L&T Finance Limited (Standalone)

	FY2017	FY2018	H1 FY2019 (unaudited)
	IGAAP	IGAAP	Ind-AS
Total Income	4,145	5,246	3,282
Profit after tax (PAT)	16.04	289.92	447.61
Net Worth	6,879 [^]	8,587 [^]	8,704 [^]
Total managed portfolio	29,246	39,146	42,590
Total managed assets	35,977	44,657	52,388
Return on managed assets (PAT/AMA)	0.08%*	0.71%*	1.85%
Return on average net worth (PAT/Avg. net worth)	0.43%*	3.75%*	10.35%
Gearing	4.0	4.0	4.90
Gross NPA/Stage 3 %	6.5%	6.1%	4.21%
Net NPA/Stage 3 %	4.0%	2.8%	1.62%
Net NPA/Net worth %	16.54%	12.40%	7.70%
CRAR%	16.4%	17.99%	17.11%

Gross NPA recognised at 120+ dpd for FY2017 and 90+ dpd for FY2018

*Profitability indicators are based on reported PAT of Rs.290 crore; the reported PAT is mainly subdued owing to the amortisation of goodwill (Rs.653 crore in fiscal 2018) on account of restructuring within the Group

[^]Includes goodwill

#AMA –Average managed asset

Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2019)					Chronology of Rating History for the past 3 years		
				Jan 2019	Sep 2018	Aug 2018	Jul 2018	Jun 2018	FY2018	FY2017	FY2016
				Mar 18	Mar 17	Mar 16					
1. Secured Redeemable Non-convertible Debenture [public issue] [#]	Long Term	5000	0	AAA (Stable)	-	-	-	-	-	-	-
2. Long Term Market Linked Debenture Programme	Long Term	500	0	PP-MLD(ICRA)AAA (Stable)	PP-MLD(ICRA)AAA (Stable)	-	-	-	-	-	-
3. Non-convertible Debenture Programme	Long Term	6,519	4,482.50	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (Stable)	(ICRA)AA+ (stable)
4. Subordinated Debt Programme	Long Term	1,325	765.00	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (Stable)	(ICRA)AA+(Stable)
5. Perpetual Debt Programme	Long Term	600	250	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA (stable)	(ICRA)AA (stable)	(ICRA)AA (stable)	(ICRA)AA (Stable)	(ICRA)AA (stable)
6. NCD Programme (public issuance)	Long Term	681.70	457.33	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AAA (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (stable)	(ICRA)AA+ (Stable)	-
7. CP Programme	Short Term	18,500	13,030	(ICRA)A1+	(ICRA)A1+	(ICRA)A1+	(ICRA)A1+	(ICRA)A1+	(ICRA)A1+	(ICRA)A1+	-

[#] The rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue]

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (in %)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE523E07BS2	Non-Convertible Debenture	20-May-15	8.87%	20-May-20	26	[ICRA]AAA (stable)
INE523E07DC2		29-Mar-16	8.90%	29-Apr-19	185	[ICRA]AAA (stable)
INE523E07DE8		13-Apr-16	8.69%	12-Mar-19	170	[ICRA]AAA (stable)
INE523E07DF5		13-Apr-16	8.70%	12-Apr-19	10	[ICRA]AAA (stable)
INE523E07DG3		13-Apr-16	8.69%	31-May-19	25	[ICRA]AAA (stable)
INE523E07DH1		13-Apr-16	8.69%	13-Jun-19	275	[ICRA]AAA (stable)
INE523E07DI9		13-Apr-16	8.68%	12-Sep-19	75	[ICRA]AAA (stable)
INE523E07DJ7		13-Apr-16	8.68%	30-Sep-19	4	[ICRA]AAA (stable)
INE759E07830		13-Jun-16	8.80%	13-Jun-19	10	[ICRA]AAA (stable)
INE759E07822		13-Jun-16	8.80%	11-Jun-21	10	[ICRA]AAA (stable)
INE523E07DN9		14-Jun-16	8.72%	14-Jun-19	50	[ICRA]AAA (stable)
INE523E07DO7		29-Jun-16	8.72%	28-Jun-19	130	[ICRA]AAA (stable)
INE523E07DP4		29-Jun-16	8.71%	22-Jul-19	2.5	[ICRA]AAA (stable)
INE027E07345		05-Aug-16	8.65%	05-Aug-19	5	[ICRA]AAA (stable)
INE759E07871		08-Sep-16	8.31%	06-Sep-19	50	[ICRA]AAA (stable)
INE759E07889		12-Sep-16	8.31%	12-Sep-19	200	[ICRA]AAA (stable)
INE523E07DV2		19-Jan-17	7.66%	18-Jan-19	50	[ICRA]AAA (stable)
INE523E07DW0		19-Jan-17	7.83%	20-Jan-20	150	[ICRA]AAA (stable)
INE027E07386		29-Mar-17	7.90%	29-Apr-20	100	[ICRA]AAA (stable)
INE027E07394		31-Mar-17	8.07%	29-May-20	300	[ICRA]AAA (stable)
INE027E07402		10-Apr-17	7.71%	10-Apr-19	150	[ICRA]AAA (stable)
INE027E07410	10-Apr-17	7.80%	08-May-20	100	[ICRA]AAA (stable)	
INE027E07436	25-May-17	7.85%	25-May-20	25	[ICRA]AAA (stable)	
INE027E07543	08-Aug-17	7.71%	08-Aug-22	465	[ICRA]AAA (stable)	
INE027E07550	06-Oct-17	7.70%	06-Oct-22	310	[ICRA]AAA (stable)	
INE027E07576	17-Oct-17	7.68%	18-Dec-20	150	[ICRA]AAA (stable)	
INE027E07584	24-Nov-17	7.85%	11-Dec-20	305	[ICRA]AAA (stable)	
INE027E07592	04-Dec-17	7.90%	04-Dec-20	750	[ICRA]AAA (stable)	
INE027E07600	06-Dec-17	7.84%	06-Jan-21	215	[ICRA]AAA (stable)	
INE027E07618	12-Dec-17	7.95%	12-Dec-22	85	[ICRA]AAA (stable)	
INE027E07626	29-Dec-17	8.00%	27-Nov-20	100	[ICRA]AAA (stable)	
		NA	NA	NA	2,036.50 ^A	[ICRA]AAA (stable)
INE523E07459	Retail Debentures (Public Issue)	9/17/2009	10.24%	9/17/2019	457.33	[ICRA]AAA (stable)
		NA	NA	NA	224.37 ^A	[ICRA]AAA (stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE027E08079	Perpetual Debt	3/30/2016	10.10%	3/30/2026	50	[ICRA]AA+ (stable)
INE523E08NG0		12/30/2011	11.50%	12/30/2021	200	[ICRA]AA+ (stable)
		NA	NA	NA	350.00 [^]	[ICRA]AA+ (stable)
INE523E08NH8	Subordinated Debt	21-Dec-12	9.80%	21-Dec-22	275	[ICRA]AAA (stable)
INE523E08NIG		27-Mar-14	10.35%	27-Mar-24	50	[ICRA]AAA (stable)
INE027E08053		09-Feb-16	9.35%	09-Feb-26	18	[ICRA]AAA (stable)
INE027E08061		04-Mar-16	9.48%	04-Mar-26	50	[ICRA]AAA (stable)
INE759E08044		23-Mar-16	9.30%	23-Mar-26	100	[ICRA]AAA (stable)
INE027E08020		27-Mar-14	10.90%	27-Mar-24	50	[ICRA]AAA (stable)
INE759E08028		30-Mar-15	9.95%	28-Mar-25	50	[ICRA]AAA (stable)
INE027E08038		30-Jun-14	10.40%	28-Jun-24	40	[ICRA]AAA (stable)
INE759E08036		09-Sep-15	9.25%	09-Sep-25	100	[ICRA]AAA (stable)
INE027E08046		29/01/16	9.35%	29-Jan-26	32	[ICRA]AAA (stable)
		NA	NA	NA	485.00 [^]	[ICRA]AAA (stable)
-	Commercial Paper	NA	NA	7-365 days	13030.00	[ICRA]A1+
-	Long Term Market Linked Debenture Programme	NA	NA	NA	500.00 [^]	[ICRA]AAA (stable)
-	Secured Redeemable Non-convertible Debenture [public issue]	NA	NA	NA	5000.00 [^]	[ICRA]AAA (stable)

[^]Yet to be placed

Source: L&T Finance Limited

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ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM CARE

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ANNEXURE B
CREDIT RATING LETTER AND RATING RATIONALE FROM CARE



CARE/HO/RL/2018-19/5533

Mr. Kumar Ayashkanta
Head Treasury Strategy & Ratings Group
L&T Finance Ltd. (erstwhile Family Credit Ltd),
L&T Financial Services Group,
2nd Floor, Brindavan Bldg, Plot no.177,
Kalina, Santacruz (East).
Mumbai - 400098

March 26, 2019

Confidential

Dear Sir,

Credit rating for Public issue of Long-term debt programme

(Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)

Please refer to our letter dated December 28, 2018 and your request for revalidation of the ratings assigned to the long term debt instrument of your company.

2. The following ratings have been reviewed:

Instrument	Amount (Rs. crore)	Outstanding* (Rs. crore)	Rating ¹	Rating Action
Public Issue of Long-term debt programme (Secured Redeemable Non-Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)	5000 (Rs. Five thousand Crore only)	1500 (Rs. Fifteen hundred crore only)	CARE AAA; Stable [Triple A; Outlook Stable]	Re-affirmed

*As on March 25, 2019

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

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.

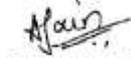
Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

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

Thanking you,

Yours faithfully,



[Akansha Jain]

Analyst

akansha.jain@careratings.com



[Ravi Kumar]

Associate Director

ravi.kumar@careratings.com

Encl.: As above

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Disclaimer

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

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

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CARE/HO/RL/2018-19/4931

Mr. Kumar Ayashkanta
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L&T Finance Ltd. (erstwhile Family Credit Ltd),
L&T Financial Services Group,
2nd Floor, Brindavan Bldg, Plot no.177,
Kalina, Santacruz (East).
Mumbai - 400098

February 20, 2019

Confidential

Dear Sir,

Credit rating for Public issue of Long-term debt programme
(Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable
Non-convertible Debenture)

Please refer to our letter dated December 28, 2018 and your request for revalidation of the ratings assigned to the long term debt instrument of your company.

2. The following ratings have been reviewed:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Public issue of Long-term debt programme (Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)	5000 (Rs. Five Thousand Crore only)	CARE AAA; Stable [Triple A; Outlook Stable]	Re-affirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter

4. Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture	Details of top 10 investors

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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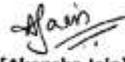
							Trustee	
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw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

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

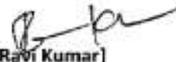
Thanking you,

Yours faithfully,



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Analyst

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[Ravi Kumar]
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ravi.kumar@careratings.com

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

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Mumbai - 400098

January 31, 2019

Confidential

Dear Sir,

Credit rating for Public issue of Long-term debt programme

(Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)

Please refer to our letter dated December 28, 2018 and your request for revalidation of the ratings assigned to the long term debt instrument of your company.

2. The following ratings have been reviewed:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Public issue of Long-term debt programme (Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)	5000 (Rs. Five Thousand Crore only)	CARE AAA; Stable [Triple A; Outlook Stable]	Re-affirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter

4. Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
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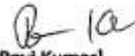
Thanking you,

Yours faithfully,



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

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No. CARE/HO/RL/2018-19/4196
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Kalina, Santacruz (East),
Mumbai - 400098

December 28, 2018

Confidential

Dear Sir,

Credit rating for Public issue of Long-term debt programme
(Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated
Redeemable Non-convertible Debenture)

Please refer to your request for rating of proposed non-convertible debenture/subordinated debt public issue aggregating to Rs.5000 crore of your company.

The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Public issue of Long-term debt programme (Secured Redeemable Non-Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)	5000 (Rs. Five Thousand Crore only)	CARE AAA; Stable [Triple A; Outlook Stable]	Assigned

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is June 23, 2019).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs)	Coupon Rate	Coupon Payment	Terms of Redemption	Redemption date	Name and contact	Details of top 10
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

		cr)	Dates			details of Debenture Trustee	investors
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5. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
6. The rationale for the rating will be communicated to you separately.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

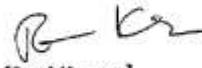
Thanking you,

Yours faithfully,



[Akansha Jain]
Analyst

akansha.jain@careratings.com



[Ravi Kumar]
Associate Director

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CARE Ratings Limited
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Encl.: As above

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

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L&T Finance Ltd.
(Erstwhile Family Credit Ltd.)
 December 31, 2018

atings

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Secured Redeemable Non-Convertible Debenture (public issue)/Unsecured Redeemable Subordinated Non-Convertible Debenture (Public Issue)	5,000 (Rs. Five thousand crore only)	CARE AAA; Stable [Triple A; Outlook: Stable]	Assigned

Details of instruments/facilities in Annexure-1

¹Reclassification of the instrument for which rating assigned as per Press Release dated December 25, 2018.

Detailed Rationale & Key Rating Drivers

The rating factors in the strategic importance of L&TFHL group to the L&T group as the flagship holding company of the group's financial services business, sharing of the L&T brand name, experienced management and L&TFHL's strong resource raising ability. The rating further factors in L&TFHL's well-diversified business profile in the financial sector through its subsidiaries that have a good presence and track record in segments like rural finance, housing finance, wholesale finance and asset management services, profitable track record of its subsidiaries and moderate asset quality. The continued support from L&T, profitability and asset quality are the key rating sensitivities.

Detailed description of the key rating drivers**Key Rating Strengths****Strong parentage and strategic importance for the parent company/group**

L&TFHL is promoted by Larsen and Toubro Ltd (L&T), which is one of India's leading engineering and construction companies, with interests in projects, infrastructure development, manufacturing, IT & financial services. L&TFHL, being the group's flagship holding company in the financial services field, has a strategic importance for the L&T group and L&T is expected to continue to hold a majority stake and provide support in times of stress.

LTF is a wholly-owned subsidiary of L&T Finance Holdings Ltd (LTFHL), the flagship holding company for the L&T Financial services group. Larsen & Toubro Ltd. (L&T) one of India's leading engineering company, is the ultimate parent of LTF. As on March 31, 2018, L&T held 64.01% equity stake in L&TFHL. The credit profile of L&T Finance Ltd (LTF) (erstwhile Family Credit Ltd) derives significant strength from its parentage and the resultant financial, operational and management support. The company also benefits from the integrated treasury operations of L&T Financial Services Group.

Experienced management and brand value of L&T

The board and senior management of L&TFHL has representation from the senior management of L&T group. The company is led by Mr. Dinanath Dubhashi, the Managing Director and CEO of the company, who has extensive experience in the financial services industry. The company has a board comprising eminent industry personnel with extensive industry experience, including Mr.S.Haribhakti (Non-Executive Chairman), and Mr. R. Shankar Raman, CFO, L&T Ltd. (Non-Executive Director).

Strong resource raising ability and capital position

During Q4FY18, Rs.3,000 crore of equity was infused in L&TFHL, where Rs.1,000 crore was raised through qualified institutional placement (QIP) and Rs.2,000 crore was infused by L&T Limited. On a consolidated basis, L&TFHL's tangible net-worth stood at Rs.11,538 crore as on March 31, 2018. Post the equity infusion, on a consolidated basis, L&T Finance Holdings Limited (L&TFHL) is one of the few non-banking financial services group in India with such a large capital base. As on March 31, 2018, the overall gearing was 6.29 times (P.Y.: 8.55 times) on a consolidated basis because of rise in borrowings. On a consolidated basis, L&TFHL reported net worth of Rs.12,315 crore as on September 30, 2018. The gearing level stood at 6.95 times as on September 30, 2018.

The capitalization level of L&T Finance Ltd. (erstwhile Family Credit Ltd) has remained adequate. The Total CAR was 18% FY17: 16.42%) and Tier I CAR was 15.7% (FY17: 13.37%) respectively as on March 31, 2018. Overall gearing of the company was 5.72 times as on March 31, 2018. The company is expected to receive equity infusion as and when required from the parent LTFHL.

Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Diversified revenue streams through subsidiaries that have established track record

L&TFHL, through its subsidiaries has presence across various financial services like rural finance, housing finance, wholesale finance and asset management services. The company has revised its portfolio strategy with renewed focus on rural, housing and retail loan book.

Financial Performance

On a consolidated basis, the outstanding portfolio of L&TFHL grew by 25% during FY18 to Rs.83,654 crore as on March 31, 2018. On a consolidated basis, L&TFHL reported PAT of Rs.1,459 crore on total income of Rs.10,500 crore in FY18 as compared to PAT of Rs.1,042 crore on a total income of Rs.8,572 crore in FY17. Return on Total Assets (RoTA) was 1.81% in FY18 (FY17: 1.54%) on consolidated basis. As on September 30, 2018, the loan portfolio (gross) stood at Rs.91,201 crore.

During FY18, L&T Finance Limited (erstwhile Family Credit) reported PAT of Rs.290 crore on the total income of Rs.5,246 crore. The NIM was 7.27% in FY18.

Liquidity profile of L&T Finance Ltd (erstwhile Family Credit Ltd)

The ALM profile as on March 31, 2018 had cumulative positive mismatches in all buckets up to 1 year except 2-3 months' time frame. The company keeps undrawn bank lines on an ongoing basis to meet any liquidity requirement. Also the Company expects inflows due to sell down of assets. Furthermore, the group's resource raising capability through a common treasury provides comfort.

As on September 30, 2018, the liquidity profile of L&T Finance Ltd (erstwhile Family Credit Ltd) stood comfortable as the company maintained cumulative positive mismatches in all time frames. The company maintained liquidity to the tune of Rs.7,733 crore as on October 31, 2018 which consists of Rs.5,091 crore of cash & bank balance, fixed deposits and liquid investments, Rs.1,942 crore of undrawn bank lines and Rs.700 crore of back up line from L&T Limited.

Key Rating Weaknesses

Moderate asset quality

On a consolidated basis, L&TFHL's GNPA and NNPA ratio (90 d-p-d) was 4.80% and 2.34% respectively as on March 31, 2018, as compared to GNPA and NNPA ratio (120 d-p-d) of 4.94% and 2.89% as on March 31, 2017. The NNPA (90d-p-d) to Net-worth ratio was 14.67% as on March 31, 2018 as against 25.19% as on March 31, 2017. The Gross stage 3 assets and Net stage 3 assets ratio (90 d-p-d) was 7.10% and 2.79% respectively as on September 30, 2018 as per IND-AS. On a standalone basis, LTF's Gross and Net NPA ratio (90 d-p-d) was 6.07% and 2.82%, respectively as on March 31, 2018 [March 2017: 6.51% and 4.02%(120 d-p-d)]. The overall NPA has marginally improved despite transition to stricter NPA recognition norms. . The Net NPA to tangible Net worth ratio was at 17.52% (March 2017: 29.3%).

Industry Prospects

Due to subdued economic environment, last few years have been challenging period for the NBFCs with moderation in growth and rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalization levels and liquidity management continue to provide comfort to the credit profile of NBFCs in spite of impact on profitability. Also with the improvement in economic environment, asset quality pressures should ease which will partially offset the impact of migration towards 90 day NPA recognition norm.

Analytical Approach:

L&T Finance Holdings Ltd, the holding company of L&T Financial Services group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view for arriving at the ratings. The list of the subsidiaries considered for consolidation is as per Annexure III.

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's policy on default recognition](#)
[Rating Methodology- Non Banking Finance Companies](#)
[Financial Ratios-Financial Sector](#)
[Factor Linkages in Ratings](#)
[Rating of Short term instruments](#)

About L&T Finance Holdings Ltd. (parent company)

L&TFHL is RBI registered Non-Banking Finance Company - Core Investment Company (NBFC – CIC) and holding company for the financial services entities of the L&T group. The board and senior management of L&TFHL has representation from the senior management of L&T. The company came up with an Initial Public Offer (IPO) during FY12 and as on March 31,

2018, L&T held 64.01% equity stake in L&TFHL. The group has three key business segments, namely rural finance (comprising farm equipment, two wheeler and microloans), housing finance (comprising home loans, LAP and real estate finance) and wholesale lending (comprising infra finance and structured corporate loans). As on March 31, 2018, the gross loan portfolio stood at Rs. 83,654 crore.

L&TFHL (Consolidated)

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	8,572	10,500
PAT(after share of profit and minority interest)	1,042	1,459
Overall Gearing (times)	8.55	5.69
Total Assets (adjusted for Deferred Tax assets)	71,759	89,230
Gross NPA (%)	4.945	4.80
ROTA (%) (PAT/Average Total Assets)	1.54	1.81

A: Audited

About LTF

L&T Finance Ltd. (erstwhile Family Credit Ltd) was originally incorporated as Apeejay Finance Group Ltd. in 1993. In September, 2006, Societe Generale Consumer Finance (SGCF), a division of Societe Generale Group, France, acquired 45% stake in the company and gradually increased its stake to 100% by October 2007. Subsequently, the company's name was changed to Family Credit Limited. In December 2012, L&T Finance Holding Limited (LTFHL) (rated CARE AAA; Stable); the flagship holding company for the financial services of the L&T Group acquired 100% shareholding in FCL. During March'17, L&TFHL has completed amalgamation of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited. The amalgamated entity is renamed as L&T Finance Limited. As on March 31, 2018, L&T Finance Ltd had a combined loan portfolio of Rs.37,823 crore.

L&T Finance Ltd (erstwhile Family Credit Ltd)

Brief Financials (Rs. crore)	FY17 (A)	FY18(A)
Total income	4,145	5,246
PAT	16	290
Overall Gearing (times)	7.16	5.72
Total Assets (adjusted for Intangible assets and Deferred Tax assets)	32,982	37,823
Gross NPA (%)	6.51	6.07
ROTA (%) (PAT/Average Total Assets)	0.05	0.77

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading

service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Secured Redeemable Non-Convertible Debenture (public issue)/ Unsecured Redeemable Subordinated Non-Convertible Debenture (Public Issue)	-	-	-	5000	CARE AAA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	300.00	CARE AAA; Stable	-	1)CARE AAA; Stable (16-Mar-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
2.	Commercial Paper	ST	18500.00	CARE A1+	-	1)CARE A1+ (26-Feb-18) 2)CARE A1+ (09-Oct-17) 3)CARE A1+ (07-Jul-17) 4)CARE A1+ (17-Apr-17)	1)CARE A1+ (21-Mar-17) 2)CARE A1+ (30-Dec-16) 3)CARE A1+ (04-Nov-16) 4)CARE A1+ (30-Jun-16)	1)CARE A1+ (17-Nov-15) 2)CARE A1+ (22-Jul-15)
3.	Borrowings-Secured Long Term Borrowings	LT	2300.00	CARE AAA; Stable	-	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable (26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
4.	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
5.	Debentures-Non	LT	300.00	CARE AAA;	-	1)CARE AAA;	1)CARE AA+;	1)CARE AA+

Convertible Debentures			Stable		Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	(17-Nov-15)
6. Debt-Subordinate Debt	LT	50.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
7. Debentures-Non Convertible Debentures	LT	400.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
8. Debentures-Non Convertible Debentures	LT	350.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
9. Debentures-Non Convertible Debentures	LT	750.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)
10. Debt-Subordinate Debt	LT	75.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)

11. Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16) 3)CARE AA+ (06-Apr-16)	-
12. Debt-Perpetual Debt	LT	100.00	CARE AA+; Stable	-	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (30-Dec-16) 2)CARE AA (04-Nov-16) 3)CARE AA (06-Apr-16)	-
13. Debentures-Non Convertible Debentures	LT	4400.00	CARE AAA; Stable	-	1)CARE AAA; Stable (08-Mar-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)	-
14. Debt-Subordinate Debt	LT	350.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)	-
15. Debentures-Non Convertible Debentures	LT	600.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)	-
16. Debt-Perpetual Debt	LT	250.00	CARE AA+; Stable	-	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (21-Mar-17)	-

17.	Fund-based - LT-Term Loan	LT	18450.00	CARE AAA; Stable	-	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable (26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	-	-
18.	Debt-Perpetual Debt	LT	150.00	CARE AA+; Stable	-	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	-	-
19.	Fund-based - LT-Term Loan	LT	350.00	CARE AAA; Stable	-	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable (26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	-	-
20.	Debt-Subordinate Debt	LT	625.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	-	-
21.	Debentures-Non Convertible Debentures	LT	3625.00	CARE AAA; Stable	-	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	-	-
22.	Commercial Paper-Commercial Paper	ST	0.00	Withdrawn	1)CARE A1+ (25-Jul-18)	1)CARE A1+ (30-Mar-18)	-	-

	(IPO Financing)				2)Withdrawn (23-Jul-18) 3)Withdrawn (21-Jun-18) 4)CARE A1+ (21-Jun-18)	2)Withdrawn (08-Mar-18) 3)CARE A1+ (16-Jan-18) 4) Withdrawn (07-Dec-17) 5)CARE A1+ (09-Oct-17)		
23.	Debentures-Market Linked Debentures	LT	500.00	CARE PP-MLD AAA; Stable	-	1)CARE PP-MLD AAA; Stable (26-Feb-18) 2)CARE PP-MLD AA+; Positive (05-Dec-17)	-	-
24	Non-Convertible Debentures	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (05-Sept-18)	-	-	-
25	Non-Convertible Debentures/ Subordinate Debt	LT	5000.00	CARE AAA; Stable	1)CARE AAA; Stable (25-Dec-18)	-	-	-

Annexure III: List of subsidiaries/associates considered for consolidation as on 31st March 2018

Sr. No	Name of Company
1	L&T Infrastructure Finance Company Limited
2	L&T Investment Management Limited
3	L&T Mutual Fund Trustee Limited
4	L&T Financial Consultants Limited (erstwhile known as L&T Vrindavan Properties Limited)
5	L&T Infra Investment Partners Advisory Private Limited
6	L&T Infra Investment Partners Trustee Private Limited
7	L&T Finance Limited (erstwhile known as Family Credit Limited)
8	L&T Housing Finance Limited
9	L&T Capital Markets Limited
10	L&T Infra Debt Fund Limited
11	Mudit Cements Private Limited
12	Grameen Capital India Private Limited

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CIN - L67190MH1993PLC071691

ANNEXURE C

CREDIT RATING LETTER AND RATING RATIONALE FROM INDIA RATINGS

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ANNEXURE C

CREDIT RATING LETTER AND RATING RATIONALE FROM INDIA RATINGS

**India Ratings
& Research**

Fitch Group

Mr. Sachinn Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai - 400078

March 25, 2019

Dear Mr. Sachinn Joshi,

Re: Rating of L&T Finance Limited's (LTFL) non-convertible debentures

India Ratings (see definition below) communicates the following debt rating to LTFL:-

INR50 bn secured redeemable non-convertible debentures [public issue]: 'IND AAA' with Stable Outlook (the rated limit is interchangeable with unsecured subordinated redeemable non-convertible debentures [public issue])

Of the above L&T Finance Limited has already issued INR 15bn.

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identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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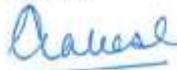
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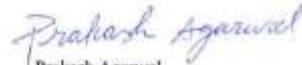
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Sincerely,

India Ratings



Rakesh Valecha
Senior Director



Prakash Agarwal
Director

Mr. Sachinn Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai – 400098

February 20, 2019

Dear Mr. Sachinn Joshi,

Re: Rating of L&T Finance Limited's (LTFL) non-convertible debentures

India Ratings (see definition below) communicates the following debt rating to LTFL:-

INR50 bn secured redeemable non-convertible debentures [public issue]: 'IND AAA' with Stable Outlook (the rated limit is interchangeable with unsecured subordinated redeemable non-convertible debentures [public issue])

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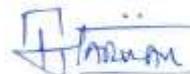
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Sincerely,

India Ratings


Prakash Agarwal
Director


Prashant Tarwadi
Director

Mr. Sachinn Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai – 400098

January 31, 2019

Dear Mr. Sachinn Joshi,

Re: Rating of L&T Finance Limited's (LTFL) non-convertible debentures

India Ratings (see definition below) communicates the following debt rating to LTFL:-

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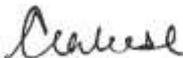
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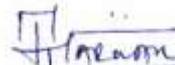
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Sincerely,

India Ratings



Rakesh Vaidya
Senior Director



Prashant Tarwadi
Director

Mr. Sachinn Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai – 400098

December 31, 2018

Dear Mr. Sachinn Joshi,

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India Ratings (see definition below) assigns the following debt rating to LTFL:-

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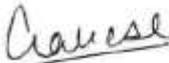
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Sincerely,

India Ratings



Rakesh Valecha
Senior Director



Prakash Agarwal
Director

India Ratings Assigns L&T Finance's Additional NCDs at 'IND AAA'/Stable

24

DEC 2018

By [Jindal Haria](#)

India Ratings and Research (Ind-Ra) rated L&T Finance Limited's (LTFL) non-convertible debentures (NCDs) as follows:

Instrument Type	Date of issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
NCDs* ^	-	-	-	INR50	IND AAA/Stable	Assigned

*Yet to be issued

^the rated limit is interchangeable with Unsecured subordinated Redeemable NCDs

Analytical Approach: Ind-Ra has taken a consolidated view of L&T Finance Holdings Limited (LTFHL; 'IND AAA'/Stable) and its operating subsidiaries including LTFL (together referred to as financial services) while assigning the rating, given the financial and operational flexibilities that the consolidated finance platform offers to the company as well as the borrowers.

KEY RATING DRIVERS

L&T Group's High Propensity and Ability to Support: The financial services business is among the high growth and profitability businesses in the L&T group. The financial services business has received regular capital infusions of about INR38 billion from the group since inception, of which INR20 billion was infused in 4QFY18. L&T group has a strong operating profile with adequate resources in terms of on-book liquidity, ability to raise funds from banks as well as capital markets, and assets/investments that can be monetized to support financial services' growth and liquidity requirements.

The L&T group has articulated that financial services is a core and integral part of its strategy and expected to be one of the key value drivers for the group. It will also maintain strategic linkages, management oversight and control, majority shareholding and support lines (contingency lines of INR20 billion) towards financial services on an

ongoing basis. The management also indicated fungibility with financial services in terms of capital and liquidity over the long term. Ind-Ra expects financial services to contribute about 20% to the group profits in the medium term.

Diversified Business Segments: LTFI is the largest subsidiary of LTFHL by loan book size, almost 50% of the total loans in 1HFY19. It houses the high growth segments of rural business such as micro loans, and tractor and two-wheeler loans of the entire LTFHL platform. In addition, it has real estate finance (16% of LTFI book and 55% of total real estate finance across the LTFHL platform), and wholesale finance including infrastructure and structured corporate finance (totaling 31%). Further, LTFI also carries defocused book on its balance sheet (personal loans, car, commercial vehicle, construction equipment loans, etc); it has almost runoff and constitutes about 2% of LTFI's advances. The assets in infrastructure, corporate finance and real estate financing are booked in LTFI and other operating entities based on available liquidity and tenors, capital availability and regulations.

Adequate Liquidity: The treasury operations and officials are common for LTFHL and its operating subsidiaries. In terms of asset liability management, the company's short-term assets are in excess of short-term liabilities by about 3% of the total liabilities. The company also has 57% of borrowings with tenor of more than one year. It also has unavailed bank lines of INR16 billion, on balance sheet liquidity of about INR30 billion, and is likely to increase roughly in line with the growth in the company's loan book. LTFI has access to LTFHL's liquidity which, in addition to its own fund mobilising ability, has access to L&T group's liquidity.

Moderate Asset Quality: Overall, LTFI's stage 3 assets are about 4.2% of the total assets under management in 1HFY19. Rural business' stage 3 assets are at 4.3% in 1HFY19, primarily driven by farm equipment (in line with peers). The provision coverage ratio was 62% in 1HFY19; Ind-Ra expects the provision coverage to remain steady. The agency expects the asset quality of rural portfolio to depend on the portfolio quality of micro loans (microloan portfolio increased 127% yoy in September 2018). The real estate portfolio may also witness stress over the next one-to-two years, given the already present underlying and liquidity stress especially over the last three months.

For detailed rating rationale on LTFI's parent LTFHL, please click [here](#).

RATING SENSITIVITIES

Negative: Dilution of support expectations in Ind-Ra's opinion, either on account of inability to manage asset quality especially in view of the high loan growth strategy, resulting in higher-than-expected losses or diminished business prospects, materially weakened financial parameters, or decreased importance of LTFI or financial services to the L&T group, or otherwise could lead to a rating downgrade. Lack of timely support in terms of equity capital for growth or a liquidity event would also lead to a negative rating action. Any deterioration in the credit profile of L&T group is also likely to impact the ratings. Change of ownership outside of the group could also lead to a negative rating action.

COMPANY PROFILE

L&T Finance Ltd. (erstwhile Family Credit Ltd) is a wholly-owned subsidiary of LTFHL. It houses the rural business of LTFHL. It also has on-book real estate developer and wholesale finance loans.

FINANCIAL SUMMARY

Particulars	FY18	FY17
Total assets (INR million)	378,232.4	359,768.3
Total equity (INR million)	85,867.5	68,793.9
Net profit (INR million)	2,899.2	160.4
Return on average assets (%)	0.7	0.08
Equity/assets (%)	20.3	19.1
Source: LTFI		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook
	Rating Type	Rated Limits (billion)	Rating	24 January 2018
NCDs	Long-term	INR110	IND AAA/Stable	IND AAA/Stable

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCD	INE027E07634	27 March 18	8.25%	8 April 2021	INR0.83	IND AAA/Stable
NCD	INE027E07642	28 March 18	8.25%	21 June 2021	INR0.95	IND AAA/Stable
NCD	INE027E07659	6 June 2018	8.65%	28 April 2022	INR0.55	IND AAA/Stable
NCD	INE027E07667	29 June 2018	8.70%	29 June 2021	INR1.0	IND AAA/Stable
NCD	INE027E07675	6 July 2018	8.95%	10 June 2022	INR0.35	IND AAA/Stable
NCD	INE027E07683	6 July 2018	8.92%	6 October 2021	INR1.27	IND AAA/Stable
NCD	INE027E07691	20 July 2018	8.92%	30 July 2021	INR0.25	IND AAA/Stable
NCD	INE027E07709	20 July 2018	8.95%	16 August 2021	INR3.6	IND AAA/Stable
NCD	INE027E07642	27 July 2018	8.25%	21 June 2021	INR0.8	IND AAA/Stable
NCD	INE027E07717	2 Aug 2018	8.86%	2 Aug 2023	INR0.35	IND AAA/Stable
NCD	INE027E07642	9 August 2018	8.25%	21 June 2021	INR0.55	IND AAA/Stable
NCD	INE027E07691	20 August 2018	8.92%	30 July 2021	INR0.11	IND AAA/Stable
NCD	INE027E07709	20 August 2018	8.95%	16 August 2021	INR0.51	IND AAA/Stable
NCD	INE027E07725	20 August 2018	8.60%	19 December 2019	INR0.25	IND AAA/Stable
NCD	INE027E07733	20 August 2018	8.75%	19 August 2020	INR0.8	IND AAA/Stable
NCD	INE027E07733	27 August 2018	8.75%	19 August 2020	INR3.4	IND AAA/Stable

NCD	INE027E07725	31 August 2018	8.60%	19 August 2020	INR0.5	IND AAA/Stable
NCD	INE027E07741	31 August 2018	8.62%	19 December 2019	INR0.25	IND AAA/Stable
NCD	INE027E07683	31 August 2018	8.92%	6 October 2021	INR0.5	IND AAA/Stable
NCD	INE027E07758	12 September 2018	8.82%	3 September 2021	INR0.59	IND AAA/Stable
NCD	INE027E07758	31 October 2018	8.82%	3 September 2021	INR0.05	IND AAA/Stable
NCD	INE759E07897	31 October 2018	9.48%	14 March 2022	INR0.76	IND AAA/Stable
NCD	INE027E07618	31 October 2018	7.95%	12 December 2022	INR0.17	IND AAA/Stable
NCD	INE027E07659	14 November 2018	8.65%	28 April 2022	INR0.3	IND AAA/Stable
NCD	INE027E07741	20 November 2018	8.62%	30 January 2020	INR0.52	IND AAA/Stable
NCD	INE027E07550	20 November 2018	7.70%	6 October 2022	INR0.65	IND AAA/Stable
Utilised					INR28.85	
Unutilised					INR81.15	
Total					INR110.00	

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Applicable Criteria

[Financial Institutions Rating Criteria](#)
[Non-Bank Finance Companies Criteria](#)
[Rating FI Subsidiaries and Holding Companies](#)

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ANNEXURE D

ILLUSTRATIVE CASH FLOW

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36 Months - Annual Coupon Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	36 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	8.70%
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	8.90%
Redemption Date/Maturity Date (assumed)	April 25, 2022
Frequency of interest payment	Annual
Option 1: Effective Yield for Category I Investors and Category II Investors	8.69%
Option 2: Effective Yield for Category III Investors and Category IV Investors	8.89%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (in Rs.)	Option 2: For Category III Investors and Category IV Investors (in Rs.)
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment 1	Saturday, April 25, 2020	Monday, April 27, 2020	366	87.00	89.00
Coupon/Interest Payment 2	Sunday, April 25, 2021	Monday, April 26, 2021	365	87.00	89.00
Coupon/Interest Payment 3	Monday, April 25, 2022	Monday, April 25, 2022	365	87.00	89.00
Principal	Monday, April 25, 2022	Monday, April 25, 2022		1000	1000

36 Months - Cumulative Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	36 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	NA
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	NA
Redemption Date/Maturity Date (assumed)	April 25, 2022
Frequency of interest payment	NA
Option 1: Effective Yield for Category I Investors and Category II Investors	8.7000%
Option 2: Effective Yield for Category III Investors and Category IV Investors	8.9000%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (in Rs.)	Option 2: For Category III Investors and Category IV Investors (in Rs.)
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment	Monday, April 25, 2022	Monday, April 25, 2022	1096	284.66	291.77
Principal	Monday, April 25, 2022	Monday, April 25, 2022		1000	1000

60 Months - Annual Coupon Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	60 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	8.80%
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	9.00%
Redemption Date/Maturity Date (assumed)	April 25, 2024
Frequency of interest payment	Annual
Option 1: Effective Yield for Category I Investors and Category II Investors	8.79%
Option 2: Effective Yield for Category III Investors and Category IV Investors	8.99%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (in Rs.)	Option 2: For Category III Investors and Category IV Investors (in Rs.)
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment 1	Saturday, April 25, 2020	Monday, April 27, 2020	366	88.00	90.00
Coupon/Interest Payment 2	Sunday, April 25, 2021	Monday, April 26, 2021	365	88.00	90.00
Coupon/Interest Payment 3	Monday, April 25, 2022	Monday, April 25, 2022	365	88.00	90.00
Coupon/Interest Payment 4	Tuesday, April 25, 2023	Tuesday, April 25, 2023	365	88.00	90.00
Coupon/Interest Payment 5	Thursday, April 25, 2024	Thursday, April 25, 2024	366	88.00	90.00
Principal	Thursday, April 25, 2024	Thursday, April 25, 2024		1000	1000

60 Months - Monthly Coupon Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	60 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	8.4800%
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	8.660%
Redemption Date/Maturity Date (assumed)	April 25, 2024
Frequency of interest payment	Monthly
Option 1: Effective Yield for Category I Investors and Category II Investors	8.81%
Option 2: Effective Yield for Category III Investors and Category IV Investors	9.00%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ([₹])	Option 2: For Category III Investors and Category IV Investors ([₹])
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment 1	Saturday, May 25, 2019	Monday, May 27, 2019	30	6.95	7.1
Coupon/Interest Payment 2	Tuesday, June 25, 2019	Tuesday, June 25, 2019	31	7.18	7.33
Coupon/Interest Payment 3	Thursday, July 25, 2019	Thursday, July 25, 2019	30	6.95	7.1
Coupon/Interest Payment 4	Sunday, August 25, 2019	Monday, August 26, 2019	31	7.18	7.33
Coupon/Interest Payment 5	Wednesday, September 25, 2019	Wednesday, September 25, 2019	31	7.18	7.33
Coupon/Interest Payment 6	Friday, October 25, 2019	Friday, October 25, 2019	30	6.95	7.1

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Coupon/Interest Payment 7	Monday, November 25, 2019	Monday, November 25, 2019	31	7.18	7.33
Coupon/Interest Payment 8	Wednesday, December 25, 2019	Thursday, December 26, 2019	30	6.95	7.1
Coupon/Interest Payment 9	Saturday, January 25, 2020	Monday, January 27, 2020	31	7.18	7.33
Coupon/Interest Payment 10	Tuesday, February 25, 2020	Tuesday, February 25, 2020	31	7.18	7.33
Coupon/Interest Payment 11	Wednesday, March 25, 2020	Wednesday, March 25, 2020	29	6.72	6.86
Coupon/Interest Payment 12	Saturday, April 25, 2020	Monday, April 27, 2020	31	7.18	7.33
Coupon/Interest Payment 13	Monday, May 25, 2020	Monday, May 25, 2020	30	6.97	7.12
Coupon/Interest Payment 14	Thursday, June 25, 2020	Thursday, June 25, 2020	31	7.20	7.36
Coupon/Interest Payment 15	Saturday, July 25, 2020	Monday, July 27, 2020	30	6.97	7.12
Coupon/Interest Payment 16	Tuesday, August 25, 2020	Tuesday, August 25, 2020	31	7.20	7.36
Coupon/Interest Payment 17	Friday, September 25, 2020	Friday, September 25, 2020	31	7.20	7.36
Coupon/Interest Payment 18	Sunday, October 25, 2020	Monday, October 26, 2020	30	6.97	7.12
Coupon/Interest Payment 19	Wednesday, November 25, 2020	Wednesday, November 25, 2020	31	7.20	7.36
Coupon/Interest Payment 20	Friday, December 25, 2020	Monday, December 28, 2020	30	6.97	7.12
Coupon/Interest Payment 21	Monday, January 25, 2021	Monday, January 25, 2021	31	7.20	7.36
Coupon/Interest Payment 22	Thursday, February 25, 2021	Thursday, February 25, 2021	31	7.20	7.36
Coupon/Interest Payment 23	Thursday, March 25, 2021	Thursday, March 25, 2021	28	6.51	6.64
Coupon/Interest Payment 24	Sunday, April 25, 2021	Monday, April 26, 2021	31	7.20	7.36
Coupon/Interest Payment 25	Tuesday, May 25, 2021	Tuesday, May 25, 2021	30	6.97	7.12
Coupon/Interest Payment 26	Friday, June 25, 2021	Friday, June 25, 2021	31	7.20	7.36
Coupon/Interest Payment 27	Sunday, July 25, 2021	Monday, July 26, 2021	30	6.97	7.12
Coupon/Interest Payment 28	Wednesday, August 25, 2021	Wednesday, August 25, 2021	31	7.20	7.36
Coupon/Interest Payment 29	Saturday, September 25, 2021	Monday, September 27, 2021	31	7.20	7.36

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Coupon/Interest Payment 30	Monday, October 25, 2021	Monday, October 25, 2021	30	6.97	7.12
Coupon/Interest Payment 31	Thursday, November 25, 2021	Thursday, November 25, 2021	31	7.20	7.36
Coupon/Interest Payment 32	Saturday, December 25, 2021	Monday, December 27, 2021	30	6.97	7.12
Coupon/Interest Payment 33	Tuesday, January 25, 2022	Tuesday, January 25, 2022	31	7.20	7.36
Coupon/Interest Payment 34	Friday, February 25, 2022	Friday, February 25, 2022	31	7.20	7.36
Coupon/Interest Payment 35	Friday, March 25, 2022	Friday, March 25, 2022	28	6.51	6.64
Coupon/Interest Payment 36	Monday, April 25, 2022	Monday, April 25, 2022	31	7.20	7.36
Coupon/Interest Payment 37	Wednesday, May 25, 2022	Wednesday, May 25, 2022	30	6.97	7.12
Coupon/Interest Payment 38	Saturday, June 25, 2022	Monday, June 27, 2022	31	7.20	7.36
Coupon/Interest Payment 39	Monday, July 25, 2022	Monday, July 25, 2022	30	6.97	7.12
Coupon/Interest Payment 40	Thursday, August 25, 2022	Thursday, August 25, 2022	31	7.20	7.36
Coupon/Interest Payment 41	Sunday, September 25, 2022	Monday, September 26, 2022	31	7.20	7.36
Coupon/Interest Payment 42	Tuesday, October 25, 2022	Tuesday, October 25, 2022	30	6.97	7.12
Coupon/Interest Payment 43	Friday, November 25, 2022	Friday, November 25, 2022	31	7.20	7.36
Coupon/Interest Payment 44	Sunday, December 25, 2022	Monday, December 26, 2022	30	6.97	7.12
Coupon/Interest Payment 45	Wednesday, January 25, 2023	Wednesday, January 25, 2023	31	7.20	7.36
Coupon/Interest Payment 46	Saturday, February 25, 2023	Monday, February 27, 2023	31	7.20	7.36
Coupon/Interest Payment 47	Saturday, March 25, 2023	Monday, March 27, 2023	28	6.51	6.64
Coupon/Interest Payment 48	Tuesday, April 25, 2023	Tuesday, April 25, 2023	31	7.20	7.36
Coupon/Interest Payment 49	Thursday, May 25, 2023	Thursday, May 25, 2023	30	6.95	7.1
Coupon/Interest Payment 50	Sunday, June 25, 2023	Monday, June 26, 2023	31	7.18	7.33
Coupon/Interest Payment 51	Tuesday, July 25, 2023	Tuesday, July 25, 2023	30	6.95	7.1
Coupon/Interest Payment 52	Friday, August 25, 2023	Friday, August 25, 2023	31	7.18	7.33
Coupon/Interest Payment 53	Monday, September 25, 2023	Monday, September 25, 2023	31	7.18	7.33
Coupon/Interest Payment 54	Wednesday, October 25, 2023	Wednesday, October 25, 2023	30	6.95	7.1

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (%)	Option 2: For Category III Investors and Category IV Investors (%)
Coupon/Interest Payment 55	Saturday, November 25, 2023	Monday, November 27, 2023	31	7.18	7.33
Coupon/Interest Payment 56	Monday, December 25, 2023	Tuesday, December 26, 2023	30	6.95	7.1
Coupon/Interest Payment 57	Thursday, January 25, 2024	Thursday, January 25, 2024	31	7.18	7.33
Coupon/Interest Payment 58	Sunday, February 25, 2024	Monday, February 26, 2024	31	7.18	7.33
Coupon/Interest Payment 59	Monday, March 25, 2024	Monday, March 25, 2024	29	6.72	6.86
Coupon/Interest Payment 60	Thursday, April 25, 2024	Thursday, April 25, 2024	31	7.18	7.33
Principal	Thursday, April 25, 2024	Thursday, April 25, 2024		1000	1000

60 Months - Cumulative Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	60 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	NA
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	NA
Redemption Date/Maturity Date (assumed)	April 25, 2022
Frequency of interest payment	NA
Option 1: Effective Yield for Category I Investors and Category II Investors	8.80%
Option 2: Effective Yield for Category III Investors and Category IV Investors	9.00%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (in Rs.)	Option 2: For Category III Investors and Category IV Investors (in Rs.)
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment	Thursday, April 25, 2024	Thursday, April 25, 2024	1827	525.27	539.36
Principal	Thursday, April 25, 2024	Thursday, April 25, 2024		1000	1000

96 Months - Annual Coupon Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	96 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	8.85%
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	9.05%
Redemption Date/Maturity Date (assumed)	April 25, 2027
Frequency of interest payment	Annual
Option 1: Effective Yield for Category I Investors and Category II Investors	8.84%
Option 2: Effective Yield for Category III Investors and Category IV Investors	9.04%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (in Rs.)	Option 2: For Category III Investors and Category IV Investors (in Rs.)
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment 1	Saturday, April 25, 2020	Monday, April 27, 2020	366	88.50	90.50
Coupon/Interest Payment 2	Sunday, April 25, 2021	Monday, April 26, 2021	365	88.50	90.50
Coupon/Interest Payment 3	Monday, April 25, 2022	Monday, April 25, 2022	365	88.50	90.50
Coupon/Interest Payment 4	Tuesday, April 25, 2023	Tuesday, April 25, 2023	365	88.50	90.50
Coupon/Interest Payment 5	Thursday, April 25, 2024	Thursday, April 25, 2024	366	88.50	90.50
Coupon/Interest Payment 6	Friday, April 25, 2025	Friday, April 25, 2025	365	88.50	90.50
Coupon/Interest Payment 7	Saturday, April 25, 2026	Monday, April 27, 2026	365	88.50	90.50
Coupon/Interest Payment 8	Sunday, April 25, 2027	Friday, April 23, 2027	365	88.02	90.00
Principal	Sunday, April 25, 2027	Friday, April 23, 2027		1000	1000

96 Months - Monthly Coupon Payment

Company	L&T Finance Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	April 25, 2019
Tenor	96 months
Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a)	8.52%
Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a)	8.70%
Redemption Date/Maturity Date (assumed)	April 25, 2027
Frequency of interest payment	Monthly

Option 1: Effective Yield for Category I Investors and Category II Investors	8.86%
Option 2: Effective Yield for Category III Investors and Category IV Investors	9.05%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Deemed date of allotment	Thursday, April 25, 2019	Thursday, April 25, 2019		-1000	-1000
Coupon/Interest Payment 1	Saturday, May 25, 2019	Monday, May 27, 2019	30	6.98	7.13
Coupon/Interest Payment 2	Tuesday, June 25, 2019	Tuesday, June 25, 2019	31	7.22	7.37
Coupon/Interest Payment 3	Thursday, July 25, 2019	Thursday, July 25, 2019	30	6.98	7.13
Coupon/Interest Payment 4	Sunday, August 25, 2019	Monday, August 26, 2019	31	7.22	7.37
Coupon/Interest Payment 5	Wednesday, September 25, 2019	Wednesday, September 25, 2019	31	7.22	7.37
Coupon/Interest Payment 6	Friday, October 25, 2019	Friday, October 25, 2019	30	6.98	7.13
Coupon/Interest Payment 7	Monday, November 25, 2019	Monday, November 25, 2019	31	7.22	7.37
Coupon/Interest Payment 8	Wednesday, December 25, 2019	Thursday, December 26, 2019	30	6.98	7.13
Coupon/Interest Payment 9	Saturday, January 25, 2020	Monday, January 27, 2020	31	7.22	7.37
Coupon/Interest Payment 10	Tuesday, February 25, 2020	Tuesday, February 25, 2020	31	7.22	7.37
Coupon/Interest Payment 11	Wednesday, March 25, 2020	Wednesday, March 25, 2020	29	6.75	6.89
Coupon/Interest Payment 12	Saturday, April 25, 2020	Monday, April 27, 2020	31	7.22	7.37
Coupon/Interest Payment 13	Monday, May 25, 2020	Monday, May 25, 2020	30	7.00	7.15
Coupon/Interest Payment 14	Thursday, June 25, 2020	Thursday, June 25, 2020	31	7.24	7.39
Coupon/Interest Payment 15	Saturday, July 25, 2020	Monday, July 27, 2020	30	7.00	7.15
Coupon/Interest Payment 16	Tuesday, August 25, 2020	Tuesday, August 25, 2020	31	7.24	7.39
Coupon/Interest Payment 17	Friday, September 25, 2020	Friday, September 25, 2020	31	7.24	7.39

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors (°)	Option 2: For Category III Investors and Category IV Investors (°)
Coupon/Interest Payment 18	Sunday, October 25, 2020	Monday, October 26, 2020	30	7.00	7.15
Coupon/Interest Payment 19	Wednesday, November 25, 2020	Wednesday, November 25, 2020	31	7.24	7.39
Coupon/Interest Payment 20	Friday, December 25, 2020	Monday, December 28, 2020	30	7.00	7.15
Coupon/Interest Payment 21	Monday, January 25, 2021	Monday, January 25, 2021	31	7.24	7.39
Coupon/Interest Payment 22	Thursday, February 25, 2021	Thursday, February 25, 2021	31	7.24	7.39
Coupon/Interest Payment 23	Thursday, March 25, 2021	Thursday, March 25, 2021	28	6.54	6.67
Coupon/Interest Payment 24	Sunday, April 25, 2021	Monday, April 26, 2021	31	7.24	7.39
Coupon/Interest Payment 25	Tuesday, May 25, 2021	Tuesday, May 25, 2021	30	7.00	7.15
Coupon/Interest Payment 26	Friday, June 25, 2021	Friday, June 25, 2021	31	7.24	7.39
Coupon/Interest Payment 27	Sunday, July 25, 2021	Monday, July 26, 2021	30	7.00	7.15
Coupon/Interest Payment 28	Wednesday, August 25, 2021	Wednesday, August 25, 2021	31	7.24	7.39
Coupon/Interest Payment 29	Saturday, September 25, 2021	Monday, September 27, 2021	31	7.24	7.39
Coupon/Interest Payment 30	Monday, October 25, 2021	Monday, October 25, 2021	30	7.00	7.15
Coupon/Interest Payment 31	Thursday, November 25, 2021	Thursday, November 25, 2021	31	7.24	7.39
Coupon/Interest Payment 32	Saturday, December 25, 2021	Monday, December 27, 2021	30	7.00	7.15
Coupon/Interest Payment 33	Tuesday, January 25, 2022	Tuesday, January 25, 2022	31	7.24	7.39
Coupon/Interest Payment 34	Friday, February 25, 2022	Friday, February 25, 2022	31	7.24	7.39
Coupon/Interest Payment 35	Friday, March 25, 2022	Friday, March 25, 2022	28	6.54	6.67
Coupon/Interest Payment 36	Monday, April 25, 2022	Monday, April 25, 2022	31	7.24	7.39
Coupon/Interest Payment 37	Wednesday, May 25, 2022	Wednesday, May 25, 2022	30	7.00	7.15
Coupon/Interest Payment 38	Saturday, June 25, 2022	Monday, June 27, 2022	31	7.24	7.39
Coupon/Interest Payment 39	Monday, July 25, 2022	Monday, July 25, 2022	30	7.00	7.15
Coupon/Interest Payment 40	Thursday, August 25, 2022	Thursday, August 25, 2022	31	7.24	7.39
Coupon/Interest Payment 41	Sunday, September 25, 2022	Monday, September 26, 2022	31	7.24	7.39

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Coupon/Interest Payment 42	Tuesday, October 25, 2022	Tuesday, October 25, 2022	30	7.00	7.15
Coupon/Interest Payment 43	Friday, November 25, 2022	Friday, November 25, 2022	31	7.24	7.39
Coupon/Interest Payment 44	Sunday, December 25, 2022	Monday, December 26, 2022	30	7.00	7.15
Coupon/Interest Payment 45	Wednesday, January 25, 2023	Wednesday, January 25, 2023	31	7.24	7.39
Coupon/Interest Payment 46	Saturday, February 25, 2023	Monday, February 27, 2023	31	7.24	7.39
Coupon/Interest Payment 47	Saturday, March 25, 2023	Monday, March 27, 2023	28	6.54	6.67
Coupon/Interest Payment 48	Tuesday, April 25, 2023	Tuesday, April 25, 2023	31	7.24	7.39
Coupon/Interest Payment 49	Thursday, May 25, 2023	Thursday, May 25, 2023	30	6.98	7.13
Coupon/Interest Payment 50	Sunday, June 25, 2023	Monday, June 26, 2023	31	7.22	7.37
Coupon/Interest Payment 51	Tuesday, July 25, 2023	Tuesday, July 25, 2023	30	6.98	7.13
Coupon/Interest Payment 52	Friday, August 25, 2023	Friday, August 25, 2023	31	7.22	7.37
Coupon/Interest Payment 53	Monday, September 25, 2023	Monday, September 25, 2023	31	7.22	7.37
Coupon/Interest Payment 54	Wednesday, October 25, 2023	Wednesday, October 25, 2023	30	6.98	7.13
Coupon/Interest Payment 55	Saturday, November 25, 2023	Monday, November 27, 2023	31	7.22	7.37
Coupon/Interest Payment 56	Monday, December 25, 2023	Tuesday, December 26, 2023	30	6.98	7.13
Coupon/Interest Payment 57	Thursday, January 25, 2024	Thursday, January 25, 2024	31	7.22	7.37
Coupon/Interest Payment 58	Sunday, February 25, 2024	Monday, February 26, 2024	31	7.22	7.37
Coupon/Interest Payment 59	Monday, March 25, 2024	Monday, March 25, 2024	29	6.75	6.89
Coupon/Interest Payment 60	Thursday, April 25, 2024	Thursday, April 25, 2024	31	7.22	7.37
Coupon/Interest Payment 61	Saturday, May 25, 2024	Monday, May 27, 2024	30	7.00	7.15
Coupon/Interest Payment 62	Tuesday, June 25, 2024	Tuesday, June 25, 2024	31	7.24	7.39
Coupon/Interest Payment 63	Thursday, July 25, 2024	Thursday, July 25, 2024	30	7.00	7.15
Coupon/Interest Payment 64	Sunday, August 25, 2024	Monday, August 26, 2024	31	7.24	7.39
Coupon/Interest Payment 65	Wednesday, September 25, 2024	Wednesday, September 25, 2024	31	7.24	7.39

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Coupon/Interest Payment 66	Friday, October 25, 2024	Friday, October 25, 2024	30	7.00	7.15
Coupon/Interest Payment 67	Monday, November 25, 2024	Monday, November 25, 2024	31	7.24	7.39
Coupon/Interest Payment 68	Wednesday, December 25, 2024	Thursday, December 26, 2024	30	7.00	7.15
Coupon/Interest Payment 69	Saturday, January 25, 2025	Monday, January 27, 2025	31	7.24	7.39
Coupon/Interest Payment 70	Tuesday, February 25, 2025	Tuesday, February 25, 2025	31	7.24	7.39
Coupon/Interest Payment 71	Tuesday, March 25, 2025	Tuesday, March 25, 2025	28	6.54	6.67
Coupon/Interest Payment 72	Friday, April 25, 2025	Friday, April 25, 2025	31	7.24	7.39
Coupon/Interest Payment 73	Sunday, May 25, 2025	Monday, May 26, 2025	30	7.00	7.15
Coupon/Interest Payment 74	Wednesday, June 25, 2025	Wednesday, June 25, 2025	31	7.24	7.39
Coupon/Interest Payment 75	Friday, July 25, 2025	Friday, July 25, 2025	30	7.00	7.15
Coupon/Interest Payment 76	Monday, August 25, 2025	Monday, August 25, 2025	31	7.24	7.39
Coupon/Interest Payment 77	Thursday, September 25, 2025	Thursday, September 25, 2025	31	7.24	7.39
Coupon/Interest Payment 78	Saturday, October 25, 2025	Monday, October 27, 2025	30	7.00	7.15
Coupon/Interest Payment 79	Tuesday, November 25, 2025	Tuesday, November 25, 2025	31	7.24	7.39
Coupon/Interest Payment 80	Thursday, December 25, 2025	Friday, December 26, 2025	30	7.00	7.15
Coupon/Interest Payment 81	Sunday, January 25, 2026	Monday, January 26, 2026	31	7.24	7.39
Coupon/Interest Payment 82	Wednesday, February 25, 2026	Wednesday, February 25, 2026	31	7.24	7.39
Coupon/Interest Payment 83	Wednesday, March 25, 2026	Wednesday, March 25, 2026	28	6.54	6.67
Coupon/Interest Payment 84	Saturday, April 25, 2026	Monday, April 27, 2026	31	7.24	7.39
Coupon/Interest Payment 85	Monday, May 25, 2026	Monday, May 25, 2026	30	7.00	7.15
Coupon/Interest Payment 86	Thursday, June 25, 2026	Thursday, June 25, 2026	31	7.24	7.39
Coupon/Interest Payment 87	Saturday, July 25, 2026	Monday, July 27, 2026	30	7.00	7.15
Coupon/Interest Payment 88	Tuesday, August 25, 2026	Tuesday, August 25, 2026	31	7.24	7.39
Coupon/Interest Payment 89	Friday, September 25, 2026	Friday, September 25, 2026	31	7.24	7.39

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Option 1: For Category I Investors and Category II Investors ()	Option 2: For Category III Investors and Category IV Investors ()
Coupon/Interest Payment 90	Sunday, October 25, 2026	Monday, October 26, 2026	30	7.00	7.15
Coupon/Interest Payment 91	Wednesday, November 25, 2026	Wednesday, November 25, 2026	31	7.24	7.39
Coupon/Interest Payment 92	Friday, December 25, 2026	Monday, December 28, 2026	30	7.00	7.15
Coupon/Interest Payment 93	Monday, January 25, 2027	Monday, January 25, 2027	31	7.24	7.39
Coupon/Interest Payment 94	Thursday, February 25, 2027	Thursday, February 25, 2027	31	7.24	7.39
Coupon/Interest Payment 95	Thursday, March 25, 2027	Thursday, March 25, 2027	28	6.54	6.67
Coupon/Interest Payment 96	Sunday, April 25, 2027	Friday, April 23, 2027	31	6.77	6.91
Principal	Sunday, April 25, 2027	Friday, April 23, 2027		1000	1000

ANNEXURE E

DEBENTURE TRUSTEE CONSENT LETTER

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ANNEXURE E
CONSENT LETTER FROM DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!



CL/PUN/18-19/DEB/77

December 26, 2018

To,
The Company Secretary
L&T Finance Limited
(Erstwhile known as Family Credit Limited)
Technopolis, 7th Floor, A- Wing, Plot No. - 4,
Block - BP, Sector -V, Salt Lake
Kolkata - 700091

Dear Sir/Madam,

Sub: Proposed Public Issue of Secured/Unsecured Redeemable Non-Convertible Debentures ("NCDs") aggregating up to Rs. Five Thousand Crore ("Issue") of L&T Finance Limited (Erstwhile known as Family Credit Limited) ("Company").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and to be forwarded to Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Kolkata ("RoC"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and in all the subsequent periodical communications to be sent to the holders of NCDs issued pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune – 411038
Tel:	020 - 25280081
Fax:	020 - 25280275
Email:	dt@ctltrustee.com
Website:	www.catalysttrustee.com
SEBI Registration No:	IND000000034

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

CATALYST TRUSTEESHIP LIMITED (PROMOTED BY CATALYST TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office: Office No. 85 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400021. Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505
Regd. Office: GDA House, Plot No. 85, Bhusari Colony (Right), Peard Road, Pune 411 038. Tel: +91 (020) 25280081 Fax: +91 (020) 25280275
Delhi Office: Office No. 213, 2nd floor, Navrang House, 21 Kasturba Gandhi Marg, New Delhi- 110 001. Tel. 011 43029101.
CIN No. U74999PN1897PLCT0262. Email dt@ctltrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai





We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We hereby propose below fee structure for the said issue:

PARTICULARS	AMOUNT (In Rs.)
Acceptance & Documentation fees (One time)	Rs.2,00,000/-
Annual Trusteeship Fees	Rs.3,00,000/-

Note: 10 % rise of preceding year after every 3 years till redemption of the issue.
Rates and Taxes as applicable. All out of pocket expenses at actuals.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory
