

L&T FINANCIAL CONSULTANTS LIMITED

Board's Report

Dear Members,

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

FINANCIAL HIGHLIGHTS

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

(₹ in Lakh)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Income	13,980.67	8,146.18
Profit before Tax/(Loss)	7,430.30	1,659.60
Provision for Tax including Deferred Tax	2,155.29	466.22
Profit after Tax/(Loss)	5,275.01	1,193.38
Add: Other Comprehensive Income	(2.91)	(2.10)
Total Comprehensive Income for the year	5,272.10	1,191.28
Add: Balance brought forward from previous year (Deficit)/Surplus	1,486.56	1,109.03
Total	6,758.66	2,300.31
Less: Interim dividend paid (including dividend distribution tax)	(3,786.19)	(813.75)
Surplus / (Deficit) in the statement of Profit and Loss	2,972.47	1,486.56

APPROPRIATIONS

During the year under review, the Company has not transferred any amount to General Reserve. During the year under review, the Board of Directors declared and paid an interim dividend of ₹ 16.75 per Equity Share on 1,87,50,000 Equity Shares of face value of ₹ 10 each, aggregating to ₹ 3,140.63 Lakh (excluding Dividend Distribution Tax).

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

• PERFORMANCE OF BUSINESSES

During the year, the Company made an application to Securities and Exchange Board of India (SEBI) to de-register by surrendering the Certificate of Registration to act as a Category 1 Merchant Banker. The Company has received the approval from SEBI on July 29, 2019.

- **FINANCIAL PERFORMANCE OF THE COMPANY**

During the year under review, the Company earned a gross income of ₹ 13,980.67 Lakh as against ₹ 8,146.18 Lakh earned by it in the previous year. The gross income mainly represents income from lease rentals, marketing activities and advisory fees.

The expenditure incurred by the Company during the year under review mainly comprises finance costs of ₹ 3,551.80 Lakh as against ₹ 3,610.12 Lakh in the previous year.

The Profit reported by the Company for FY ended March 31, 2020 is ₹ 5,275.01 Lakh.

The Net Worth of the Company as at March 31, 2020 is ₹ 8,215.84 Lakh as against ₹ 6,729.93 Lakh as at March 31, 2019.

MATERIAL CHANGES AND COMMITMENTS

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

DIVIDEND

During the year under review, the Board of Directors declared and paid an interim dividend of ₹ 16.75 per Equity Share on 1,87,50,000 Equity Shares of face value of ₹ 10 each, aggregating to ₹ 3,140.63 Lakh (excluding Dividend Distribution Tax).

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

SHARE CAPITAL

As on March 31, 2020, the paid-up capital of the Company stands at ₹ 18,75,00,000 (Rupees Eighteen Crore Seventy Five Lakh Only) divided into 1,87,50,000 (One Crore Eighty Seven Lakh and Fifty thousand) Equity Shares of ₹ 10 (Rupees Ten Only) each.

FIXED DEPOSITS

The Company has not accepted any deposits from the public since inception.

DIRECTORS

The composition of the Board is in accordance with the provisions of the Companies Act, 2013 ("the Act").

During the year under review, Mr. Virender Pankaj, Non-Executive Director, resigned from the Board with effect from July 11, 2019, to devote time to other commitments.

During the year under review, Mr. S. Anantharaman who was appointed as a Non-Executive Director, in accordance with provisions of Section 152, 160 and 161 of the Act with effect from

July 29, 2019, pursuant to the approval of the Members at the Eighth Annual General Meeting (“AGM”) held on July 29, 2019, resigned from the Board with effect from April 17, 2020, to devote time to other commitments.

The Board places on record its appreciation of the valuable services rendered by the aforesaid Directors during their tenure as the Directors of the Company.

The Company appointed Dr. Rupa Rege Nitsure as an Additional Director, pursuant to the provisions of Sections 152, 160 and 161 of the Act with effect from May 11, 2020. Dr. Nitsure holds office up to the date of ensuing Annual General Meeting (“AGM”), liable to retire by rotation.

As on the date of this Report, the Board comprises the following Directors:

Name of Directors	Designation
Mr. Sunil Prabhune	Non-Executive Director
Mr. Raju Dodti	Non-Executive Director
Dr. Rupa Rege Nitsure ⁽¹⁾	Non-Executive Director

Note:

(1) Appointed as an Additional Director with effect from May 11, 2020.

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

KEY MANAGERIAL PERSONNEL (“KMPs”)

During the year under review, Mr. Mehul Somaiya ceased to be the Company Secretary of the Company with effect from April 25, 2019 and Mr. Vinay Pandey was appointed as the Company Secretary of the Company and was designated as KMP under the Act with effect from April 25, 2019.

During the year under review, Mr. Suresh Darak resigned from the position of the Manager of the Company with effect from July 11, 2019 and consequently, Mr. Sudeep Banerjee was appointed as the Manager of the Company and was designated as KMP under the Act with effect from October 17, 2019.

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

- Mr. Sudeep Banerjee - Manager
- Mr. Hitesh Bhadada - Head-Accounts (discharging functions of the Chief Financial Officer)
- Mr. Vinay Pandey - Company Secretary

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at their Fifth AGM, held on August 31, 2016 had appointed M/s. Sharp & Tannan, Chartered Accountants (ICAI Firm’s Registration Number 109982W) as the Statutory Auditors of

the Company for a term of five years i.e. from the conclusion of the Fifth AGM till the conclusion of the Tenth AGM of the Company. They have confirmed that they are not disqualified from continuing as the Auditors of the Company.

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended as **Annexure A** to this Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars relating to conservation of energy and technology absorption in terms of Section 134(3)(m) of the Act and Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given as under:

(A) Conservation of Energy

The steps taken or impact on conservation of energy:

The operations of your Company are not energy intensive. However, following measures have been initiated to reduce energy consumption:

- Efficient building envelope achieved by use of flash blocks and double glazed glass units
- Ample day light and views for all office spaces ensured
- Use of treated wastewater for landscape and cooling tower make up water there by reducing portable water use
- Use of materials with low content of volatile organic compounds
- Electric car charging facilities in basement parking area

The steps taken by the Company for utilizing alternate sources of energy:

The Company has incorporated solar panels for external lighting in owned office premises.

(B) TECHNOLOGY ABSORPTION: Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and expenditure during the year under review.

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

The Company is a wholly owned subsidiary of L&T Finance Holdings Limited.

Mudit Cement Private Limited is the wholly owned subsidiary of the Company. The Company has no joint venture or associate company.

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance, financial position and contribution of the subsidiary of the Company has been appended as **Annexure B** to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

BOARD MEETINGS

During the year under review, the Board of Directors of the Company met 6 (six) times i.e. on April 25, 2019, June 11, 2019, July 17, 2019, July 29, 2019, October 17, 2019 and January 16, 2020.

The Agenda of the meetings were circulated to the Directors well in advance. The Minutes of the meetings of the Board of Directors were circulated amongst the members of the Board for their perusal.

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

Name of the Director	DIN	Nature of Directorship	No. of Board Meetings held / conducted during the tenure of Director / year	No. of Board Meetings Attended
Mr. Sunil Prabhune	07517824	NED	6	6
Mr. Raju Dodti	06550896	NED	6	6
Mr. Virender Pankaj ⁽¹⁾	07554897	NED	2	2
Mr. S Anantharaman ⁽²⁾⁽³⁾	08215410	NED	3	3

Notes:

(1) Ceased to be a Director with effect from July 11, 2019

(2) Appointed as a Director with effect from July 29, 2019

(3) Ceased to be a Director with effect from April 17, 2020

NED - Non-Executive Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee.

As on the date of this Report, the CSR Committee comprises Mr. Sunil Prabhune, Mr. Raju Dodti and Dr. Rupa Rege Nitsure. During the year under review, the Committee met once i.e. on April 25, 2019 and all the members of the Committee were present at the said meeting.

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

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

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

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

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved a policy on transactions with related parties ("RPT Policy").

The RPT Policy is also available on the website of the Company viz. www.ltfs.com. The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

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

a) Board:

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

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

b) Shareholders:

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

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

RISK MANAGEMENT FRAMEWORK

The Company has in place a mechanism to inform the Board about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

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

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

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

ANNUAL RETURN AS PRESCRIBED UNDER THE ACT AND RULES MADE THEREUNDER

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by any Regulators or Courts during the year ended review.

ACKNOWLEDGEMENTS

The Directors express their sincere gratitude to the Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the

Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company resulting in successful performance during the year.

For and on behalf of the Board of Directors

Sunil Prabhune
Director
DIN: 07517824

Raju Dodti
Director
DIN: 06550896

Place: Mumbai
Date: May 12, 2020

ANNUAL REPORT 2019-20 - ANNEXURE 'B' TO BOARD'S REPORT**FORM AOC-1**

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

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

Part — A: Subsidiaries**(₹ in Lakhs)**

Sr. No.	1
Name of the subsidiaries	Mudit Cement Private Limited
Date of acquisition	December 27, 2013
Share capital	210.48
Reserves & surplus	(4,426.09)
Total assets	2,580.73
Total Liabilities	6,796.34
Investments	NIL
Turnover	NIL
Profit / (loss) before taxation	(1,874.33)
Provision for taxation	(278.50)
Profit/ (loss) after taxation	(1,595.83)
Proposed Dividend (Including dividend paid)	NIL
% of shareholding	100%

Name of Subsidiaries which are yet to commence operations: Mudit Cement Private Limited.

Part - B: Associates and Joint Ventures

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

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

**For and on behalf of the Board of Directors of
L&T Financial Consultants Limited**

Sunil Prabhune
Director
DIN: 07517824

Raju Dodti
Director
DIN: 06550896

Hitesh Bhadada
Head Accounts

Vinay Pandey
Company Secretary

Place: Mumbai
Date: May 12, 2020

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

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

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

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

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

2) Composition of the CSR Committee:

The composition of CSR Committee is disclosed in the Board's Report.

3) Average Net Profit of the Company for the last three financial years is ₹ 1,080.25 Lakh.

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

Particulars	Amount (₹ in Lakh)
Prescribed CSR Expenditure	21.61
Amount spent as CSR	21.61
Amount unspent	Nil

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

Amount (₹ in Lakh)							
Sr. No.	CSR Project or Activity Identified	Sector in which Project is covered	Projects or Programme coverage	Amount Outlay (budget) project or Programmes wise	Amount Spent on the Projects or Programmes. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
1	Integrated Water Resource Management (IWRM) Improve the crop yield for the marginalized farmers in the semi-arid	(i) eradicating extreme hunger and poverty; (iv) ensuring environmental sustainability x) Rural Development project	State: Maharashtra Districts: Aurangabad, Jalna and Buldhana	21.61	(a) 21.29 (b) 0.32	21.61	Indirect**

Sr. No.	CSR Project or Activity Identified	Sector in which Project is covered	Projects or Programme coverage	Amount Outlay (budget) project or Programmes wise	Amount Spent on the Projects or Programmes. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing Agency
	regions through Integrated Water Resource Management, reaching to 30,000 farmers from 60 villages of Aurangabad, Jalna and Buldhana						
Total CSR Spend in FY 19-20				21.61	21.61	21.61	

Note:

Direct* = CSR projects/ initiatives directly implemented by the Company.

Indirect** = CSR activities/ projects have been carried out by partnering with several Non-Governmental Organizations/ Charitable Institutions.

6) Responsibility Statement:

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

Sunil Prabhune

Director

DIN: 07517824

Raju Dodti

Director

DIN: 06550896

Place: Mumbai

Date: May 12, 2020

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

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U65100MH2011PLC299024
ii)	Registration Date	June 16, 2011
iii)	Name of the Company	L&T Financial Consultants Limited
iv)	Category/Sub-category of the Company	Company limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India. Phone: +91 22 6212 5000 Fax: +91 22 6212 5553 Website: www.ltfs.com
vi)	Whether listed company	No
vii)	Name, address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. Tel: +91 22 4918 6262 Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1.	Dealing in Real Estate properties	68100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	L&T Finance Holdings Limited Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai- 400 098	L67120MH2008PLC181833	Holding Company	100.00	2(46)

2.	Mudit Cement Private Limited 5th Floor, DCM Building, 16, Barakhamba Road, Connaught Place, New Delhi-110 001	U26942DL1990PTC041941	Subsidiary Company	100.00	2(87)
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IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

(i) Category – wise Shareholding :-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	6*	6*	0	-	6*	6*	0	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,87,49,994	-	1,87,49,994	100	1,87,49,94	-	1,87,49,994	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total: (A)(1)	1,87,49,994	6*	1,87,50,000	100	1,87,49,94	6*	1,87,50,000	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	1,87,49,994	6*	1,87,50,000	100	1,87,49,94	6*	1,87,50,000	100	-

[illegible]

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding	-	-	-	-	-	-	-	-	-
(B) = (B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,87,49,994	6*	1,87,50,000	100	1,87,49,94	6*	1,87,50,000	100	-

*The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 6 shares are held by 6 Members jointly with L&T Finance Holdings Limited.

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	L&T Finance Holdings Limited	1,87,50,000*	100.00	-	1,87,50,000*	100.00	-	-
	Total	1,87,50,000*	100.00	-	1,87,50,000*	100.00	-	-

*The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of members, 6 shares are held by 6 members jointly with L&T Finance Holdings Limited.

(ii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	L&T Finance Holdings Limited					
	At the beginning of the year	April 1, 2019	1,87,50,000	100	-	-
	Date wise increase/- decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat		-	-	-	-

Sr. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	equity, etc)					
	At the end of the year	March 31, 2020	-	-	1,87,50,000*	100

*The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of members, 6 shares are held by 6 members jointly with L&T Finance Holdings Limited.

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

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

(v) Shareholding of Directors & Key Managerial Personnel

Sr. No.	Name of Director / KMP	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sunil Prabhune					
	At the beginning of the year	April 1, 2019	1*	-	-	-
	At the end of the year	March 31, 2020	-	-	1*	-
2	Mr. Raju Dodti					
	At the beginning of the year	April 1, 2019	1*	-	-	-
	At the end of the year	March 31, 2020	-	-	1*	-

*The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, shares held jointly with L&T Finance Holdings Limited.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	36,373.68	-	36,373.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,841.75	-	1,841.75
Total (i+ii+iii)	-	38,215.43	-	38,215.43
Change in Indebtedness during the financial year				
• Additions	-	2,66,231.23	-	2,66,231.23
• Reduction	-	2,68,069.91	-	2,68,069.91
Net Change	-	(1,823.68)	-	36,376.75
Indebtedness at the end of the financial year				
i) Principal Amount	-	34,535.00	-	34,535.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	25.75	-	25.75
Total (i+ii+iii)	-	34,560.75	-	34,560.75

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/ WTD/Manager	
		Mr. Suresh Darak ⁽¹⁾ Manager	Mr. Sudeep Banerjee ⁽¹⁾ Manager
1	Gross salary:	Not Applicable	Not Applicable
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	-	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option (Number of options)	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

(1) Mr. Suresh Darak ceased to be the Manager with effect from July 11, 2019 and drew remuneration from another company within the L&T Financial Services.

(2) Mr. Sudeep Banerjee was appointed as the Manager with effect from October 17, 2019 and draws remuneration from another company within the L&T Financial Services.

B. Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Non Executive Directors			Total Amount
	Mr. Sunil Prabhune ⁽¹⁾	Mr. Raju Dodti ⁽¹⁾	Mr. S Anantharaman ⁽²⁾	
(a) Fee for attending Board and Committee meetings	-	-	-	-
(b) Commission	-	-	-	-
(c) Others, please specify	-	-	-	-
Total (B)	-	-	-	-
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act	-			-

(1) Mr. Sunil Prabhune and Mr. Raju Dodti drew their remuneration from another company within the L&T Financial Services.

(2) Mr. S. Anantharaman ceased to be a Director with effect from April 17, 2020 and drew remuneration from another company within the L&T Financial Services.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel		Total Amount
		Mr. Hitesh Bhadada (CFO) ⁽¹⁾	Mr. Vinay Pandey (CS) ⁽²⁾	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

(1) Mr. Hitesh Bhadada draws remuneration from another company within the L&T Financial Services.

(2) Appointed as a Company Secretary with effect from April 25, 2019 and draws remuneration from another company within the L&T Financial Services.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE**For and on behalf of the Board of Directors****Sunil Prabhune**

Director

DIN: 07517824

Raju Dodti

Director

DIN: 06550896

Place: Mumbai**Date:** May 12, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of L&T Financial Consultants Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of L&T Financial Consultants Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto, but does not include the financial statements and our auditor's report thereon.

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

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.

Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail: admin.mumbai@stllp.in Shreedhar

T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal

Also at Pune. Associate Offices: New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

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

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

Management's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March

SHARP & TANNAN

LETTER NO: _____

SHEET NO: _____

2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and
- (h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 31.15 to the financial statements;
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 31.16 to the financial statements; and
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 31.17 to the financial statements.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Mumbai, 12 May 2020

R. P. Acharya
Partner
Membership no. 039920
UDIN: 20039920AAAABX3036

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) We are informed by the Company that, certain fixed assets have been physically verified by management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the Company is engaged primarily in services related to merchant banking, leasing of properties and its activities do not require it to hold any inventories and hence reporting under paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are no securities and guarantees granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable. The Company has complied with the provisions of section 186 of the Act in respect of investments made and loans granted.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues have been generally regular in depositing during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no dues in respect of income tax, value added tax, goods and service tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2020.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, no managerial remuneration has been paid or provided during the year.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

R. P. Acharya
Partner

Mumbai, 12 May 2020

Membership no. 039920
UDIN: 20039920AAAABX3036

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of L&T Financial Consultants Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the ICAI.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Mumbai, 12 May 2020

R. P. Acharya
Partner
Membership no. 039920
UDIN: 20039920AAAABX3036



To,
The Board of Directors
L&T Financial Consultants Limited

Subject: Independent Auditor's Report on special purpose financial information prepared for consolidation purpose for the year ended 31 March 2020

Introduction

Special purpose financial information of L&T Financial Consultants Limited ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial information, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'special purpose financial information'), has been prepared for the purposes of consolidated financial statements of the L&T Finance Holdings Limited ('LTFH'). This report is solely issued in accordance with your instructions, to enable you to submit it for consolidation purposes.

Management's responsibility for the special purpose financial information

Management is responsible for the preparation and presentation of these special purpose financial information in accordance with the instructions issued by LTFH's management, the policies contained in the LTFH's accounting policies and in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance with the Division III of Schedule III of the Companies Act, 2013 ('the Act') as per Notification No. GSR 1022 (E) dated 11 October 2018, issued by Ministry of Corporate Affairs, Government of India. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the special purpose financial information that is free from material misstatement, whether due to fraud or error. This special purpose financial information has been prepared solely to enable LTFH to prepare its consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the special purpose financial information that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the special purpose financial information.

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Shreedhar T. Kunte

Ramnath D. Kare

Edwin P. Augustine

Raghunath P. Acharya

Firdosh D. Buchia

Tirtharaj A. Khot

Pavan K. Aggarwal

Also at Pune. Associate Offices: New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial information of the Company as of 31 March 2020 has been prepared, in all material respects, give a true and fair view in conformity with Ind AS and the LTFH's accounting policies.

Restriction on distribution and use

This special purpose financial information has been prepared for purpose of providing information to LTFH to enable it to prepare the consolidated financial statements of the LTFH group. As a result, the special purpose financial information is not a complete set of financial statements of the Company in accordance with Ind AS and is not intended to present fairly, in all material respects, the financial position of the Company as of 31 March 2020 and of its financial performance, and its cash flow for the year then ended in accordance with Ind AS. This special purpose financial information should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this is shown or into whose hands it may come without our prior consent in writing.

For Sharp & Tannan
Chartered Accountants
Firm's registration No.109982W

Mumbai, 12 May 2020

R. P. Acharya
Partner
Membership no. 039920
UDIN: 20039920AAAABY9333

L&T Financial Consultants Limited
Balance Sheet as at March 31, 2020

(₹ in Lakh)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	3	2,052.80	2,459.38
	(b) Investment property	4	31,100.95	32,990.93
	(c) Other intangible assets	5	0.43	0.43
	(d) Financial assets			
	(i) Investments	6	426.10	426.10
	(ii) Others financial assets	8	26.39	25.45
	(e) Deferred tax assets (net)	9	3,493.98	4,250.48
	(f) Other non-current assets	10	1,045.52	1,190.80
	Total non-current assets		38,146.17	41,343.57
2	Current assets			
	(a) Financial assets			
	(i) Trade Receivables	11	537.26	106.25
	(ii) Cash and cash equivalents	12	132.52	232.00
	(iii) Bank Balances other than (ii) above	13	67.13	63.66
	(iv) Others financial assets	8	2,371.20	2,354.02
	(v) Loans	7	3,899.27	3,951.17
	(b) Other current assets	10	16.36	51.44
	(c) Assets classified as held for sale	14	115.02	116.98
	Total current assets		7,138.76	6,875.52
	Total assets		45,284.93	48,219.09
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	15	1,875.00	1,875.00
	(b) Other equity	16	6,340.84	4,854.93
	Total equity		8,215.84	6,729.93
2	Non-current liabilities			
	(a) Financial liabilities			
	(i) Other financial liabilities	17	2,048.75	1,919.95
	(b) Provisions	20	45.17	30.26
	Total non-current liabilities		2,093.92	1,950.21
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	34,560.75	38,215.43
	(ii) Trade payables	19	0.77	(0.10)
	(iii) Other financial liabilities	17	268.91	275.18
	(b) Provisions	20	18.51	21.98
	(c) Other current liabilities	21	126.23	1,026.46
	Total current liabilities		34,975.17	39,538.94
	Total equity and liabilities		45,284.93	48,219.09
	Significant accounting policies	2		
	See accompanying notes to the financial statements	3-31		

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

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

R. P. Acharya
Partner
Membership no. 039920

Raju Doddi
Director
(DIN-06550896)

Sunil Prabhune
Director
(DIN-07517824)

Place : Mumbai
Date : 12th May, 2020

Hitesh Bhadada
Head Accounts (CFO)

Vinay Pandey
Company Secretary

L&T Financial Consultants Limited
Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	22	8,930.81	7,591.44
III Other income	23	5,049.86	554.74
III Total revenue (I + II)		13,980.67	8,146.18
IV EXPENSES			
(a) Employee benefit expense	24	702.75	490.11
(b) Finance costs	25	3,551.80	3,610.12
(c) Depreciation and amortisation expense	26	702.61	704.45
(d) Provisions and contingencies	27	585.52	840.75
(e) Other expenses	28	1,007.69	841.15
Total expenses (IV)		6,550.37	6,486.58
V Profit before tax (III - IV)		7,430.30	1,659.60
VI Tax Expense			
(1) Current tax	29	1,397.60	511.30
(2) Deferred tax	29	2,124.00	466.22
(3) Mat Credit Entitlement	29	(1,366.31)	(511.30)
Total tax expense (VI)		2,155.29	466.22
VII Profit after tax		5,275.01	1,193.38
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus			
Remeasurements of net defined benefit plans	30	(4.11)	(2.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	1.20	-
Other comprehensive income for the year [net of tax]		(2.91)	(2.10)
IX Total comprehensive income for the period		5,272.10	1,191.28
X Earnings per equity share			
(1) Basic (₹)	31.5	28.13	6.36
(2) Diluted (₹)	31.5	28.13	6.36

See accompanying notes and significant accounting policies to the financial statements

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

For and on behalf of the Board of Directors of

L&T Financial Consultants Limited

R. P. Acharya

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(DIN-07517824)

Place : Mumbai

Date : 12th May, 2020

Hitesh Bhadada

Head Accounts (CFO)

Vinay Pandey

Company Secretary

L&T Financial Consultants Limited

Statements of Cash Flows for the year ended March 31, 2020

(₹ in lakh)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<u>A. Cash flow from operating activities</u>		
Profit before tax	7,430.30	1,659.60
Adjustment for:		
Provision for employee benefits	8.30	12.14
Depreciation	702.61	704.45
Profit on sale of Fixed Assets	(388.01)	-
Lease rental income on amortisation of Security deposit	(13.55)	(132.17)
Interest/Dividend income on ICD and FD	(587.39)	(513.92)
Write back of liability no longer payable	-	(40.10)
Interest expenses	3,551.80	3,610.12
Provisions and Contingencies	585.52	840.75
Operating profit before working capital changes	11,289.57	6,140.87
Changes in working capital		
(Increase)/ Decrease in Other Financial Assets	(0.94)	(3.71)
(Increase)/ Decrease in Receivables	(431.01)	316.35
(Increase)/ decrease in current and non financial assets	17.90	(26.72)
Increase/ (decrease) in current and non financial liabilities and provisions	(1,229.06)	462.27
Cash generated from operations	9,646.46	6,889.06
Direct taxes paid	(1,252.32)	(796.21)
Net cash generated from/(used in) operating activities (A)	8,394.14	6,092.85
<u>B. Cash flows from investing activities</u>		
Add : Inflows from investing activities		
Inter corporate Deposit repaid	547.44	-
Sale of fixed assets	1,972.48	3.11
	2,519.92	3.11
Less : Outflow for investing activities		
Inter corporate Deposit given	34.00	45.35
Purchase of fixed assets (including capital work in progress)	4.82	83.78
Purchase of current investments (net)	-	63.36
	38.82	192.49
Net cash generated from/(used in) investing activities (B)	2,481.10	(189.38)
<u>C. Cash flows from financing activities</u>		
Add : Inflows from financing activities		
Proceeds from inter corporate borrowing	99,624.52	10,085.68
	99,624.52	10,085.68
Less : Outflows for financing activities		
Dividend paid (including dividend distribution tax)	3,786.19	1,059.23
Interest and ancillary borrowing cost paid	5,349.84	2,957.55
Repayment of inter corporate borrowing	101,463.20	11,846.27
	110,599.23	15,863.05
Net cash generated from /(used in) financing activities (C)	(10,974.71)	(5,777.37)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(99.48)	126.10
Cash and cash equivalents as at beginning of the year	232.00	105.90
Cash and cash equivalents as at end of the year	132.52	232.00

L&T Financial Consultants Limited

Statements of Cash Flows for the year ended March 31, 2020

Notes:

1. Statement of Cash Flows has been prepared as per Indirect Method as set out in the Indian Accounting Standard (IND AS) 7 "Statement of Cash Flows".
 2. Cash and cash equivalents represent cash and bank balances.
 3. Purchase of fixed assets includes movements of capital work in progress during the year.
 4. Previous year figures have been regrouped/reclassified wherever applicable
-

See accompanying notes and significant accounting policies to the financial statements

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

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

R. P. Acharya

Partner

Membership no. 039920

Raju Dodti

Director

(DIN-06550896)

Sunil Prabhune

Director

(DIN-07517824)

Place : Mumbai

Date : 12th May, 2020

Hitesh Bhadada

Head Accounts(CFO)

Vinay Pandey

Company Secretary

L&T Financial Consultants Limited**Statement of changes in equity for the year ended March 31, 2020****a. Equity Share Capital****(₹ in lakh)**

Balance as at April 01, 2018	Change during the period	Balance at March 31, 2019
1,875.00	-	1,875.00

(₹ in lakh)

Balance as at April 01, 2019	Change during the period	Balance at March 31, 2020
1,875.00	-	1,875.00

b. Other Equity**(₹ in lakh)**

Particulars	Reserves and Surplus			
	Retained Earnings	Other Reserve (arising on the grant of ESOPs)	General Reserve	Total
Balance at April 01, 2018	1,109.03	12.97	3,368.37	4,490.37
Total Comprehensive Income for the year	1,191.28	-	-	1,191.28
Interim dividend (including DDT)	(813.75)	-	-	(813.75)
Less: Transferred to liability	-	(12.97)	-	(12.97)
Balance at March 31, 2019	1,486.56	-	3,368.37	4,854.93

(₹ in lakh)

Particulars	Reserves and Surplus			
	Retained Earnings	Other Reserve (arising on the grant of ESOPs)	General Reserve	Total
Balance at April 01, 2019	1,486.56	-	3,368.37	4,854.93
Total Comprehensive Income for the year	5,272.10	-	-	5,272.10
Interim dividend (including DDT)	(3,786.19)	-	-	(3,786.19)
Balance at March 31, 2020	2,972.47	-	3,368.37	6,340.84

See accompanying notes and significant accounting policies to the financial statements

As per our report attached**SHARP & TANNAN**

Chartered Accountants

Firm's registration no. 109982W

by the hand of

For and on behalf of the Board of Directors of**L&T Financial Consultants Limited****R. P. Acharya**

Partner

Membership no. 039920

Raju Dodti

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Sunil Prabhune

Director

(DIN-07517824)

Place : Mumbai

Date : 12th May, 2020

Hitesh Bhadada

Head Accounts(CFO)

Vinay Pandey

Company Secretary

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

1. Background

L&T Financial Consultants Limited ('the Company') is a company limited by shares incorporated in India. As on 31 March 2020, L&T Finance Holdings Limited, the holding Company along with its nominees hold 100% of its share capital.

2. Significant Accounting Policies:

a. Statement of compliance :

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of section 133 read with section 469 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

b. Basis of accounting :

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

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

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

c. Presentation of financial statements :

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in the Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

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

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

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

e. Revenue recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company's and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

Other operational revenue :

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

f. Property, plant and equipment (PPE) :

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

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

Property, plant and equipment costing up to Rs.5,000 individually are depreciated fully in the year of purchase.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

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

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Office Equipment	5 Years
Computers	3 Years
Furniture and Fixtures	10 Years
Electrical & Installation	10 Years

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

g. Intangible assets :

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

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

Category	Useful life
Software	3 years

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

h. Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties are depreciated using the straight line method over their estimated useful lives.

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Estimated useful lives of items of Investment Property is as follows:

Category	Useful life
Investment Property	60 Years

i. Impairment of non-financial assets:

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the asset's net selling price or its value in use.

j. Financial instruments:

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets:

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets.

A financial asset is primarily derecognised when:

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Impairment of financial assets: The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments

(ii) Financial liabilities:

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

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

k. Cash and bank balances:

Cash and bank balances include balance with scheduled bank in current account.

l. Borrowing Costs:

Borrowing costs include interest expense calculated using the effective interest method.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m. Taxation:

Current Tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

n. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

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

o. Statement of cash flows:

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

- changes during the period in inventories and operating receivables and payables transactions of a

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

- non-cash nature;
- non-cash items such as depreciation and provisions;
- all other items for which the cash effects are investing or financing cash flows.

p. Earnings per share:

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

q. Employee benefits:

(i) Short term employee benefits:

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

(ii) Post-employment benefits:

- (a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. .
- (b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

L&T Financial Consultants Limited

Notes forming part of the financial statements for the year ended March 31, 2020

recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

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

(iv) Termination benefits:

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

r. Accounting and reporting of information for Operating Segments:

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

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 3 Property Plant and Equipment

(₹ in lakh)										
Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Office equipments	567.39	15.02	199.35	383.06	379.35	98.59	188.54	289.40	93.66	188.04
Furniture and Fixtures	548.33	4.62	46.18	506.77	170.59	53.88	27.97	196.50	310.27	377.74
Computers	22.64	15.43	17.63	20.44	21.52	2.66	16.74	7.44	13.00	1.12
Electrical & Installation	2,706.75	0.59	-	2,707.34	814.27	257.20	-	1,071.47	1,635.87	1,892.48
Total	3,845.11	35.66	263.16	3,617.61	1,385.73	412.33	233.25	1,564.81	2,052.80	2,459.38
Previous Year	3,849.47	-	4.36	3,845.11	972.17	414.85	1.29	1,385.73		

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 4: Investment properties

(₹ In Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount/ deemed cost	33,863.73	36,258.02
Add: Additions	34.36	83.73
Less: Sale during the year	(1,759.36)	-
Less: Deletions	(65.19)	-
Less: Reclassified from cwip to other advances	-	(2,478.02)
Closing gross carrying amount	32,073.54	33,863.73
Accumulated depreciation and impairment		
Opening accumulated depreciation	872.80	583.20
Add: Depreciation and impairment	290.27	289.60
Less: Deduction due to sale	(190.48)	-
Closing accumulated depreciation	972.59	872.80
Net Carrying Amount	31,100.95	32,990.93

(i) **Amount recognised in profit or loss for investment properties**

(₹ In Lakh)

	As at March 31, 2020	As at March 31, 2019
Rental income	4,263.24	4,280.88
Other charges recovery	1,732.82	1,663.15
Less: Direct expenses from property that generated rental income	5,198.35	4,183.67
Profit from investment properties before depreciation	797.71	1,760.36
Less: Depreciation and impairment	290.27	289.60
Profit from investment properties	507.44	1,470.76

(ii) **Leasing arrangements**

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly.

Minimum lease payments receivable under non-cancellable operating leases of investment properties are:

(₹ In Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	-	348.39
Later than one year but not later than 5 years	-	8.06
Later than 5 years	-	-
	-	356.45

(iii) The fair values of investment properties ₹ 38,625 lakhs as at March 31, 2020 (₹ 38,625 lakhs as at March 31, 2019).

Note 5 Other Intangible Assets

(₹ in lakh)										
Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	8.55	-	-	8.55	8.12	-	-	8.12	0.43	0.43
Total	8.55	-	-	8.55	8.12	-	-	8.12	0.43	0.43
Previous Year	8.55	-	-	8.55	8.12	-	-	8.12		

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 6: Investments

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Investments		
Investment in Subsidiary Companies		
Mudit Cements Private Limited (21,04,800 equity shares of ₹ 10 each fully paid up)	426.10	426.10
Total	426.10	426.10

Note 7: Loans

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current:		
<u>Unsecured Loans and Advances</u>		
Loans and Advances to Related Parties	6,644.55	6,112.90
Less: Impairment Loss Allowance	(2,745.28)	(2,161.73)
Total	3,899.27	3,951.17

Note 8: Other Financials Assets

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current :		
Deposit given	26.39	25.45
Total	26.39	25.45
Current		
Other Receivables - Related Party	17.18	-
Other Advances	2,354.02	2,354.02
Total	2,371.20	2,354.02

Note 9: Deferred Tax

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
MAT Credit Receivable	5,057.46	3,691.15
Deferred tax asset/(liability)	(1,563.48)	559.33
Total	3,493.98	4,250.48

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 10: Other Assets

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Assets		
Income Tax Assets net off provisions including TDS and Advance Tax	1,045.52	1,190.80
Total	1,045.52	1,190.80
Current Assets		
Current Assets - Others	16.36	51.44
Total	16.36	51.44

Note 11 : Receivables

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables - Unsecured considered good		
Receivables from Related Parties	4.68	105.84
Receivables from Others	532.58	0.41
Total	537.26	106.25

Note 12: Cash and cash equivalents

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with scheduled banks in Current Accounts	132.52	232.00
Total	132.52	232.00

Note 13: Balances with banks other than cash and cash equivalents

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks to the extent held as margin money or security against the borrowings, guarantees and other commitment	66.80	63.36
Accrued Interest on FD	0.33	0.30
Total	67.13	63.66

Notes 14 : Assets held for sale

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Assets Held for Sale	115.02	116.98
Total	115.02	116.98

L&T Financial Consultants Limited

Notes forming part of financial statements

Note 15: Equity Share Capital**(a) Share capital authorised, issued, subscribed and paid up:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹ in lakh)	No. of Shares	Amount (₹ in lakh)
Authorised Equity shares of ₹ 10 each	2,50,00,000.00	2,500.00	2,50,00,000.00	2,500.00
	2,50,00,000.00	2,500.00	2,50,00,000.00	2,500.00
Issued, Subscribed and Paid up Equity shares of ₹ 10 each	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00
	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹ in lakh)	No. of Shares	Amount (₹ in lakh)
Equity shares at the beginning of the year	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00
Add: Shares issued during the year	-	-	-	-
Equity shares at the end of the year	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (₹ in lakh)	No. of Shares	Amount (₹ in lakh)
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00
	1,87,50,000.00	1,875.00	1,87,50,000.00	1,875.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	1,87,50,000.00	100%	1,87,50,000.00	100%

e) There is no shares allotted for consideration other than cash during 5 years immediately preceding 31st March, 2020.

f) There are no shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding 31st March, 2020.

g) There are no shares bought back during 5 years immediately preceding 31st March, 2020.

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 16: Other equity

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve		
Opening Balance	3,368.37	3,368.37
Additions/(Deductions) during the Year	-	-
Closing Balance	3,368.37	3,368.37
Employee stock option outstanding		
Opening Balance	-	12.97
Liability transferred during the Year	-	(12.97)
Closing Balance	-	-
Retained earnings:		
Opening Balance of Profit and Loss Account	1,486.56	1,109.03
Less: Interim dividend paid	(3,140.63)	(675.00)
Less: DDT on interim dividend	(645.56)	(138.75)
Add: Other comprehensive income for the year	(2.91)	(2.10)
Add: Profit or Loss for current year	5,275.01	1,193.38
Closing Balance of Profit and Loss Account	2,972.47	1,486.56
Total	6,340.84	4,854.93

Note 17: Financial Liabilities

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Security deposit received	2,048.75	1,919.95
Total	2,048.75	1,919.95
Current :		
Other payables	11.50	74.86
Other provisions	176.91	158.52
Other Payables - Related Party	80.50	41.80
Total	268.91	275.18

Note 18: Borrowing

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Borrowing		
Inter-corporate borrowings	34,560.75	38,215.43
Total	34,560.75	38,215.43

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 19 : Trade Payables

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
To micro small and medium enterprises	-	-
To other than micro, small and medium enterprises	0.77	(0.10)
Total	0.77	(0.10)

Note 20: Provision

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Gratuity	45.17	30.26
Total	45.17	30.26
Current		
Compensated Absences	14.87	19.24
Gratuity	3.64	2.74
Total	18.51	21.98

Note 21: Other Liabilities

(₹ in lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Lease rental received in advance	-	-
Total	-	-
Current		
Lease rental received in advance	-	43.88
Statutory dues payable	125.87	168.83
Interim equity dividend payable	-	675.00
Divedend distribution tax on Interim dividend	-	138.75
Others	0.36	-
Total	126.23	1,026.46

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 22: Revenue from operation

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operation		
Lease rental income	4,263.24	4,280.88
Other charges recovery	1,732.82	1,663.15
Consultancy fees and financial advisory fee	2,934.75	1,647.41
Total	8,930.81	7,591.44

Note 23: Other income

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on inter corporate deposit	583.55	513.58
Interest received from fixed deposit	3.85	0.34
Profit on sale of fixed assets	388.01	-
Other Income	89.98	40.82
Cross sell income	3,984.47	-
Total	5,049.86	554.74

Note 24: Employee benefits expense

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	557.04	405.74
Contribution and provision for:		
Contribution to provident fund	20.89	15.48
Contribution to gratuity fund	6.37	5.77
Expenses on employee stock option plans	88.91	36.63
Staff welfare expenses	29.54	26.49
Total	702.75	490.11

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 25: Finance costs

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest paid on inter-corporate borrowing	3,532.82	3,477.60
Other interest Charged / (Reversal)	-	(4.17)
Interest on security deposits	14.19	133.50
Interest cost - gratuity	2.39	1.74
Interest cost - compensated absences	1.38	1.16
Ancillary borrowing cost	1.02	0.29
Total	3,551.80	3,610.12

Note 26: Depreciation and amortisation expense

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation (Refer Note 3,4,5)	702.61	704.45
Total	702.61	704.45

Note 27: Provisions and contingencies

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for standard assets:		
Provision on loans and advances	583.55	713.58
Provision for doubtful debts	-	3.16
Reversal of Provision for write off	-	(4.21)
Bad debts and advances written off	1.97	128.22
Total	585.52	840.75

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 28: Other expenses

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rates and taxes	87.88	98.20
Travelling and conveyance	21.21	31.97
Sales promotion expenses	4.11	2.41
Telephone and communication	13.29	15.15
Insurance expenses	5.72	3.17
Repairs and maintenance	160.12	104.34
Housekeeping expenses	233.13	189.10
Security Charges	85.97	89.05
Legal and professional charges	41.51	30.10
Electricity charges	241.33	226.21
Other advertising expenses	0.23	-
Brand license fees	67.90	36.92
Auditor's remuneration (Refer note below)	4.15	5.10
Others expenses	13.89	7.25
Donations	1.51	2.18
Corporate support charges	4.13	-
Corporate social responsibility expenses	21.61	-
Total	1,007.69	841.15

Note: Auditors remuneration comprises the following (net of GST set off)

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	1.73	1.68
Tax audit fees	0.58	0.53
Other services (including reimbursement of expenses)	0.11	1.24
Limited review fees	1.73	1.65
Total	4.15	5.10

L&T Financial Consultants Limited
Notes forming part of financial statements

Note 29: Tax expenses

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax	1,397.60	511.30
MAT credit entitlement	(1,366.31)	(511.30)
Deferred tax	2,124.00	466.22
Total	2,155.29	466.22

Note 30: Other comprehensive income

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurements of the net defined benefit Plans	(4.11)	(2.10)
Income tax relating to Debt instruments through Other Comprehensive	1.20	-
Total	(2.91)	(2.10)

L&T Financial Consultants Limited

Notes forming part of financial statement as at March 31, 2020

31.1 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 "Employee Benefits"

(i) Defined Contribution plans :

The Company's state governed provident fund scheme are defined contribution plan for its employees which is permitted under The Employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vest immediately on rendering of services by the employee. The Company recognise charges of Rs 20.89 Lakhs (previous year Rs. 15.48 Lakhs) for provident fund contribution in the Statement of Profit and Loss.

(ii) Defined benefit plans:

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

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

Particulars	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
A) Present Value of Defined Benefit Obligation		
- Wholly funded		
- Wholly unfunded	48.81	33.00
	48.81	33.00
Less : Fair Value of plan assets		
Add : Amount not recognised as an asset		-
Amount to be recognised as liability or (asset)	48.81	33.00
B) Amounts reflected in Balance Sheet		
Liabilities	48.81	33.00
Assets		-
Net liability/(asset)	48.81	33.00
Net liability/(asset) - current	3.64	2.74
Net liability/(asset) - non-current	45.17	30.26

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

Particulars	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
1 Current Service Cost	6.37	5.77
2 Interest Cost	2.39	1.74
3 Interest Income on Plan Assets	-	-
4 Actuarial losses/(gains) - others	4.11	2.10
5 Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	-	-
6 Past Service Cost	-	-
7 Actuarial gain/(loss) not recognised in Books	-	-
8 Translation adjustments	-	-
9 Amount capitalised out of the above/ recovered from S&A	-	-
Total (1 to 9)	12.87	9.61
i Amount included in "employee benefits expenses"	6.37	5.77
ii Amount included in as part of "finance cost"	2.39	1.74
iii Amount included as part of "Other Comprehensive income"	4.11	2.10
Total (i + ii + iii)	12.87	9.61

L&T Financial Consultants Limited

Notes forming part of financial statement as at March 31, 2020

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

(₹ in Lakh)

Particulars	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
Opening balance of the present value of defined benefit obligation	33.00	23.39
Add : Current Service Cost	6.37	5.77
Add : Interest Cost	2.39	1.74
Add : Acturial losses/(gains)		-
i) Acturial (gains)/losses arising from changes in financial assumptions	4.13	2.10
ii) Acturial (gains)/losses arising from changes in demographic assumptions	-	-
iii) Acturial (gains)/losses arising from changes in experience adjustments	(0.02)	-
Less : Benefits paid	(0.89)	-
Add : Past service cost	-	-
Add : Liability assumed/(settled)*	3.83	-
Add/(less) : Translation adjustments	-	-
Closing balance of the present value of defined benefit obligation	48.80	33.00

*On account of business combination or inter group transfer

- (d)

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

(₹ in Lakh)

Particulars	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
Opening balance of the fair value of the plan assets		
Add : interest income of plan assets		
Add/(less) : Acturial gains/(losses) (Difference between actual return on plan assets and interest income)		
Add : Contribution by the employer	0.89	-
Add/(less) : Contribution by plan participants		
Less : Benefits paid	(0.89)	-
Add: Assets acquired/(settled)*		
Closing balance of plan assets	-	-

L&T Financial Consultants Limited

Notes forming part of financial statement as at March 31, 2020

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

(₹ in Lakh)

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

(f) Principal actuarial assumptions at the valuation date:

Particulars	Gratuity Plan	
	As at March 31, 2020	As at March 31, 2019
1 Discount rate (per annum)	6.60%	7.55%
2 Salary escalation rate (per annum)	9.00%	9.00%

(A) Discount rate:

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

(B) Salary escalation rate:

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

(g) Attrition Rate:

The attrition rate varies from 0% to 15% (previous year: 0% to 15%) for various age groups.

(h) Mortality:

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

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

(j) Sensitivity Analysis

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

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2019-20	2018-19	2019-20	2018-19
1 Discount rate (per annum)	(4.33)	(2.79)	5.01	3.23
2 Salary escalation rate (per annum)	4.84	3.15	(4.28)	(2.78)

31.2 Borrowing cost :

Borrowing costs capitalized during the year is Nil (previous year : Nil)

31.3 Segment Reporting

Disclosure pursuant to IND AS 108 "Operating Segment"

- (i) The Entity has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108)
- (ii) Segment Composition:
- Lease of Properties - Lease of properties comprises property given on leases.
 - Merchant Banking - Merchant banking comprises advisory services.
 - Advisory Services - Advisory fees comprises income from advisory services.

(₹ in lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross segment assets		
Lease of properties	35,731.98	38,034.05
Merchant banking	-	17.09
Advisory services	5.38	-
Total segment assets	35,737.36	38,051.14
Unallocable corporate assets	9,547.57	10,167.95
Total assets	45,284.93	48,219.09
Gross segment liabilities		
Lease of properties	33,047.64	37,152.78
Merchant banking	-	246.47
Advisory services	122.18	-
Total segment liabilities	33,169.82	37,399.25
Unallocable corporate liabilities	3,899.27	4,089.91
Total liabilities	37,069.09	41,489.16

(₹ in lakh)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Gross segment revenue from continuing operations		
Lease of properties	6,474.05	5,944.03
Merchant banking	-	1,647.41
Advisory services	2,934.75	-
Total	9,408.80	7,591.44
Gross segment result		
Lease of properties	1,275.69	1,470.76
Merchant banking	-	1,410.53
Advisory services	2,751.34	-
Total	4,027.03	2,881.29
Less : Unallocable expenses (net)	(585.05)	(715.77)
Add : Other Income	4,571.87	554.74
Less : Finance cost	(583.55)	(645.81)
Less : Depreciation and amortisation expense	-	(414.85)
Profit before tax	7,430.30	1,659.60

31.4 Related party disclosures: Ind AS - 24

Related Party Disclosures: Ind AS -24 "Related Party Transaction"

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

Ultimate Holding Company

1. Larsen and Toubro Limited

Holding Company

1. L&T Finance Holdings Limited

Subsidiary Company

1. Mudit Cement Private Limited

Fellow Subsidiary Companies

- 1. L&T Finance Limited
- 2. L&T Capital Markets Limited
- 3. L & T Housing Finance Limited
- 4. L&T Infrastructure Finance Company Limited
- 5. L&T Investment Management Limited
- 6. L & T Infra Debt Fund Limited
- 7. L&T Infra Investment Partners

Key Management Personnel

- 1. Mr. Sudeep Banerjee - Manager
- 2. Mr Suresh Darak - (Ceased to be a Manager with effect from July 11, 2019)
- 3. Mr.Desh Raj Dogra (Appointed as a Director with effect from July 07, 2017 and ceased to be a Director with effect from August 23, 2018)

b) Disclosure of related party transactions :-

(₹ in Lakh)			
Sr. No.	Nature of Transaction*	2019-20	2018-19
Transactions			
1	Inter Corporate Deposits Borrowed		
	L&T Finance Holdings Limited	230,067.53	37,128.68
	L&T Infrastructure Finance Company Limited	20,000.00	-
	L&T Finance Limited	16,163.70	-
2	Inter Corporate Deposits Repaid (including interest)		
	L&T Finance Holdings Limited	237,157.40	36,632.89
	L&T Infrastructure Finance Company Limited	20,054.25	5,213.66
	L&T Finance Limited	16,207.05	-
3	Interest expense on Inter Corporate Deposits		
	L&T Finance Holdings Limited	3,435.23	3,465.06
	L&T Infrastructure Finance Company Limited	54.25	12.54
	L&T Finance Limited	43.35	-
4	Inter Corporate Deposits given		
	Mudit Cement Private Limited	6,467.40	5,953.96
5	Inter Corporate Deposits received back (Including Interest)		
	Mudit Cement Private Limited	6,519.30	5,908.61
6	Interest income on Inter Corporate Deposits		
	Mudit Cement Private Limited	583.55	513.58
7	Lease rental income from		
	L&T Finance Limited	1,724.52	1,751.38
	L&T Capital Markets Limited	167.62	161.05
	L&T Housing Finance Limited	239.73	224.07
	L&T Infrastructure Finance Company Limited	1,094.31	1,130.91
	L&T Investment Management Limited	837.79	821.30
	L&T Finance Holdings Limited	106.53	103.47
	L&T Infra Debt Fund Limited	90.68	88.53
	L&T Infra Investment Partners	2.06	0.16

(₹ in Lakh)

Sr. No.	Nature of Transaction*	2019-20	2018-19
8	Expenses recovered from		
	L&T Finance Limited	695.29	676.64
	L&T Capital Markets Limited	67.87	67.87
	L&T Housing Finance Limited	113.98	105.22
	L&T Infrastructure Finance Company Limited	435.45	418.40
	L&T Investment Management Limited	342.21	321.36
	L&T Finance Holding Limited	42.57	40.55
	L&T Infra Debt Fund Limited	34.71	33.05
	L&T Infra Investment Partners	0.75	0.06
9	Interest on security deposit		
	L&T Finance Limited	5.92	42.66
	L&T Infrastructure Finance Company Limited	3.81	55.41
	L&T Investment Management Limited	2.47	27.08
	L&T Finance Holdings Limited	0.19	2.52
	L&T Capital Markets Limited	0.48	1.89
	L&T Housing Finance Limited	0.72	2.83
	L&T Infra Debt Fund Limited	0.28	1.10
	L&T infra Investment Partners	**	**
10	Interim Dividend Paid to		
	L&T Finance Holdings Limited	3,140.63	675.00
11	Professional fees paid to		
	Larsen & Toubro Limited	2.93	2.62
12	Brand license fees paid to		
	Larsen & Toubro Limited	67.90	36.90
13	ESOP Cost		
	L&T Finance Holdings Limited	88.91	36.63
14	Security Deposit Received		
	L&T Investment Management Limited	37.41	24.40
	L&T Finance Limited	78.47	431.23
	L&T Housing Finance Limited	20.36	102.87
	L&T Capital Markets Limited	6.95	67.97
	L&T Infra Debt Fund Limited	4.02	39.35
	L&T Infra Investment Partners	0.09	0.93
	L&T Infrastructure Finance Company Limited	50.47	-
	L&T Finance Holdings Limited	28.27	-
15	Security Deposit Repaid		
	L&T Infrastructure Finance Company Limited	-	206.73
	L&T Finance Holdings Limited	-	5.71
	L&T Finance Limited	27.40	17.59
	L&T Capital Markets Limited	81.52	-
	L&T Housing Finance Limited	2.51	-

(c) Amount due to/from Related Parties:

(₹ in Lakh)			
S. No.	Nature of transactions	As at March 31,2020	As at March 31,2019
1	Inter corporate borrowings		
	L&T Finance Holdings Limited	34,560.75	38,215.43
2	Outstanding balance of ICD***		
	Mudit Cement Private Limited	6,644.55	6,112.90
3	Account payable		
	Larsen & Toubro Limited	7.18	0.58
	L&T Finance Limited	4.95	-
	L&T Finance Holdings Limited	-	4.32
	L&T Infra Debt Fund Limited	0.03	-
	L&T Investment Management Limited	0.44	-
4	Account receivable		
	Larsen & Toubro Limited	17.18	17.86
	L&T Infrastructure Finance Company Limited	-	0.19
	L&T Investment Management Limited	1.75	100.78
	L&T Capital Market Limited	0.70	0.56
	L&T Housing Finance Limited	2.22	1.36
	L&T Finance Limited	-	2.95
5	Security deposit payable		
	L&T Investment Management Limited	414.45	374.57
	L&T Infrastructure Finance Company Limited	564.92	510.64
	L&T Capital Market Limited	-	74.09
	L&T Housing Finance Limited	123.23	104.66
	L&T Finance Limited	846.15	789.16
	L&T Infra Debt Fund Limited	45.78	41.48
	L&T Finance Holdings Limited	53.20	24.73
	L&T Infra Investment Partners	1.03	0.62
6	Brand license fees payable		
	Larsen and Toubro Limited	67.90	36.90
7	Equity investment		
	Mudit Cement Private Limited	426.10	426.10

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

** Amount less than INR 1000

*** The amount reflected is a gross amount. Provision made on the same amounts to ₹ 2745.28 lakhs as on 31st March 2020
(As on 31st March 2019 ₹ 2161.73 lakhs)

31.5 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 “Earnings per Share”:

(₹ in Lakh)		
Particulars	2019-20	2018-19
Basic earnings per share		
Profit after tax as per accounts (₹ in lacs)	5,275.01	1,193.38
Weighted average number of equity shares outstanding	18,750,000	18,750,000
Basic EPS	28.13	6.36
Diluted earnings per share		
Profit after tax as per accounts (₹ in lacs)	5,275.01	1,193.38
Weighted average number of equity shares outstanding	18,750,000	18,750,000
Diluted EPS	28.13	6.36
Face Value per share	₹ 10	₹ 10

31.6 Disclosure pursuant to Ind AS 12 "Income Taxes"

The major components of tax expense for the year ended March 31, 2020 and March 31, 2019

		(₹ in lakh)	
Sr no.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a)	i) Profit and Loss section		
	Current Income tax :		
	Current income tax charge	1,397.60	511.30
	Deferred Tax:		
	Relating to origination and reversal of temporary difference	2,124.00	466.22
	MAT credit recognised	(1,366.31)	(511.30)
	Income tax expense / (income) reported in the statement of profit or loss	2,155.29	466.22
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	(1.20)	-
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):	-	-
	Income tax expense reported in the other comprehensive income	(1.20)	
	Total tax expense	2,154.09	466.22

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019

		(₹ in lakh)	
Sr no.	Particulars	2019-20	2018-19
1	Profit before tax	7430.31	1659.60
2	Applicable Corporate tax rate as per Income tax Act, 1961	29.12%	29.12%
3	PBT*Tax tax rate of 29.12%	2163.71	483.27
4	Tax Adjustments		
	Tax on expense not tax deductible	3.15	-
	Effect of origination and reversal of temporary difference	41.25	-
	MAT on Book Profit	1,397.60	-
	MAT Credit Entitlement	(1,366.31)	-
	Other items	(85.29)	(17.05)
	Total Effect of Tax Adjustments	(9.62)	(17.05)
5	Tax expense recognised during the year	2,154.09	466.22

Items for which no deferred tax asset is recognised in the balance sheet

		(₹ in lakh)	
Particulars		As at 31-3-2020	
		Amt(Rs)	Expiry year
Tax Credits		-	-
Minimum Alternate Tax Credit		24.87	AY 2030-31
Total		24.87	24.87

Components of Deferred Tax Assets and Liabilities recognised in the Balance Sheet and Statement of Profit & Loss

		(₹ in lakh)			
Sr no.	Particulars	Balance Sheet		Statement of Profit & Loss	
		March 31, 2020	March 31, 2019	2019-20	2018-19
(a)	Fair valuation gain on investments (FVTPL)	-	-	-	-
(b)	Difference in Book and Income tax depreciation	2,001.28	1,740.32	260.96	245.10
(c)	Carried forward business loss	-	(879.81)	879.81	420.19
(d)	Unabsorbed Depreciation	-	(1,201.75)	1,201.75	-
(e)	MAT credit receivable	(5,057.46)	(3,691.15)	(1,366.31)	(511.30)
(f)	Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	(413.53)	(207.49)	(206.04)	(207.49)
(g)	Disallowance under Section 40(7) and Section 43B of IT Act, 1961	(18.54)	(3.42)	(15.12)	8.06
(h)	Disallowance under Section 40a of the IT Act, 1961	(5.74)	(7.18)	1.44	0.36
	Deferred tax expense/ (income)	-	-	756.49	(45.08)
	Net deferred tax (assets) / liabilities	(3,493.98)	(4,250.48)	-	-

Reconciliation of deferred tax (assets) / liabilities

		(₹ in lakh)	
Sr no.	Particulars	2019-20	2018-19
(a)	Opening Balance of Deferred tax (assets)/ liabilities on April 1	(4,250.48)	(4,205.40)
(b)	Tax (income) / expense during the period recognised in statement of Profit and Loss in Profit & Loss section	756.49	(45.08)
	Closing balance of Deferred tax (assets)/ liabilities as on 31st March	(3,493.98)	(4,250.48)

31.7 Details of Restrictions and hypothecation of Property Plant and Equipment, Investment property, and Intangible Assets

		(₹ in lakh)							
Sr No.	Particulars	As at March 31, 2020				As at March 31, 2019			
		Useful Life	Restriction on title-Yes	Restriction on title-No	Pledged/Hypothecated	Useful Life	Restriction on title-Yes	Restriction on title-No	Pledged/Hypothecated
1	Office Equipments	5	-	383.06	-	5	-	567.39	-
2	Computers	3	-	20.44	-	3	-	22.64	-
3	Furniture and Fixtures	10	-	506.77	-	10	-	548.33	-
4	Electrical & Installation	10	-	2,707.34	-	10	-	2,706.75	-
5	Computer Software	3	-	8.55	-	3	-	8.55	-
6	Investment Property	60	-	32,073.54	-	60	-	33,863.73	-

31.8 Disclosure pursuant to Ind AS 107 "Financial Instruments"

Fair value measurement

(₹ In lakh)

Financial instruments by category	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables (incl. related party)	-	-	537.26	-	-	106.25
Cash and cash equivalents	-	-	132.52	-	-	232.00
Bank Balances other than those kept in Cash and Cash Equivalents	-	-	67.13	-	-	63.66
Investments	-	-	426.10	-	-	426.10
Loans to related parties	-	-	3,899.27	-	-	3,951.17
Others	-	-	2,397.59	-	-	2,379.47
Total financial assets	-	-	7,459.88	-	-	7,158.65
Financial liabilities						
Short Term Borrowings	-	-	34,560.75	-	-	38,215.43
Trade payable	-	-	0.77	-	-	(0.10)
Other Financial Liabilities	-	-	2,317.66	-	-	2,195.13
Other Current Liabilities	-	-	-	-	-	675.00
Total financial liabilities	-	-	36,879.18	-	-	41,085.46

Items of Income, expense, gains or losses

(₹ In lakh)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Net gain/ (losses) on financial assets and financial liabilities		
Provision on financial assets	585.52	840.75
Interest Revenue		
Financial assets that are measured at amortised cost	583.55	513.58
Interest Expenses		
Financial liabilities that are not measured at fair value through P&L	3,548.03	3,607.22

Maturity profile of financial liabilities (Amount at undiscounted value)

(₹ In lakh)

Financial instruments by category	As at March 31, 2020			As at March 31, 2019		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
Short Term Borrowings	34,560.75	-	34,560.75	38,215.43	-	38,215.43
Trade payable	0.77	-	0.77	(0.10)	-	(0.10)
Other Financial Liabilities	268.91	2,048.75	2,317.66	275.18	1,934.14	2,209.32
Other Current Liabilities	-	-	-	675.00	-	675.00

(i) Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In lakh)

Financial assets and liabilities measured at Amortised Cost	Level 1	Level 2	Level 3	Total	Remarks
Financial assets					
Financial assets at Amortised Cost:					
Loans and advances to related parties					
At 31.03.2020	-	-	3,899.27	3,899.27	Carrying cost approximates FV
At 31.03.2019	-	-	3,951.17	3,951.17	Carrying cost approximates FV
Trade receivables (incl. related party)					
At 31.03.2020	-	-	537.26	537.26	Carrying cost approximates FV
At 31.03.2019	-	-	106.25	106.25	Carrying cost approximates FV
Cash and cash equivalents					
At 31.03.2020	-	-	132.52	132.52	Carrying cost approximates FV
At 31.03.2019	-	-	232.00	232.00	Carrying cost approximates FV
Bank Balances other than those kept in Cash and Cash Equivalents					
At 31.03.2020	-	-	67.13	67.13	Carrying cost approximates FV
At 31.03.2019	-	-	63.66	63.66	Carrying cost approximates FV
Investments					
At 31.03.2020	-	-	426.10	426.10	Carrying cost approximates FV
At 31.03.2019	-	-	426.10	426.10	Carrying cost approximates FV
Others					
At 31.03.2020	-	-	2,397.59	2,397.59	Carrying cost approximates FV
At 31.03.2019	-	-	2,379.47	2,379.47	Carrying cost approximates FV
Financial Liabilities					
Financial liabilities at Amortised Cost:					
Inter corporate borrowings					
At 31.03.2020	-	-	34,560.75	34,560.75	Carrying cost approximates FV
At 31.03.2019	-	-	38,215.43	38,215.43	Carrying cost approximates FV
Trade payable					
At 31.03.2020	-	-	0.77	0.77	Carrying cost approximates FV
At 31.03.2019	-	-	(0.10)	(0.10)	Carrying cost approximates FV
Other Financial Liabilities					
At 31.03.2020	-	-	2,317.66	2,317.66	Carrying cost approximates FV
At 31.03.2019	-	-	2,195.13	2,195.13	Carrying cost approximates FV
Other Current Liabilities					
At 31.03.2020	-	-	-	-	Carrying cost approximates FV
At 31.03.2019	-	-	675.00	675.00	Carrying cost approximates FV

Level 1 hierarchy- It includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.. This includes mutual funds which are valued using the closing NAV.

Level 2 hierarchy- It includes financial instruments measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 hierarchy- It includes financial instruments measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There are no transfers between levels 1 and levels 2 and levels 3 during the year.

(ii) Fair value of other financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, other current liabilities and cash and cash equivalents are considered to be the same as their fair values, due to short-term nature.

(iii) Interest rate risk

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Interest Rate Risk:		
Borrowings at fixed interest rates	34,560.75	38,215.43

31.9 Provision for tax has been made in these financial statements in view of book profit under section 115 JB of Income Tax Act, 1961 for the current year.

31.10 Contingent Liabilities and commitment : Ind AS 37

(₹ in lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liabilities:		
a) Bank guarantees;	63.36	63.36

31.11 Disclosure Pursuant to IND AS 115 - Revenue from Contract with Customer

a) Disaggregation of revenue - Following table covers the revenue segregation in to Operating segments and Geographical areas

(₹ In lakh)

Particulars	2019-20							2018-19						
	Operating Segment				Geographical Area			Operating Segment				Geographical Area		
	Lease	Merchant Banking	Advisory Service	Total	Domestic	International	Total	Lease	Merchant Banking	Advisory Service	Total	Domestic	International	Total
Common Cost Recovery	1,732.82	-	-	1,732.82	1,732.82	-	1,732.82	1,663.15	-	-	1,663.15	1,663.15	-	1,663.15
Arranger Fees	-	-	-	-	-	-	-	-	1,647.41	-	1,647.41	1,647.41	-	1,647.41
Advisory Fees	-	-	2,934.75	2,934.75	2,934.75	-	2,934.75	-	-	-	-	-	-	-
Total	1,732.82	-	2,934.75	4,667.57	4,667.57	-	4,667.57	1,663.15	1,647.41	-	3,310.56	3,310.56	-	3,310.56
Revenue Recognised based on performance obligations satisfied at a point in time	1,732.82	-	2,934.75	4,667.57	2,934.75	-	2,934.75	-	1,647.41	-	1,647.41	1,647.41	-	1,647.41
Revenue Recognised based on performance obligations satisfied over a period of time	1,732.82	-	-	1,732.82	1,732.82	-	1,732.82	1,663.15	-	-	1,663.15	1,663.15	-	1,663.15

b) Reconciliation of contracted price with revenue during the year

(₹ in lakh)

Particulars	2019-20			2018-19		
	Inter Company	External	Total	Inter Company	External	Total
Opening contracted price of orders including full value of partially executed contract	-	-	-	-	-	-
Changes on account of :						
Contract Price	1,732.82	2,934.75	4,667.57	1,663.15	1,647.41	3,310.56
Revenue recognised during the Year out of orders completed during the Year	1,732.82	2,934.75	4,667.57	1,663.15	1,647.41	3,310.56

c) There are no contract assets and contract liabilities as at 31st March, 2020 and 31st March, 2019

d) The Company has not recognised any assets as on March 31, 2020 and March 31, 2019 from the costs to obtain or fulfil a contract with a customer.

31.12 Disclosure pursuant to ESOP Cost

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

(₹ in lakh)				
As at	Total cost incurred by Holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	Remaining expenses to be recovered in future periods
(A)	(B)	(C)	(D)	(E) = (B-C)
March 31, 2020	262.11	146.73	88.91	115.38
March 31, 2019	123.71	57.82	36.63	65.88

31.13 Financial Risk Management

The Company's activities expose it to liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Trade receivables, Other financial assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Trade payables and Other current liabilities	Rolling cash flow forecasts	Working Capital Management

(A) Credit risk

Credit risk arises from investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Trade receivable

The Company renders services to related entities only and as such credit risk of trade receivable is not expected to be significant considering the credit worthiness of the related entities. The Company closely monitors the ageing of its trade receivables to ensure the non-receipt of payment is escalated and recovered.

Deposits with banks

The Company performs a qualitative assessment of credit risk on its cash and cash equivalents. The Company maintains its current deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities :

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lakh)		
Contractual maturities of financial liabilities 31 March 2020	Less than one year	
	As at March 31, 2020	As at March 31, 2019
Non-derivatives		
Borrowings	34,560.75	38,215.43
Trade payables	0.77	(0.10)
Other financial liabilities	268.91	275.18
Dividend Payable	-	675.00
Total non-derivative liabilities	34,830.43	39,165.51

31.14 Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including other receivables, contract assets and contract costs, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

31.15 There are no pending litigations as on 31st March, 2020

31.16 There no long term contracts including derivative contracts as on 31st March, 2020.

31.17 No Amount is required to be transferred to Investor Education and Protection Fund as on 31st March, 2020

31.18 The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March, 2020. This information is given in respect of such vendors as could be identified as 'Micro'/'Medium'/'Small Enterprises' on the basis of information available with the Company.

31.19 Previous year figures have been regrouped / reclassified wherever necessary

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

For and on behalf of the Board of Directors of

L&T Financial Consultants Limited

R. P. Acharya

Partner

Membership no. 039920

Raju Dodti

Director

(DIN-06550896)

Sunil Prabhune

Director

(DIN-07517824)

Place : Mumbai

Date : 12th May, 2020

Hitesh Bhadada

Head Accounts (CFO)

Vinay Pandey

Company Secretary