

kkc & associates llp

chartered accountants
(formerly Khimji Kunverji & Co LLP)

0105/2023/KrMo

To
The Board of Directors,
L&T Finance Holdings Limited
Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai, Maharashtra - 400 098
India

Independent auditor's certificate on the proposed accounting treatment included in the draft Scheme of Amalgamation and Arrangement pursuant to Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. This certificate is issued in accordance with the terms of our engagement letter dated 29 December 2022 with L&T Finance Holdings Limited ("the Company").
2. We, KKC & Associates LLP (formerly Khimji Kunverji & Co LLP), the statutory auditors of the Company, have been approached by the Company to provide the certificate, in accordance with the Act, Securities and Exchange Board of India ('SEBI') Regulations, in particular as required under SEBI Circular SEBI/ HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022 (as updated on 1 December 2022) and pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021, as amended from time to time, as to whether:
 - 2.1 the prescribed accounting treatment specified in the proposed Scheme of Amalgamation of the following entities with the Company ('also referred to as the 'Amalgamated Company') (the 'Scheme') under Sections 230 to 232 read with Section 52 of the Act, is in accordance with the provisions of the Scheme and in compliance with the accounting standards notified under Section 133 of the Act, read with relevant rules issued thereunder ('the applicable accounting standards') and other generally accepted accounting principles in India.
 - 2.2 the Amalgamated Company is capable of payment of interest / repayment of principal

The entities to be amalgamated with the Company are as under:

- L&T Finance Limited ('Amalgamating Company 1')
- L&T Infra Credit Limited ('Amalgamating Company 2')
- L&T Mutual Fund Trustee Limited ('Amalgamating Company 3')

3. The certified draft of the Scheme has been furnished to us by the management of the Company for the purpose of this certificate. A certified true copy of the proposed accounting treatment included in the said draft Scheme, as attached in Appendix I to this certificate, has been stamped & initialed by us for identification purpose only.

Management's Responsibility

4. The responsibility for the preparation of the Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the management/ Board of Directors of the Companies involved in the Scheme. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



5. The Management is also responsible for ensuring that the Company complies with the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and the applicable accounting standards, in relation to the Scheme and for providing all relevant information to the National Company Law Tribunal, the BSE Limited ('the BSE'), the National Stock Exchange of India Limited ('the NSE').

Auditor's Responsibility

6. Pursuant to the requirements of the Act, our responsibility is to examine and provide a reasonable assurance whether the proposed accounting treatment contained in Appendix 1 to this certificate, complies with the applicable accounting standards and other generally accepted accounting principles and also to review the books of account and other relevant records of the Company so as to comment on the Company's capability to pay interest/instalments of principal. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
7. Accordingly, the following verification procedures have been performed by us:
 - a. Review of the proposed accounting treatment as contained in the Appendix 1 to this certificate in terms of requirements of proviso to Section 230(7) of the Act.
 - b. Obtaining the draft unaudited financial information, as certified by the management of the Company, containing the effect to the entries prescribed in the Scheme so as to broadly review the combined financial information of the entities involved in the Scheme.
 - c. Reviewing the audit reports of the Amalgamating Company 1, Amalgamating Company 2 & Amalgamating Company 3 (together referred to as 'Amalgamating Companies') for the year ended 31 March 2022 and limited review reports for the quarters ended 30 June 2022, 30 September 2022 and 31 December 2022 for any qualification/adverse comment pertaining to the 'going concern' status of all the Amalgamating companies;
 - d. Obtaining management certified financial results of the Amalgamating Companies for the period and as at 31 December 2022;
 - e. Broadly reviewing the Asset Liability Management ('ALM') report as at 31 December 2022 of the Company (post giving effect to the entries pertaining to the Scheme) for testing liquidity mismatch, if any, pertaining to asset/liabilities of the Amalgamating Companies;
 - f. Making suitable inquiries and obtained relevant representations from the management of the Company pertaining to the subject matters of this certificate.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.



kkc & associates llp

chartered accountants
(formerly Khimji Kunverji & Co LLP)

Opinion

10. Based on our verification procedures conducted as narrated in para 7 above and according to the information and explanations given to us, along with the representations provided by the Management of the Company, we report that :
- Pursuant to the requirements of proviso to sub-section (7) of section 230 of the 2013 Act read with SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, in our opinion, the proposed accounting treatment as contained in the Appendix hereto is in compliance with the applicable accounting standards and other generally accepted accounting principles in India and is in accordance with the provisions of the draft Scheme.
 - Having regard to the combined financial information of the Companies involved in the Scheme, considering that none of the auditors of the Amalgamating Companies have reported on existence of any material uncertainty pertaining to these Companies' going concern or solvency matters in their audit reports for the year ended 31 March 2022, in our opinion, the resultant entity is capable of payment of interest / repayment of principal. We, however, state that this is not an assurance as to the future viability of the Amalgamated Company. We further state that our reporting is based on the facts up to the date of this certificate and we neither give any guarantee nor any assurance that all liabilities will get discharged by the resultant company as and when they fall due.

Restriction on distribution or use

11. Our work was performed solely to assist the Company in meeting its responsibilities in relation to compliance with the requirements of the provisions pertaining to accounting treatment in SEBI (Listing Obligations and Disclosure Requirements), 2015, Sections 230 to 232 of the Act and the Rules for onward submission to BSE, NSE and National Company Law Tribunal along with the Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise.
12. This certificate is issued at the request of the Company for the aforesaid purpose and may not be suitable for any other purpose. Hence, the same should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No.: 105146 W/W100621



Hasmukh B Dedhia

Partner

Membership No.: 033494

UDIN No.: 23033494BGWSNH9297



Place: Mumbai

Date: 13 January 2023

Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India
T: +91 22 6143 7333 E: info@kkcllp.in W: www.kkcllp.in LLPIN: AAP-2267

Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai 400001, India

CERTIFIED TRUE COPY OF CLAUSE 23 OF PART II, CLAUSE 36 OF PART III AND CLAUSE 44 (I) OF PART V OF THE DRAFT SCHEME OF AMALGAMATION BY WAY OF MERGER BY ABSORPTION AMONG L&T FINANCE LIMITED (THE “AMALGAMATING COMPANY 1”), L&T INFRA CREDIT LIMITED (THE “AMALGAMATING COMPANY 2”), L&T MUTUAL FUND TRUSTEE LIMITED (THE “AMALGAMATING COMPANY 3”) AND L&T FINANCE HOLDINGS LIMITED (THE “AMALGAMATED COMPANY”) AND ARRANGEMENT UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“THE SCHEME”)

PART II: AMALGAMATION OF THE AMALGAMATION 1 COMPANIES INTO THE AMALGAMATED COMPANY

23. Accounting treatment for Amalgamation 1 in the books of Amalgamated Company:

On the Scheme taking effect, the Amalgamated Company shall account for amalgamation of the Amalgamation 1 Companies with the Amalgamated Company in its books of account with effect from the Appointed Date as under:

- (i) Amalgamation of the Amalgamation 1 Companies with the Amalgamated Company shall be accounted for in accordance with accounting prescribed under “pooling of interest” method in Appendix C of Indian Accounting Standard (IND AS) 103 as specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.
- (ii) All assets, reserves and liabilities recorded in the books of the Amalgamation 1 Companies as on the Appointed Date and transferred to and vested in the Amalgamated Company pursuant to the Scheme shall be recorded by the Amalgamated Company at their respective book values and in the same form.
- (iii) The identity of the reserves of Amalgamation 1 Companies, if any, shall be preserved and they shall appear in the financial statements of Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamation 1 Companies.
- (iv) The inter-corporate investments / deposits / loans and advances or any receivables and payables between and amongst the Amalgamated Company and the Amalgamation 1 Companies will stand eliminated by set-off against each other and be cancelled.
- (v) The difference between the equity share capital of the Amalgamation 1 Companies and the value of investment in the Amalgamation 1 Companies by the Amalgamated Company shall be debited / credited (as the case may be) to capital reserve.
- (vi) In case of any differences in accounting policy between the Amalgamated Company and the Amalgamation 1 Companies, accounting policies followed by the Amalgamated Company shall prevail and impact of the same shall be quantified and appropriately adjusted in accordance with the accounting policies followed by the Amalgamated Company to ensure the financial statements reflect the financial position on the basis of consistent accounting policy.

PART III: AMALGAMATION OF THE AMALGAMATING COMPANY 2 INTO THE AMALGAMATED COMPANY

36. Accounting treatment for Amalgamation 2 in the books of Amalgamated Company:

Immediately after Part II of this Scheme becoming effective, the Amalgamated Company shall account for amalgamation of the Amalgamating Company 2 with the Amalgamated Company in its books of account with effect from the Appointed Date as under:

- (i) Amalgamation of the Amalgamating Company 2 with the Amalgamated Company shall be accounted for in accordance with accounting prescribed under “pooling of interest” method in Appendix C of Indian Accounting Standard (IND AS) 103 as specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Companies Act, as may be applicable.



- (ii) All assets, reserves and liabilities recorded in the books of the Amalgamating Company 2 as on the Appointed Date and transferred to and vested in the Amalgamated Company pursuant to the Scheme shall be recorded by the Amalgamated Company at their respective book values and in the same form.
- (iii) The identity of the reserves of Amalgamating Company 2, if any, shall be preserved and they shall appear in the financial statements of Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the Amalgamating Company 2.
- (iv) The inter-corporate investments / deposits / loans and advances or any receivables and payables between the Amalgamated Company and the Amalgamating Company 2 will stand eliminated by set-off against each other and be cancelled.
- (v) The difference between the equity share capital of the Amalgamating Company 2 and the value of investment in the Amalgamating Company 2 by the Amalgamated Company shall be debited / credited (as the case may be) to capital reserve.
- (vi) In case of any differences in accounting policy between the Amalgamated Company and the Amalgamating Company 2, accounting policies followed by the Amalgamated Company shall prevail and impact of the same shall be quantified and appropriately adjusted in accordance with the accounting policies followed by the Amalgamated Company to ensure the financial statements reflect the financial position on the basis of consistent accounting policy.

PART V: REDUCTION OF THE SECURITIES PREMIUM ACCOUNT OF THE AMALGAMATED COMPANY

44. Pursuant to the Amalgamations upon this Scheme becoming effective and with effect from the Appointed Date:
- (i) The debit balance of capital reserve if any (including capital reserve arising on the Amalgamations) and debit balance of amalgamation adjustment reserve account in the books of Amalgamated Company post Amalgamations shall be set-off against the Securities Premium Account of the Amalgamated Company.

For **L&T Finance Holdings Limited**



Apurva Rathod
Company Secretary and Compliance Officer

Place: Mumbai
Date: January 13, 2023

