



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: apurvar@lts.com; **Website:** www.lts.com

PUBLIC ISSUE BY L&T FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1000 (INDIAN RUPEES ONE THOUSAND) EACH ("SECURED 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 ("TRANSCHE 1 ISSUE LIMIT") ("TRANSCHE 1 ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 5,00,000 LAKH AND IS BEING OFFERED BY WAY OF THIS TRANSCHE 1 PROSPECTUS DATED FEBRUARY 22, 2019 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANSCHE 1 ISSUE ("TRANSCHE 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 AND TRANSCHE 1 PROSPECTUS CONSTITUTE THE PROSPECTUS "PROSPECTUS".

THIS TRANSCHE 1 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 1 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 30 of this Tranche 1 Prospectus. This Tranche 1 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 1 Prospectus read together with Shelf Prospectus contains all information with regard to the Issuer. The information contained in this Tranche 1 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 1 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 Secured NCDs, see chapter titled "Terms of the Issue" on page 53 of this Tranche 1 Prospectus. For details relating to eligible investors please see "Issue Procedure" on page 68 of this Tranche 1 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 revalidated vide revalidation letter dated February 1, 2019 and further revalidated by a revalidation letter dated February 20, 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 revalidated vide revalidation letter dated January 31, 2019 and further revalidated by a revalidation letter dated February 20, 2019 and ND AAA / Stable (pronounced as ND 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 revalidated vide revalidation letter dated January 31, 2019 and further revalidated by a revalidation letter dated February 20, 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 1 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 1 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 1 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: ltf.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: projectvaja@trustgroup.in
Investor Grievance email:
customercare@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@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.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: ncd.ltfm2019@linkintime.co.in
Investor Grievance mail: ncd.ltfm2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Shanti Gopalkrishnan
Registration Number: INR000004058
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME*

TRANSCHE 1 ISSUE OPENS ON: Wednesday March 6, 2019

TRANSCHE 1 ISSUE CLOSES ON: Wednesday March 20, 2019

*This Tranche 1 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 1 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 1 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 1 Issue closure. Applications Forms for the Tranche 1 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 1 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. See Annexure D of the Shelf Prospectus. A copy of the Shelf Prospectus and this Tranche 1 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 102 of this Tranche 1 Prospectus.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 1 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 1 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 1 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 |

| Term | Description |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | requirements of the SEBI LODR Regulations. |
| 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 |

| Term | Description |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | ROC on February 13, 2017. |
| Special Purpose Unaudited Interim Standalone Condensed Financial Information | Special Purpose 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 1 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 1 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 1 Prospectus and Abridged Prospectus and the Application Form for this Tranche 1 Issue. |
| Application/ASBA Application | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to this Tranche 1 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 1 Prospectus. |
| Application Amount | The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche 1 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 1 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 1 Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 87 of this Tranche 1 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 February 22, 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, Redeemable, Non-Convertible Debentures of face value ₹ 1,000/- each (Secured NCDs) and/or Unsecured Subordinated Non-Convertible Debentures of face value ₹ 1,000/- each (Unsecured NCDs), proposed to be issued under this Issue. The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital. |
| Debenture Holder (s) / 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 each Tranche 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 (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) 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. |

| Term | Description |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 relevant Tranche Prospectus and the Public Issue Account Agreement. |
| 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 53 of this Tranche 1 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 ”) and/ or unsecured, subordinated, redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ Unsecured NCDs ”) for an amount up to ₹ 5000,00,00,000 (Indian Rupees Five Thousand Crores) (“ Shelf Limit ”). The Unsecured NCDs will be eligible for Tier II capital. The Secured NCDs/ Unsecured 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 ”). The Secured NCDs and/ or Unsecured NCDs are together hereinafter referred as “ Debentures / NCDs ”. |
| Tranche 1 Issue Closing Date | Wednesday March 20, 2019 |
| Tranche 1 Issue Opening Date | Wednesday March 6, 2019 |
| Tranche 1 Issue Period | The period between the Tranche 1 Issue Opening Date and the Tranche 1 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. |

| Term | Description |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Offer Document/ Issue Documents | The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 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, the Agreement with the Lead Managers. For further details see the chapter titled “ Material Contracts and Documents for Inspection ” on page 102 of this Tranche 1 Prospectus. |
| 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 1 Prospectus. |
| Public Issue Account Bank | Axis Bank Limited |
| Public Issue Account Agreement | Agreement dated February 22, 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 53 of this Tranche 1 Prospectus. |
| Redemption/Maturity Date | Please see the section titled “ <i>Terms of the Issue</i> ” on page 53 of this Tranche 1 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 1 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 “ Issue Related Information ” beginning on page 48 of this Tranche 1 Prospectus. |

| Term | Description |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Secured NCDs | Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000/- each. |
| Secured Debenture Holder (s) /Secured NCD Holder(s) | The holders of the Secured NCDs whose name appears in the database of the Depository and/or the register of Secured NCD Holders (if any) maintained by our Company if required under applicable law. |
| 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. |
| 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 | <p>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:</p> <p>Remaining maturity of the instruments and rate of discount</p> <ul style="list-style-type: none"> (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% <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital.</p> |
| 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&intmld=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 percent 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. |

| Term | Description |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tier II capital | <p>Tier-II capital includes the following:</p> <ul style="list-style-type: none"> (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 53 of this Tranche 1 Prospectus. |
| 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 (“Secured 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 1 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 and Tranche 1 Prospectus constitutes the prospectus “Prospectus”). |
| 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 | This Tranche 1 Prospectus dated February 22, 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. |
| Unsecured NCDs | NCDs offered under this Issue which are listed, rated, subordinated, redeemable, non-convertible debentures and are not secured by any charge on the assets of Issuer and which will be eligible for Tier II capital. |
| Unsecured Debenture Holder (s) / Unsecured NCD Holder(s) | The holders of the Unsecured NCDs whose name appears in the database of the Depository and/or the register of Unsecured NCD Holders (if any) maintained by our Company if required under applicable law. |

| Term | Description |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
| Working Day(s)/ Business Day(s) | Working Day(s) shall mean all days excluding Saturdays and 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 1 Issue Period, i.e. period beginning from Tranche 1 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 1 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 |

| Term/Abbreviation | Description/ Full Form |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |
| 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 |

| Term/Abbreviation | Description/ Full Form |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |
| 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 1 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 1 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 1 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 1 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 1 Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Tranche 1 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 1 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 1 Prospectus, data will be given in ₹ in lakhs.

Certain figures contained in this Tranche 1 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 (ii) 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 1 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 1 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 1 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 1 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 1 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 1 Prospectus that are not historical facts. All statements contained in this Tranche 1 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 1 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 1 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 1 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: apurvar@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: ncd.ltfm2019@linkintime.co.in

Investor Grievance mail: ncd.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 Ltd**

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: bml043@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

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

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: bmczm@unitedbank.co.in
Contact Person: Mr N Srinivasa Rao
Website: www.unitedbankofindia.com

Bank of Baroda

CFS Branch, Bank of Baroda Bulst 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:
agmcfb3007@centralabnk.co.in,
cfbcbi@gmail.com
Contact Person: Mr A.S Cooper
Website:
www.centralbankofindia.co.in

Email: paragnarula@dbs.com
Contact Person: Mr. Parag Narula
Website: www.dbs.com

Email: bankur@denabank.co.in
Contact Person: Mr Nikhil
Asthana
Website: www.denabank.com

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

(<http://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 1 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 1 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 1 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 1 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 1 Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled "*Objects of this Tranche 1 Issue*" on page 31 of this Tranche 1 Prospectus.

Tranche 1 Issue Programme

| TRANCHE 1 ISSUE PROGRAMME* | |
|-----------------------------------|---------------------------|
| TRANCHE 1 ISSUE OPENS ON | Wednesday, March 6, 2019 |
| TRANCHE 1 ISSUE CLOSES ON | Wednesday, March 20, 2019 |

** The Tranche 1 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 1 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 1 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 1 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 1 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 1 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 1 Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche 1 Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 1 Issue Closing Date. All times mentioned in this Tranche 1 Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 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.

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 1 Prospectus, read together with the Shelf Prospectus as the “**Prospectus**” with respect to Tranche 1 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.

OBJECTS OF THIS 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 ("Secured 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 1 issue ("Tranche 1 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 1 Issue and also the activities which our Company has been carrying on till date.

The Tranche 1 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 1 Issue are set forth in the following table:

| (₹ in lakhs) | | |
|--------------|---------------------------------------|------------|
| Sr. No. | Description | Amount |
| 1. | Gross Proceeds of the Tranche 1 Issue | 150,000.00 |
| 2. | Less: Issue Related Expenses* | 1904.95 |
| 3. | Net Proceeds | 148,095.05 |

**The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 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 1 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 1 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 1 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 1 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 1 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 1 Issue only upon the execution of the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

Tranche 1 Issue expenses

A portion of this Tranche 1 Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be specified in at this Tranche 1 Prospectus:

| Particulars | Amount (Rs in lakhs) | As percentage of Issue proceeds (in %) | As percentage of total expenses of the Tranche 1 Issue (in %) |
|---------------------------------------------------------------------------------------|----------------------|-----------------------------------------|----------------------------------------------------------------|
| Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustees | 249.00 | 0.17% | 13.06% |
| Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee | 1,427.50 | 0.95% | 74.94% |
| Advertising and Marketing, Printing and Stationery Costs | 198.19 | 0.13% | 10.40% |
| Other Miscellaneous Expenses | 30.50 | 0.02% | 1.60% |
| Grand Total | 1904.95 | 1.27% | 100.00% |

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 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 1 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 1 Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

The Tranche 1 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 1 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 1 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 1 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 1 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 1 Issue.

Details of all unutilised monies out of the Tranche 1 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 1 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 1 Prospectus in the section titled “**Issue Related Information**” beginning on page 48 of this Tranche 1 Prospectus.

No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Tranche 1 Issue.

The Tranche 1 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 1 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 1 Prospectus or objects for which this Tranche 1 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 1 Issue

- (a) All monies received out of the Tranche 1 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 1 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 1 Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche 1 Prospectus, creation of security as stated in this Tranche 1 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 I 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 1 Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of this Tranche 1 Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche 1 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 1 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 FEBRUARY 22, 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 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 OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL

DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE 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 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.

WE CONFIRM THAT NO COMMENTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED JANUARY 17, 2019 FILED WITH BSE LIMITED AND NSE, NSE ALSO BEING THE DESIGNATED STOCK EXCHANGE.

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

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DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS TRANCHE 1 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 1 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 relevant Tranche 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 1 Prospectus with the ROC.

The consent of the Statutory Auditors of our Company dated February 22, 2019, 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 1 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 1 Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Tranche 1 Prospectus:

- Vide Consent Letter dated February 22, 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 1 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 1 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 1 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 1 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 1 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 1 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 1 Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and Tranche 1 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 1 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 1 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 1 Issue*” on page 31 of this Tranche 1 Prospectus.

Reservation

No portion of this Issue has been reserved

Public / Rights Issues

Public / Rights Issues by our Company as on the Shelf Prospectus:

Our Company has undertaken the following public issue of the following prior to the date of the Shelf Prospectus:

| Particulars | Public Issue – 2009 | Public Issue – 2010 |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Opening | August 18, 2009 | February 09, 2010 |
| Date of Closing | September 04, 2009 | February 22, 2010 |
| Total Issue Size | ₹ 1,000 crores | ₹ 500 crores |
| Date of Allotment | September 17, 2009 | March 10, 2010 |
| Date of Refunds | September 17, 2009 | March 11, 2010 |
| Date of Listing | September 24, 2009 | March 12, 2010 |
| 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. |

**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 purposes by our Company |
| 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 | |
| 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 | |

**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.*

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: apurvar@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 |

| Name | Address | Date of appointment | Date of resignation |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| 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% |
| 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:

| 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 months up to 3 years | Over 3-year months 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.

Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Tranche 1 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 1 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 1 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 1 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 53 and 68 of this Tranche 1 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 1 Issue/Tranche 1 Issue Size | Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian rupees one thousand) each (“Secured 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 1 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 and Tranche 1 Prospectus constitutes the prospectus “Prospectus”). |
| Base Issue Size | ₹ 50,000 lakhs |
| Option to retain Oversubscription Amount | ₹ 1,00,000 lakh |
| Tranche 1 Issue Size | ₹ 1,50,000 lakh |
| Total Issue Size | ₹ 500,000 lakh |
| Eligible investors | See “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 69 of this Tranche 1 Prospectus |
| Objects of the Issue | See the chapter titled “ <i>Objects of this Tranche 1 Issue</i> ” on page 31 of this Tranche 1 Prospectus |
| Details of utilization of the proceeds | See the chapter titled “ <i>Objects of this Tranche 1 Issue</i> ” on page 31 of this Tranche 1 Prospectus. |
| Interest rate | Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 59 of this Tranche 1 Prospectus |
| Security | The principal amount of the Secured NCDs to be issued in terms of this Tranche 1 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. 53 of this Tranche 1 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 59 of this Tranche 1 Prospectus |
| Interest payment date | Please see the section titled “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 59 of this Tranche 1 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 1 Prospectus |
| Redemption Date | Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 48 of this Tranche 1 Prospectus. |
| Redemption Amount | Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 48 of this Tranche 1 Prospectus. |
| Redemption premium/ discount | Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 48 of this Tranche 1 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, 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 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. 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 1 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 66 of this Tranche 1 Prospectus. |
| Modes of payment | See <i>Issue Procedure – Terms of Payment</i> ” on page 82 of this Tranche 1 Prospectus. |
| Issuance mode of the Instrument | In dematerialised form only |
| Trading mode of the instrument | In dematerialised form only |
| Tranche 1 Issue opening date | Wednesday March 6, 2019 |
| Tranche 1 Issue closing date** | Wednesday March 20, 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 1 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 102 of this Tranche 1 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 28 of this Tranche 1 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 28 of this Tranche 1 Prospectus. |
| Events of default / cross default | See “ <i>Terms of the Issue – Events of Default</i> ” on page 54 of this Tranche 1 Prospectus |
| Deemed date of Allotment | The date on which the Authorised Personnel approve the Allotment of the NCDs for this Tranche 1 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 54 of this Tranche 1 Prospectus. |
| Governing law and jurisdiction | The governing law and jurisdiction for the purpose of the Tranche 1 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 or extension subscription list of the Tranche 1 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 1 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 1 Issue Period. On the Tranche 1 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 Schedule 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 1 Prospectus.

Participation by any of the mentioned Investor classes in this Tranche 1 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 I 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 |
|-------------------------------------------------------------------------------|-------------------------------------|-----------|-----------|-----------|------------|------------|
| Frequency of Interest Payment | Annual | NA | Annual | Monthly | 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 | 37 months | 37 months | 60 months | 60 months | 120 months | 120 months |
| Coupon (% per annum) for NCD Holders in Category I & II | 9.00% | NA | 9.10% | 8.75% | 9.20% | 8.84% |
| Coupon (% per annum) for NCD Holders in Category III & IV | 9.10% | NA | 9.25% | 8.89% | 9.35% | 8.98% |
| Effective Yield (% per annum) for NCD Holders in Category I & II | 9.00% | 9.00% | 9.09% | 9.10% | 9.19% | 9.20% |
| Effective Yield (% per annum) for NCD Holders in Category III & IV | 9.10% | 9.10% | 9.24% | 9.25% | 9.34% | 9.35% |
| Mode of Interest Payment | Through various mode available | | | | | |
| Amount (Rs / NCD) on Maturity for NCD Holders in Category I & II | ₹1,000 | ₹1,304.93 | ₹1,000 | ₹1,000 | ₹1,000 | ₹1,000 |
| Amount (Rs / NCD) on Maturity for NCD Holders in Category III & IV | ₹ 1,000 | ₹1,308.64 | ₹1,000 | ₹1,000 | ₹1,000 | ₹1,000 |
| Put and Call Option | 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 Schedule 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 I 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 1 Issue.

For further details, see the chapter titled “**Issue Procedure**” on page 68 of this Tranche 1 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 1 Prospectus, the Application Forms, the terms and conditions of the Debenture Trust 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 Secured 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 1 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 1 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 1 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-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 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).

Secured NCD Holder not a Shareholder

The Secured 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 Secured NCD Holders

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

1. The Secured 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 Secured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Secured 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 Secured 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 Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured 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 Secured 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 Secured 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 Secured 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 Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.
4. The Secured 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 1 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 Secured NCDs.
5. For the Secured NCDs issued in dematerialized form, the Depositories shall also maintain the up to date record of holders of the Secured NCDs in dematerialized Form. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured 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 Secured NCDs maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Secured 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 Unsecured 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. SH13**, 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. SH13** 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. SH14**, 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 1 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. 68 of this Tranche 1 Prospectus.

Transfer/Transmission of Secured NCD(s)

For Secured NCDs held in physical form

The Secured 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 1 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 1 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 Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the Secured 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 Secured NCDs held in physical form.

In case the recipient of the Secured NCDs in physical form wants to hold the Secured 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 I Issue shall be compulsorily in dematerialized form only.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of Secured NCDs allotted pursuant to this Tranche I 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:

- Secured 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 Secured NCDs held in physical form, the person for the time being appearing in the register of NCD Holders as Secured 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 Secured 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 Secured 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 I 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 1 Issue Programme

| TRANCHE 1 ISSUE PROGRAMME* | |
|----------------------------|---------------------------|
| TRANCHE 1 ISSUE OPENS ON | Wednesday, March 6, 2019 |
| TRANCHE 1 ISSUE CLOSES ON | Wednesday, March 20, 2019 |

** The Tranche 1 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 1 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 1 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 1 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 1 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 1 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 1 Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Tranche 1 Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 1 Issue Closing Date. All times mentioned in this Tranche 1 Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 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 Secured 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 | 9.00 |
| Category III & IV | 9.10 |

Series I Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 37 months 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 37 months 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 | 1,304.93 |
| Category III & IV | 1,000 | 1,308.64 |

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 | 9.10 |
| Category III & IV | 9.25 |

Series III Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months 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 | 8.75 |
| Category III & IV | 8.89 |

Series IV Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series V Secured NCD

In case of Series V 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 V Secured NCDs:

| Category of NCD Holders | Coupon (%) |
|-------------------------|------------|
| Category I & II | 9.20 |
| Category III & IV | 9.35 |

Series V Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

Series VI Secured NCD

In case of Series VI 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 VI Secured NCD:

| Category of NCD Holders | Coupon (%) |
|-------------------------|------------|
| Category I & II | 8.84 |
| Category III & IV | 8.98 |

Series VI Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months 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 62.

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 VI, 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 as stated on page 50 of this Tranche 1 Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche 1 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 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in Schedule D in this Tranche 1 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 and Option VI 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 1 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 Secured 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 Secured 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 Secured 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 Secured 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 Secured NCDs held in physical form, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

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

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured 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.

Secured NCDs held in electronic form:

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

Right to Reissue Secured NCD(s)

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Tranche I Prospectus, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured 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 Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured 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 1 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 1 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 1 Issue at any time prior to the Tranche 1 Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the “General Information - Issue Programme” on page 58 of this Tranche 1 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 1 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 1 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 1 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., ₹ 3,75,000 lakhs). If our Company does not receive the minimum subscription of 75 % of the Base Issue Size (i.e., ₹ 3,75,000 lakhs), prior to the Tranche 1 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 1 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 1 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 1 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 1 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 1 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 1 Prospectus with the RoC

A copy of the Shelf Prospectus and r this Tranche 1 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 relevant Tranche 1 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 1 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 1 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 1 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 Secured NCDs

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any third-party bank/institution or any other person for any loan provided to the Secured NCD holder against pledge of such Secured 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 Secured 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 Secured 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 1 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 1 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 1 PROSPECTUS, THE TRANCHE 1 ISSUE OPENING DATE AND THE TRANCHE 1 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 1 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 1 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 1 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 1 Prospectus.

PROCEDURE FOR APPLICATION

How to Apply?

Availability of this Draft Shelf Prospectus, Shelf Prospectus, Tranche 1 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 1 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 1 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; and
- (h) 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 84 of this Tranche 1 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 1 Issue through the ASBA process only. Applicants intending to subscribe in this Tranche 1 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 SECURED 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 therefor.

Insurance companies participating in this Tranche 1 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 1 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 SECURED NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Tranche 1 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 1 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 1 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 <https://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 1 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 1 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 1 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 1 Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Tranche 1 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 1 Issue Closing Date, if the Applications have been uploaded. For further information on the Tranche 1 Issue programme, please refer to "Issue Structure" on page 54 of this Tranche 1 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 Secured NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche 1 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 1 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 1 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 1 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 1 Prospectus with ROC

A copy of the Shelf Prospectus and the Tranche 1 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 1 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 1 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 1 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 1 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 Secured NCDs pursuant to the Tranche 1 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 1 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 1 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 1 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 1 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 1 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 1 Issue Closing Date. For further information on the Tranche 1 Issue programme, please refer to “Issue Structure” on page 54 of this Tranche 1 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 1 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 1 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 1 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 1 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?doRecognise=yes>).

Please refer to “Rejection of Applications” on page 84 of this Tranche 1 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?doRecognise=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 1 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 1 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 1 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 | <p>(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</p> <p>(ii) If using electronic Application Form, to the</p> |

| | |
|--|------------------------------------------------------------------------|
| | SCSBs, electronically through internet banking facility, if available. |
|--|------------------------------------------------------------------------|

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 1 Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Tranche 1 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 1 Issue Closing Date. On the Tranche 1 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 1 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 1 Issue programme, please refer to "Issue Structure" on page 45 of this Tranche 1 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 84 of this Tranche 1 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 1 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 1 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 1 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 I 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 I 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 I Prospectus and as per the instructions in the Application Form, the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I 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
- xl. 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 I 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 I Issue Closing Date.

Further,

- (a) Allotment of NCDs in the Tranche I Issue shall be made within a time period of 4 (four) Working Days from the Tranche I 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 I 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 Secured NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing 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 Secured 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 Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 1 Issue up to the Tranche 1 Issue Limit i.e. aggregating up to ₹ 150,000 lakhs. The aggregate value of Secured NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche 1 Issue), and/or the aggregate value of Secured NCDs up to the Base Issue Size shall be collectively termed as the "Tranche 1 Issue Limit".

Allocation Ratio:

| Institutional Portion | Non-Institutional Portion | High Net Worth Individual Investors Portion | Retail Individual Investors Portion |
|------------------------------|----------------------------------|----------------------------------------------------|--------------------------------------------|
| 20% | 20% | 30% | 30% |

(a) Allotments in the first instance:

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated Secured NCDs up to 20% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated Secured NCDs up to 20% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated Secured NCDs up to 30% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated Secured NCDs up to 30% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled "*Issue Procedure – Basis of Allotment*" at page 87 of this Tranche 1 Prospectus.

As per the SEBI circular dated October 29, 2013, the allotment in this Tranche 1 Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

- (b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.
- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Secured NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds Secured NCDs to be Allotted for each portion respectively.
- (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) *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 Secured 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 Secured 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).
- (f) *Proportionate Allotments:* For each Portion, 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 Secured NCDs being higher than the Tranche 1 Issue Limit, not all Applicants will be allotted the number of Secured 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.
- (g) *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 6 (six) Series and in case such Applicant cannot be allotted all the 6 (six) 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 37 months followed by Allotment of Secured NCDs with tenor of 60 months and so on.
- (h) *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 1 Issue Closing Date.

All decisions pertaining to the basis of allotment of Secured NCDs pursuant to the Tranche 1 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 1 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 1 Issue.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 1 Issue at any time prior to the Tranche 1 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 1 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 1 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 1 Issue Closing Date.

In the event of such early closure of the Tranche 1 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 1 Issue Closing Date of the Tranche 1 Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche 1 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 1 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 1 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 1 Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche 1 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 1 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 1 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 1 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 1 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 Account(s) of the Applicants within 15 (fifteen) days from the Tranche 1 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 1 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 1 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 1 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 1 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 1 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 May 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 79 of this Tranche 1 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 1 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 1 Issue proceeds only upon allotment of the NCDs, execution of the Debenture Trust Deed as stated in this Tranche 1 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 1 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 1 Prospectus;
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

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 supersenior 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 XVIIB ('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 1 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 1 Issue is open for public subscription under this Tranche 1 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 February 22, 2019 executed between our Company, Lead Managers, Bankers to the Issue and Registrar to the Issue.
5. Consortium Agreement dated February 22, 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 this Tranche 1 Prospectus.
7. Credit rating Letter dated December 21, 2018 revalidated vide revalidation letter dated February 1, 2019, and further revalidated by letter dated February 20, 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.
8. Credit rating Letter dated December 28, 2018, revalidated vide revalidation letter dated January 31, 2019, and further revalidated by letter dated February 20, 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.
9. Credit rating Letter dated December 31, 2018 revalidated vide revalidation letter dated January 31, 2019, and further revalidated by letter dated February 20, 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.

10. 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 1 Prospectus, in their respective capacities.
11. Consent Letter dated February 22, 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
12. Annual Report of our Company for the last five Fiscals.
13. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/24/18-19 dated January 24, 2019
14. In-principle listing approval from NSE by its letter no. NSE/LIST/72314 dated January 24, 2019
15. Due Diligence Certificate dated February 22, 2019 filed by the Lead Managers with SEBI.
16. Examination Report dated January 15, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants along with the Reformatted Financial Information dated January 15, 2018.
17. Limited Review Financial Results of our Company for the year ended September 30, 2018.
18. Special Purpose Unaudited Interim Standalone Condensed Financial Information dated February 21, 2019 for the nine-month period ended December 31, 2018.
19. Industry report titled ‘Industry Overview of Retail focused NBFCs, Housing Finance Companies and Infrastructure Finance NBFCs’ dated January 2018 issued by ICRA.
20. 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.
21. Securities Subscription Agreement dated June 5, 2015 between our Company and Grameen Capital India Limited.
22. 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.

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 Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Tranche 1 Prospectus.

We further certify that all the disclosures and statements in this Tranche 1 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 1 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: February 22, 2019

Place: Mumbai

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA

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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,
Santa Cruz (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

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025

Tel. : +91.22.61693300
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.2866928

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001, Tel. : +91.11.23357940-45

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35160



ICRA

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
achoshy@icraindia.com

ROHAN RUSTAGI
Analyst
rohan.rustagi@icraindia.com

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025

Tel. : +91.22.61693300
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.2866928

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

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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
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400025

Tel. : +91 22 61683300
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Website : www.icra.in
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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 |
|--------------------------------------------------|--------------------|--------------------|--------------------|
| | IGAAP | IGAAP | (unaudited) |
| | | | 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+ | - | - |

* 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 ^A | [ICRA]AA+ (stable) |
| INE523E08NH8 | Subordinated Debt | 21-Dec-12 | 9.80% | 21-Dec-22 | 275 | [ICRA]AAA (stable) |
| INE523E08NI6 | | 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 ^A | [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 ^A | [ICRA]AAA (stable) |
| - | Secured Redeemable Non-convertible Debenture [public issue] | NA | NA | NA | 5000.00 ^A | [ICRA]AAA (stable) |

^AYet to be placed

Source: L&T Finance Limited

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Manushree Sagger
+91 124 4545 316
manushrees@icraindia.com

Rohan Rustagi
+91 22 6114 3414
rohan.rustagi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The International Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
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ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM CARE

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CARE/HO/RL/2018-19/4931

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

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.

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.
Tel: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457 • www.careratings.com • CIN: I67190MH1993PLC071491

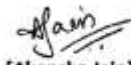
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|--|--|--|--|--|--|--|---------|--|
| | | | | | | | Trustee | |
|--|--|--|--|--|--|--|---------|--|

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.

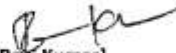
Thanking you,

Yours faithfully,



[Akansha Jain]
Analyst

akansha.jain@careratings.com



[Ravi Kumar]
Associate Director

ravi.kumar@careratings.com

Encl.: As above

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Colliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
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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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CARE/HO/RI/2018-19/4603

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

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.

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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

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Colliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
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Disclaimer

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

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

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No. CARE/HO/RL/2018-19/4196
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

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 |
|-----------------|------|-----------------|-------------|----------------|---------------------|-----------------|------------------|-------------------|
|-----------------|------|-----------------|-------------|----------------|---------------------|-----------------|------------------|-------------------|

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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| | | | | | | | | |
|--|--|-----|--|-------|--|--|------------------------------------|-----------|
| | | cr) | | Dates | | | details of Debenture Trustee | investors |
|--|--|-----|--|-------|--|--|------------------------------------|-----------|

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.

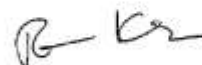
Thanking you,

Yours faithfully,



[Akansha Jain]
Analyst

akansha.jain@careratings.com



[Ravi Kumar]
Associate Director

ravi.kumar@careratings.com

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.
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Encl.: As above

Disclaimer

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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.

L&TF 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.

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 (%) | 4.94 | 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.

Analyst Contact:

Name: Mr Ravi Kumar

Tel: 022-6754 3421

Mobile: +91 9004607603

Email: ravi.kumar@careratings.com

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.

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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 |

CONTACT**Head Office Mumbai****Ms. MeenalSikchi**

Cell: + 91 98190 09839

E-mail: meenalsikchi@careratings.com**Mr. AnkurSachdeva**

Cell: + 91 98196 98985

E-mail: ankur.sachdeva@careratings.com**Ms. Rashmi Narvankar**

Cell: + 91 99675 70636

E-mail: rashmi.narvankar@careratings.com**Mr. Saikat Roy**

Cell: + 91 98209 98779

E-mail: saikat.roy@careratings.com**CARE Ratings Limited**

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Colliseum, Somaiya Hospital Road, Off Eastern Express Highway, Slon (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com**AHMEDABAD****Mr. Deepak Prajapati**32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015

Cell: +91-9099028864

Tel: +91-79-4026 5656

E-mail: deepak.prajapati@careratings.com**BENGALURU****Mr. V Pradeep Kumar**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91 98407 54521

Tel: +91-80-4115 0445, 4165 4529

Email: pradeep.kumar@careratings.com**CHANDIGARH****Mr. Anand Jha**SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062

Chandigarh

Cell: +91 85111-53511/99251-42264

Tel: +91-0172-490-4000/01

Email: anand.jha@careratings.com**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com**COIMBATORE****Mr. V Pradeep Kumar**

T-3, 3rd Floor, Manchester Square

Pullakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com**HYDERABAD****Mr. Ramesh Bob**401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.

Cell: + 91 90520 00521

Tel: +91-40-4010 2030

E-mail: ramesh.bob@careratings.com**JAIPUR****Mr. Nikhil Soni**304, PashupatiAkshatHeights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

E-mail: nikhil.soni@careratings.com**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com**PUNE****Mr. Pratim Banerjee**9th Floor, Pride KumarSenate,
Plot No. 970, Bhamburda, SenapatiBapat Road,
ShivajiNagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691

ANNEXURE C

CREDIT RATING LETTER AND RATING RATIONALE FROM INDIA RATINGS

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Mr. Sachin Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai – 400098

February 20, 2019

Dear Mr. Sachin 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])

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of

India Ratings & Research Private Limited A Fitch Group Company

Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

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individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals 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.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

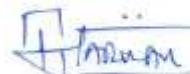
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

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:-

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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The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals 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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It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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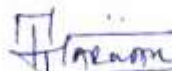
We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

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,

Re: Rating of L&T Finance Limited's (LTFL) non-convertible debentures

India Ratings (see definition below) assigns 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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which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

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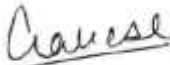
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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

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: LTFL 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 LTFL book and 55% of total real estate finance across the LTFHL platform), and wholesale finance including infrastructure and structured corporate finance (totaling 31%). Further, LTFL 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 LTFL's advances. The assets in infrastructure, corporate finance and real estate financing are booked in LTFL 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. LTFL 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, LTFL'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 (microban 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 LTFL'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 LTFL 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: LTFL | | |

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 | INR10 | 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 | |

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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Applicable Criteria

[Financial Institutions Rating Criteria](#)

[Non-Bank Finance Companies Criteria](#)

[Rating FI Subsidiaries and Holding Companies](#)

Analyst Names

Primary Analyst

Jindal Haria

Associate Director

India Ratings and Research Pvt Ltd Wockhardt Towers, 4th floor, West Wing Plot C-2, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400051

+91 22 40001750

Secondary Analyst

Pankaj Naik

Associate Director

+91 22 40001723

Committee Chairperson

Prakash Agarwal

Director and Head Financial Institutions

+91 22 40001753

Media Relation

Namita Sharma

Manager – Corporate Communication

+91 22 40356121

ANNEXURE D

ILLUSTRATIVE CASH FLOW

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Series 1 - 37 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) | March 27, 2019 |
| Tenor | 37 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 9.00% |
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 9.10% |
| Redemption Date/Maturity Date (assumed) | April 27, 2022 |
| Frequency of interest payment | Annual |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.00% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.10% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment 1 | Friday, March 27, 2020 | Friday, March 27, 2020 | 366 | 90.00 | 91 |
| Coupon/Interest Payment 2 | Saturday, March 27, 2021 | Monday, March 29, 2021 | 365 | 90.00 | 91 |
| Coupon/Interest Payment 3 | Sunday, March 27, 2022 | Monday, March 28, 2022 | 365 | 90.00 | 91 |
| Coupon/Interest Payment 4 | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | 31 | 7.64 | 7.73 |
| Principal | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | | 1000 | 1000 |

Series II - 37 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) | March 27, 2019 |
| Tenor | 37 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 9.00% |
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 9.10% |
| Redemption Date/Maturity Date (assumed) | April 27, 2022 |
| Frequency of interest payment | Monthly |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.00% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.10% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | 1127 | 304.93 | 308.64 |
| Principal | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | | 1000 | 1000 |

Series III - 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) | March 27, 2019 |
| Tenor | 60 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 9.10% |
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 9.25% |
| Redemption Date/Maturity Date (assumed) | March 27, 2024 |
| Frequency of interest payment | Annual |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.09% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.24% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment 1 | Friday, March 27, 2020 | Friday, March 27, 2020 | 366 | 91.00 | 92.5 |
| Coupon/Interest Payment 2 | Saturday, March 27, 2021 | Monday, March 29, 2021 | 365 | 91.00 | 92.5 |
| Coupon/Interest Payment 3 | Sunday, March 27, 2022 | Monday, March 28, 2022 | 365 | 91.00 | 92.5 |

| | | | | | |
|---------------------------|---------------------------|---------------------------|-----|-------|------|
| Coupon/Interest Payment 4 | Monday, March 27, 2023 | Monday, March 27, 2023 | 365 | 91.00 | 92.5 |
| Coupon/Interest Payment 5 | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | 366 | 91.00 | 92.5 |
| Principal | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | | 1000 | 1000 |

Series IV - 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) | March 27, 2019 |
| Tenor | 60 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 8.75% |
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 8.89% |
| Redemption Date/Maturity Date (assumed) | March 27, 2024 |
| Frequency of interest payment | Monthly |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.10% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.25% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment 1 | Saturday, April 27, 2019 | Monday, April 29, 2019 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 2 | Monday, May 27, 2019 | Monday, May 27, 2019 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 3 | Thursday, June 27, 2019 | Thursday, June 27, 2019 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 4 | Saturday, July 27, 2019 | Monday, July 29, 2019 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 5 | Tuesday, August 27, 2019 | Tuesday, August 27, 2019 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 6 | Friday, September 27, 2019 | Friday, September 27, 2019 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 7 | Sunday, October 27, 2019 | Monday, October 28, 2019 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 8 | Wednesday, November 27, 2019 | Wednesday, November 27, 2019 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 9 | Friday, December 27, 2019 | Friday, December 27, 2019 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 10 | Monday, January 27, 2020 | Monday, January 27, 2020 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 11 | Thursday, February 27, 2020 | Thursday, February 27, 2020 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 12 | Friday, March 27, 2020 | Friday, March 27, 2020 | 29 | 6.93 | 7.04 |
| Coupon/Interest Payment 13 | Monday, April 27, 2020 | Monday, April 27, 2020 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 14 | Wednesday, May 27, 2020 | Wednesday, May 27, 2020 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 15 | Saturday, June 27, 2020 | Monday, June 29, 2020 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 16 | Monday, July 27, 2020 | Monday, July 27, 2020 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 17 | Thursday, August 27, 2020 | Thursday, August 27, 2020 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 18 | Sunday, September 27, 2020 | Monday, September 28, 2020 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 19 | Tuesday, October 27, 2020 | Tuesday, October 27, 2020 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 20 | Friday, November 27, 2020 | Friday, November 27, 2020 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 21 | Sunday, December 27, 2020 | Monday, December 28, 2020 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 22 | Wednesday, January 27, 2021 | Wednesday, January 27, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 23 | Saturday, February 27, 2021 | Monday, March 01, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 24 | Saturday, March 27, 2021 | Monday, March 29, 2021 | 28 | 6.71 | 6.82 |
| Coupon/Interest Payment 25 | Tuesday, April 27, 2021 | Tuesday, April 27, 2021 | 31 | 7.43 | 7.55 |

| | | | | | |
|----------------------------|-------------------------------|-------------------------------|----|------|------|
| Coupon/Interest Payment 26 | Thursday, May 27, 2021 | Thursday, May 27, 2021 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 27 | Sunday, June 27, 2021 | Monday, June 28, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 28 | Tuesday, July 27, 2021 | Tuesday, July 27, 2021 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 29 | Friday, August 27, 2021 | Friday, August 27, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 30 | Monday, September 27, 2021 | Monday, September 27, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 31 | Wednesday, October 27, 2021 | Wednesday, October 27, 2021 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 32 | Saturday, November 27, 2021 | Monday, November 29, 2021 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 33 | Monday, December 27, 2021 | Monday, December 27, 2021 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 34 | Thursday, January 27, 2022 | Thursday, January 27, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 35 | Sunday, February 27, 2022 | Monday, February 28, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 36 | Sunday, March 27, 2022 | Monday, March 28, 2022 | 28 | 6.71 | 6.82 |
| Coupon/Interest Payment 37 | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 38 | Friday, May 27, 2022 | Friday, May 27, 2022 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 39 | Monday, June 27, 2022 | Monday, June 27, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 40 | Wednesday, July 27, 2022 | Wednesday, July 27, 2022 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 41 | Saturday, August 27, 2022 | Monday, August 29, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 42 | Tuesday, September 27, 2022 | Tuesday, September 27, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 43 | Thursday, October 27, 2022 | Thursday, October 27, 2022 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 44 | Sunday, November 27, 2022 | Monday, November 28, 2022 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 45 | Tuesday, December 27, 2022 | Tuesday, December 27, 2022 | 30 | 7.19 | 7.31 |
| Coupon/Interest Payment 46 | Friday, January 27, 2023 | Friday, January 27, 2023 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 47 | Monday, February 27, 2023 | Monday, February 27, 2023 | 31 | 7.43 | 7.55 |
| Coupon/Interest Payment 48 | Monday, March 27, 2023 | Monday, March 27, 2023 | 28 | 6.71 | 6.82 |
| Coupon/Interest Payment 49 | Thursday, April 27, 2023 | Thursday, April 27, 2023 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 50 | Saturday, May 27, 2023 | Monday, May 29, 2023 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 51 | Tuesday, June 27, 2023 | Tuesday, June 27, 2023 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 52 | Thursday, July 27, 2023 | Thursday, July 27, 2023 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 53 | Sunday, August 27, 2023 | Monday, August 28, 2023 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 54 | Wednesday, September 27, 2023 | Wednesday, September 27, 2023 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 55 | Friday, October 27, 2023 | Friday, October 27, 2023 | 30 | 7.17 | 7.29 |

| | | | | | |
|----------------------------|------------------------------|------------------------------|----|------|------|
| Coupon/Interest Payment 56 | Monday, November 27, 2023 | Monday, November 27, 2023 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 57 | Wednesday, December 27, 2023 | Wednesday, December 27, 2023 | 30 | 7.17 | 7.29 |
| Coupon/Interest Payment 58 | Saturday, January 27, 2024 | Monday, January 29, 2024 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 59 | Tuesday, February 27, 2024 | Tuesday, February 27, 2024 | 31 | 7.41 | 7.53 |
| Coupon/Interest Payment 60 | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | 29 | 6.93 | 7.04 |
| Principal | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | | 1000 | 1000 |

Series V - 120 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) | March 27, 2019 |
| Tenor | 120 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 9.20% |
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 9.35% |
| Redemption Date/Maturity Date (assumed) | March 27, 2029 |
| Frequency of interest payment | Annual |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.19% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.34% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment 1 | Friday, March 27, 2020 | Friday, March 27, 2020 | 366 | 92.00 | 93.5 |
| Coupon/Interest Payment 2 | Saturday, March 27, 2021 | Monday, March 29, 2021 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 3 | Sunday, March 27, 2022 | Monday, March 28, 2022 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 4 | Monday, March 27, 2023 | Monday, March 27, 2023 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 5 | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | 366 | 92.00 | 93.5 |
| Coupon/Interest Payment 6 | Thursday, March 27, 2025 | Thursday, March 27, 2025 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 7 | Friday, March 27, 2026 | Friday, March 27, 2026 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 8 | Saturday, March 27, 2027 | Monday, March 29, 2027 | 365 | 92.00 | 93.5 |
| Coupon/Interest Payment 9 | Monday, March 27, 2028 | Monday, March 27, 2028 | 366 | 92.00 | 93.5 |
| Coupon/Interest Payment 10 | Tuesday, March 27, 2029 | Tuesday, March 27, 2029 | 365 | 92.00 | 93.5 |
| Principal | Tuesday, March 27, 2029 | Tuesday, March 27, 2029 | | 1000 | 1000 |

Series VI -120 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) | March 27, 2019 |
| Tenor | 120 months |
| Option 1 : Coupon Rate for Category I Investors and Category II Investors (p.a) | 8.84% |

| | |
|-----------------------------------------------------------------------------------|----------------|
| Option 2 : Coupon Rate for Category III Investors and Category IV Investors (p.a) | 8.98% |
| Redemption Date/Maturity Date (assumed) | March 27, 2029 |
| Frequency of interest payment | Monthly |
| Option 1: Effective Yield for Category I Investors and Category II Investors | 9.20% |
| Option 2: Effective Yield for Category III Investors and Category IV Investors | 9.35% |
| 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 | Wednesday, March 27, 2019 | Wednesday, March 27, 2019 | | -1000 | -1000 |
| Coupon/Interest Payment 1 | Saturday, April 27, 2019 | Monday, April 29, 2019 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 2 | Monday, May 27, 2019 | Monday, May 27, 2019 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 3 | Thursday, June 27, 2019 | Thursday, June 27, 2019 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 4 | Saturday, July 27, 2019 | Monday, July 29, 2019 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 5 | Tuesday, August 27, 2019 | Tuesday, August 27, 2019 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 6 | Friday, September 27, 2019 | Friday, September 27, 2019 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 7 | Sunday, October 27, 2019 | Monday, October 28, 2019 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 8 | Wednesday, November 27, 2019 | Wednesday, November 27, 2019 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 9 | Friday, December 27, 2019 | Friday, December 27, 2019 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 10 | Monday, January 27, 2020 | Monday, January 27, 2020 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 11 | Thursday, February 27, 2020 | Thursday, February 27, 2020 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 12 | Friday, March 27, 2020 | Friday, March 27, 2020 | 29 | 7.00 | 7.12 |
| Coupon/Interest Payment 13 | Monday, April 27, 2020 | Monday, April 27, 2020 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 14 | Wednesday, May 27, 2020 | Wednesday, May 27, 2020 | 30 | 7.27 | 7.38 |

| | | | | | |
|----------------------------|-----------------------------|-----------------------------|----|------|------|
| Coupon/Interest Payment 15 | Saturday, June 27, 2020 | Monday, June 29, 2020 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 16 | Monday, July 27, 2020 | Monday, July 27, 2020 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 17 | Thursday, August 27, 2020 | Thursday, August 27, 2020 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 18 | Sunday, September 27, 2020 | Monday, September 28, 2020 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 19 | Tuesday, October 27, 2020 | Tuesday, October 27, 2020 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 20 | Friday, November 27, 2020 | Friday, November 27, 2020 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 21 | Sunday, December 27, 2020 | Monday, December 28, 2020 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 22 | Wednesday, January 27, 2021 | Wednesday, January 27, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 23 | Saturday, February 27, 2021 | Monday, March 01, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 24 | Saturday, March 27, 2021 | Monday, March 29, 2021 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 25 | Tuesday, April 27, 2021 | Tuesday, April 27, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 26 | Thursday, May 27, 2021 | Thursday, May 27, 2021 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 27 | Sunday, June 27, 2021 | Monday, June 28, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 28 | Tuesday, July 27, 2021 | Tuesday, July 27, 2021 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 29 | Friday, August 27, 2021 | Friday, August 27, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 30 | Monday, September 27, 2021 | Monday, September 27, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 31 | Wednesday, October 27, 2021 | Wednesday, October 27, 2021 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 32 | Saturday, November 27, 2021 | Monday, November 29, 2021 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 33 | Monday, December 27, 2021 | Monday, December 27, 2021 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 34 | Thursday, January 27, 2022 | Thursday, January 27, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 35 | Sunday, February 27, 2022 | Monday, February 28, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 36 | Sunday, March 27, 2022 | Monday, March 28, 2022 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 37 | Wednesday, April 27, 2022 | Wednesday, April 27, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 38 | Friday, May 27, 2022 | Friday, May 27, 2022 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 39 | Monday, June 27, 2022 | Monday, June 27, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 40 | Wednesday, July 27, 2022 | Wednesday, July 27, 2022 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 41 | Saturday, August 27, 2022 | Monday, August 29, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 42 | Tuesday, September 27, 2022 | Tuesday, September 27, 2022 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 43 | Thursday, October 27, 2022 | Thursday, October 27, 2022 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 44 | Sunday, November 27, 2022 | Monday, November 28, 2022 | 31 | 7.51 | 7.63 |

| | | | | | |
|----------------------------|-------------------------------|-------------------------------|----|------|------|
| Coupon/Interest Payment 45 | Tuesday, December 27, 2022 | Tuesday, December 27, 2022 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 46 | Friday, January 27, 2023 | Friday, January 27, 2023 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 47 | Monday, February 27, 2023 | Monday, February 27, 2023 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 48 | Monday, March 27, 2023 | Monday, March 27, 2023 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 49 | Thursday, April 27, 2023 | Thursday, April 27, 2023 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 50 | Saturday, May 27, 2023 | Monday, May 29, 2023 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 51 | Tuesday, June 27, 2023 | Tuesday, June 27, 2023 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 52 | Thursday, July 27, 2023 | Thursday, July 27, 2023 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 53 | Sunday, August 27, 2023 | Monday, August 28, 2023 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 54 | Wednesday, September 27, 2023 | Wednesday, September 27, 2023 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 55 | Friday, October 27, 2023 | Friday, October 27, 2023 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 56 | Monday, November 27, 2023 | Monday, November 27, 2023 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 57 | Wednesday, December 27, 2023 | Wednesday, December 27, 2023 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 58 | Saturday, January 27, 2024 | Monday, January 29, 2024 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 59 | Tuesday, February 27, 2024 | Tuesday, February 27, 2024 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 60 | Wednesday, March 27, 2024 | Wednesday, March 27, 2024 | 29 | 7.00 | 7.12 |
| Coupon/Interest Payment 61 | Saturday, April 27, 2024 | Monday, April 29, 2024 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 62 | Monday, May 27, 2024 | Monday, May 27, 2024 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 63 | Thursday, June 27, 2024 | Thursday, June 27, 2024 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 64 | Saturday, July 27, 2024 | Monday, July 29, 2024 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 65 | Tuesday, August 27, 2024 | Tuesday, August 27, 2024 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 66 | Friday, September 27, 2024 | Friday, September 27, 2024 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 67 | Sunday, October 27, 2024 | Monday, October 28, 2024 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 68 | Wednesday, November 27, 2024 | Wednesday, November 27, 2024 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 69 | Friday, December 27, 2024 | Friday, December 27, 2024 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 70 | Monday, January 27, 2025 | Monday, January 27, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 71 | Thursday, February 27, 2025 | Thursday, February 27, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 72 | Thursday, March 27, 2025 | Thursday, March 27, 2025 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 73 | Sunday, April 27, 2025 | Monday, April 28, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 74 | Tuesday, May 27, 2025 | Tuesday, May 27, 2025 | 30 | 7.27 | 7.38 |

| | | | | | |
|-----------------------------|------------------------------|-----------------------------|----|------|------|
| Coupon/Interest Payment 75 | Friday, June 27, 2025 | Friday, June 27, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 76 | Sunday, July 27, 2025 | Monday, July 28, 2025 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 77 | Wednesday, August 27, 2025 | Wednesday, August 27, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 78 | Saturday, September 27, 2025 | Monday, September 29, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 79 | Monday, October 27, 2025 | Monday, October 27, 2025 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 80 | Thursday, November 27, 2025 | Thursday, November 27, 2025 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 81 | Saturday, December 27, 2025 | Monday, December 29, 2025 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 82 | Tuesday, January 27, 2026 | Tuesday, January 27, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 83 | Friday, February 27, 2026 | Friday, February 27, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 84 | Friday, March 27, 2026 | Friday, March 27, 2026 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 85 | Monday, April 27, 2026 | Monday, April 27, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 86 | Wednesday, May 27, 2026 | Wednesday, May 27, 2026 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 87 | Saturday, June 27, 2026 | Monday, June 29, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 88 | Monday, July 27, 2026 | Monday, July 27, 2026 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 89 | Thursday, August 27, 2026 | Thursday, August 27, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 90 | Sunday, September 27, 2026 | Monday, September 28, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 91 | Tuesday, October 27, 2026 | Tuesday, October 27, 2026 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 92 | Friday, November 27, 2026 | Friday, November 27, 2026 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 93 | Sunday, December 27, 2026 | Monday, December 28, 2026 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 94 | Wednesday, January 27, 2027 | Wednesday, January 27, 2027 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 95 | Saturday, February 27, 2027 | Monday, March 01, 2027 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 96 | Saturday, March 27, 2027 | Monday, March 29, 2027 | 28 | 6.78 | 6.89 |
| Coupon/Interest Payment 97 | Tuesday, April 27, 2027 | Tuesday, April 27, 2027 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 98 | Thursday, May 27, 2027 | Thursday, May 27, 2027 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 99 | Sunday, June 27, 2027 | Monday, June 28, 2027 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 100 | Tuesday, July 27, 2027 | Tuesday, July 27, 2027 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 101 | Friday, August 27, 2027 | Friday, August 27, 2027 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 102 | Monday, September 27, 2027 | Monday, September 27, 2027 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 103 | Wednesday, October 27, 2027 | Wednesday, October 27, 2027 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 104 | Saturday, November 27, 2027 | Monday, November 29, 2027 | 31 | 7.49 | 7.61 |

| | | | | | |
|-----------------------------|-------------------------------|-------------------------------|----|------|------|
| Coupon/Interest Payment 105 | Monday, December 27, 2027 | Monday, December 27, 2027 | 30 | 7.25 | 7.36 |
| Coupon/Interest Payment 106 | Thursday, January 27, 2028 | Thursday, January 27, 2028 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 107 | Sunday, February 27, 2028 | Monday, February 28, 2028 | 31 | 7.49 | 7.61 |
| Coupon/Interest Payment 108 | Monday, March 27, 2028 | Monday, March 27, 2028 | 29 | 7.00 | 7.12 |
| Coupon/Interest Payment 109 | Thursday, April 27, 2028 | Thursday, April 27, 2028 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 110 | Saturday, May 27, 2028 | Monday, May 29, 2028 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 111 | Tuesday, June 27, 2028 | Tuesday, June 27, 2028 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 112 | Thursday, July 27, 2028 | Thursday, July 27, 2028 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 113 | Sunday, August 27, 2028 | Monday, August 28, 2028 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 114 | Wednesday, September 27, 2028 | Wednesday, September 27, 2028 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 115 | Friday, October 27, 2028 | Friday, October 27, 2028 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 116 | Monday, November 27, 2028 | Monday, November 27, 2028 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 117 | Wednesday, December 27, 2028 | Wednesday, December 27, 2028 | 30 | 7.27 | 7.38 |
| Coupon/Interest Payment 118 | Saturday, January 27, 2029 | Monday, January 29, 2029 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 119 | Tuesday, February 27, 2029 | Tuesday, February 27, 2029 | 31 | 7.51 | 7.63 |
| Coupon/Interest Payment 120 | Tuesday, March 27, 2029 | Tuesday, March 27, 2029 | 28 | 6.78 | 6.89 |
| Principal | Tuesday, March 27, 2029 | Tuesday, March 27, 2029 | | 1000 | 1000 |

Assumptions:

1. The Deemed Date of Allotment is assumed to be March 27, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the Financial Year 2020, 2024 and 2028, being leap years, have been calculated for 366 days.
3. In the event, the interest / pay-out 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 Rs. 2,515.07 /-, then the amount shall be rounded off to Rs. 2,515.00/-. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder.

Note:

The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

ANNEXURE E

DEBENTURE TRUSTEE CONSENT LETTER

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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.





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