

STRICTLY PRIVATE & CONFIDENTIAL

January 12, 2023

The Board of Directors
L&T Finance Holdings Limited
Brindavan, Plot No.177, CTS Road,
Kalina, Santacruz (East),
Mumbai – 400098.

The Board of Directors
L&T Finance Limited
15th Floor, PS Srijan Tech Park, Plot No.52
DN, Sector – V, Salt Lake City,
Kolkata, Parganas North – 700091

The Board of Directors
L&T Infra Credit Limited
Plot No.177, CTS Road,
Kalina, Santacruz (East),
Mumbai – 400098.

The Board of Directors
L&T Mutual Fund Trustee Limited
Brindavan, Plot No.177, CTS Road,
Kalina, Santacruz (East),
Mumbai – 400098.

Dear Sir(s) / Madam(s),

Sub: Valuation Report for the proposed amalgamation of L&T Finance Limited, L&T Infra Credit Limited, L&T Mutual Fund Trustee Limited with L&T Finance Holdings Limited – Equity shares

I refer to the engagement letter dated December 26, 2022 whereby I, CA Pawan Shivkumar Poddar (hereinafter referred to as "I" or "Valuer"), have been appointed by L&T Finance Limited (hereinafter referred to as "LTFL"), L&T Infra Credit Limited (hereinafter referred to as "LTICL"), L&T Mutual Fund Trustee Limited (hereinafter referred to as "LTMFTL") and L&T Finance Holdings Limited (hereinafter referred to as "LTFH" or the "Company") to issue a valuation report for the purposes of SEBI's Master Circular on (I) Scheme of Arrangement by Listed Entities and (II) Relaxation under Subrule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated November 23, 2021 ("SEBI Scheme Circular- Equity") in relation to the proposed amalgamation of LTFL, LTICL and LTMFTL with LTFH (hereinafter referred to as "Proposed Amalgamation"). LTFL, LTICL, LTFMTL and LTFH are hereinafter collectively referred to as the "Companies".

Our deliverable for this engagement would be to issue valuation report pursuant to SEBI Scheme Circular- Equity for the Proposed Amalgamation ("Report"). For the purpose of this report, we have



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Landline - 022 40039959

Email : ca.pawanpoddar@gmail.com

considered the Valuation Date as January 12, 2023 ("Valuation Date").

1. SCOPE AND PURPOSE OF THIS REPORT

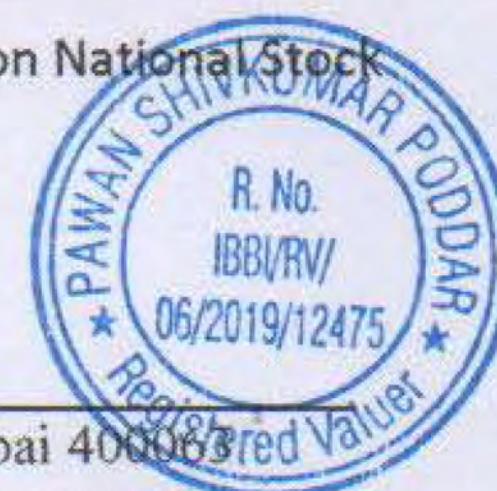
- 1.1. I have been informed by the management of the Companies (hereinafter collectively referred to as the 'Management') that in order to achieve simplification of holding structure of entities forming part of the group, improve operational and management efficiencies, streamline business operations and decision-making process, enable greater economies of scale, creating a single unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively, it is proposed that LTFL, LTICL and LTMFTL will amalgamate with LTFH by way of merger by absorption and LTFL, LTICL and LTMFTL will be dissolved without winding up and consequently the equity shares held by LTFH in LTFL, LTICL and LTMFTL will be cancelled. The aforesaid amalgamation is proposed under a Scheme of Amalgamation and Arrangement in accordance with the provisions of section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). Subject to necessary approvals, LTFL, LTICL and LTMFTL would amalgamate with LTFH, with effect from the appointed date of April 01, 2023 ("Appointed Date").
- 1.2. In this regard, I have been requested to issue a Valuation Report pursuant to SEBI Scheme Circular- Equity for the Proposed Amalgamation. The scope of my services is to provide a valuation report for the purpose of the SEBI Scheme Circular- Equity in relation to Proposed Amalgamation in accordance with internationally accepted valuation standards / ICAI Valuations Standards 2018 issued by the Institute of Chartered Accounts of India as applicable.

2. BRIEF BACKGROUND

2.1. L&T FINANCE HOLDINGS LIMITED ('LTFH')

L&T FINANCE HOLDINGS LIMITED (CIN: L67120MH2008PLC181833) is a public company, incorporated on May 1, 2008 under the Companies Act, 1956. LTFH is a registered Systemically Important Non- Deposit Accepting Core Investment Company ("NBFC-CIC") in terms of certificate of registration issued by the RBI bearing registration no N-13.02052 dated September 11, 2013. As an NBFC-CIC, LTFH is a primary holding company, holding investments in its subsidiaries and other group companies. The equity shares of LTFH are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

The capital structure of the LTFH on the January 12, 2023 is as under;



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Landline - 022 40039959 Email : ca.pawanpoddar@gmail.com

Particulars	Amount (in INR)
Authorized Share Capital	
5,00,00,00,000 equity shares of Rs. 10 each	50,00,00,00,000
50,00,00,000 preference shares of Rs. 100 each	50,00,00,00,000
Total	100,00,00,00,000
Issued, Subscribed and Paid up Share Capital	
2,47,96,71,117 equity shares of Rs. 10 each	24,79,67,11,170
Total	24,79,67,11,170

The shareholding pattern of equity shares of LTFH as on January 12, 2023 is as below:

Equity Shareholders	No of Equity	%
Larsen & Toubro – Promoter	1,639,229,920	66.11%
Public Shareholders	84,04,41,197	33.89%
TOTAL	2,47,96,71,117	100.0%

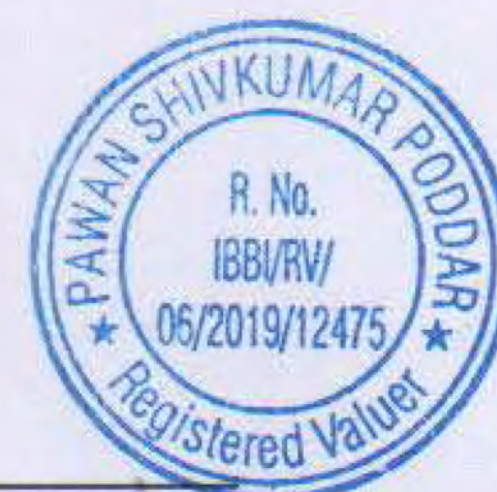
2.2. L&T FINANCE LIMITED ('LTFL')

L&T FINANCE LIMITED (CIN: U65910WB1993FLC060810) is a public company, incorporated on November 24, 1993 under the Companies Act, 1956. LTFL is registered with the RBI as a non-deposit taking systemically important non-banking financial company ("NBFC-ND-SI") in terms of certificate of registration issued by the RBI bearing registration no B-05.06200 dated May 4, 2017. LTFL is a wholly-owned subsidiary of LTFH.

LTFL is focused on becoming a retail finance company and its retail businesses comprises Rural Business Finance, Farmer Finance, Urban Finance (includes Consumer Loans, Two-Wheeler Loans and Retail Housing) and SME Finance. The wholesale business comprises Infrastructure Finance and Real Estate Finance.

The capital structure of the LTFL on January 12, 2023 is as under;

Particulars	Amount (in INR)
Authorized Share Capital	
4,87,43,09,610 equity shares of Rs. 10 each	48,74,30,96,100
12,00,000 Preference shares of Rs.100 each	12,00,00,000
Total	48,86,30,96,100
Issued, Subscribed and Paid up Share Capital	
2,86,41,72,360 equity shares of Rs. 10 each	28,64,17,23,600
Total	28,64,17,23,600



The shareholding pattern of equity shares of LTFL as on January 12, 2023 is given below:

Name of Equity Shareholders	No of Equity	%
L&T Finance Holdings Limited	28,64,17,23,53	100%
Mr. Sachinn Joshi *	1	-
Mr. Dinanath Dubhashi*	1	-
Mr. Abhishek Sharma *	1	-
Mr. Raju Dodti*	1	-
Ms. Apurva Rathod*	1	-
Dr. Rupa Rege Nitsure*	1	-
Mr. Santosh Parab*	1	-
TOTAL	28,64,17,23,60	100.0%

*Held Jointly with L&T Finance Holdings Limited

2.3. L&T INFRA CREDIT LIMITED ('LTICL')

L&T INFRA CREDIT LIMITED (formerly known as L&T Infra Debt Fund Limited) (CIN: L67100MH2013PLC241104) is a public company, incorporated on March 19, 2013 under the Companies Act, 1956. LTICL is registered with the RBI as an NBFC – Investment and Credit Company ("NBFC – ICC") in terms of certificate of registration issued by the RBI bearing registration no. N-13.02055 dated June 22, 2022. LTICL is engaged in infrastructure finance. LTICL is an indirect wholly-owned subsidiary of LTFH.

The capital structure of the LTICL on January 12, 2023 is as under

Particulars	Amount (in INR)
Authorized Share Capital	
1,00,00,00,000 equity shares of Rs. 10 each	10,00,00,00,000
10,000 preference shares of Rs. 10,00,000 each	10,00,00,00,000
Total	20,00,00,00,000
Issued, Subscribed and Paid up Share Capital	
57,16,30,214 equity shares of Rs.10 each	5,71,63,02,140
2,148 preference shares of Rs. 10,00,000	2,14,80,00,000
50 preference shares of Rs. 6,70,000	3,35,00,000
Total	7,89,78,02,140



The shareholding pattern of equity shares of LTICL as on January 12, 2023 is given below:

Name of Equity Shareholders	No of Equity	%
L&T Finance Holdings Limited	13,35,17,820	23.36%
L&T Finance Limited	43,81,12,389	76.64%
Mr. Sachinn Joshi *	1	-
Mr. Dinanath Dubhashi*	1	-
Mr. Abhishek Sharma *	1	-
Mr. Raju Dodti*	1	-
Dr. Rupa Rege Nitsure*	1	-
TOTAL	57,16,30,214	100.0%

*Held Jointly with L&T Finance Limited

2.4. L&T MUTUAL FUND TRUSTEE LIMITED ('LTMFTL')

L&T MUTUAL FUND TRUSTEE LIMITED (CIN: U65993MH1996PLC211198) is a public company, incorporated on April 30, 1996 under the Companies Act, 1956. LTMFTL's principal activity was to provide trusteeship services to a mutual fund, however with divestment of the stake in the mutual fund business, it no longer acts as a trustee company for any mutual fund.

LTMFTL is a wholly owned subsidiary of LTFH.

The capital structure of the L&TMFTL on the January 12, 2023 is as under;

Particulars	Amount (in INR)
Authorized Share Capital	
250,000 equity shares of Rs. 10 each	25,00,000
Issued, Subscribed and Paid up Share Capital	
150,000 equity shares of Rs. 10 each	15,00,000

The shareholding pattern of equity shares of L&TMFTL as on January 12, 2023 is as below:

Name of Equity Shareholders	No of Shares	%
L&T Finance Holdings Limited	149,993	100%
Mr. Sachinn Joshi *	1	-
Mr. Dinanath Dubhashi*	1	-
Mr. Abhishek Sharma *	1	-
Mr. Raju Dodti*	2	-



Dr. R Shankar Raman*	1	-
Mr. Sivaram Nair*	1	
TOTAL	1,50,000	100.0%

*Held Jointly with L&T Finance Holdings Limited

3. REGISTERED VALUER – CA PAWAN PODDAR

CA Pawan Poddar ("I" or "valuer") is registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV/06/2019/12475. Also, the valuer is a member (Membership Number 113280) of The Institute of Chartered Accountants of India ('ICAI') and a sole proprietor of M/s. Pawan Poddar & Associates, Chartered Account (FRN 123111W). This report is issued in individual capacity as a Registered Valuer.

4. VALUATION DATE, DATE OF APPOINTMENT AND DATE OF REPORT

For the purpose of this assignment of valuation, following shall be the key dates:

Valuation Date	January 12, 2023
Date of Appointment	December 26, 2022
Date of Report	January 12, 2023

5. SOURCES OF INFORMATION

For the purpose of this exercise, I have relied upon the following information which has been received from the Management and information available in the public domain:

- Audited financial statements of the Companies for FY ended March 31, 2022.
- Limited Reviewed unaudited financials of the Companies for six months ended September 30, 2022.
- Provisional unaudited financials of the Companies for nine months ended December 31, 2022.
- Draft Scheme of Amalgamation and Arrangement.
- List of Equity Shareholders of the Companies.
- Such other information and explanations as I required and which have been provided by the Management including Management Representations.



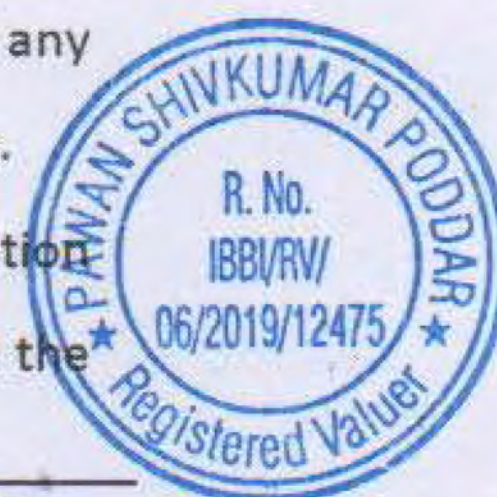
6. PROCEDURE ADOPTED AND VALUATION METHODOLDY FOLLOWED

In connection with this exercise, we have adopted the following procedures;

- (a) Reviewed the equity shareholding of LTFL, LTICL and LTMFTL.
- (b) LTFH is owning, directly or indirectly, 100% issued share capital of LTFL, LTICL and LTMFTL.
- (c) Reviewed the relevant clauses in the Scheme of Amalgamation and Arrangement.

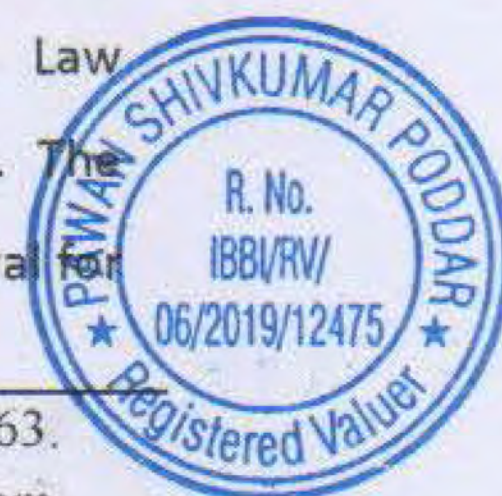
7. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 7.1. The report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, the Valuation Report for the Proposed Amalgamation is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.
- 7.2. This report has been prepared for the Audit Committee and Board of Directors of LTFL, LTICL, LTMFTL and LTFH solely for the purpose of compliance with SEBI Scheme Circular- Equity for the Proposed Amalgamation.
- 7.3. The report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with any laws and litigations.
- 7.4. The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 7.5. For the purpose of this exercise, I was provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to me by the Companies / auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect the analysis/conclusions.
- 7.6. My work does not constitute an audit, due diligence or certification of these information referred to in this report. Accordingly, I am unable to and do not express an opinion on the



fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, I have evaluated the information provided to me by the Companies through broad inquiry, analysis and review. However, nothing has come to my attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

- 7.7. This report is issued on the understanding that the Management has drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and I do not assume any obligation to update, revise or reaffirm this report.
- 7.8. I am independent of the Companies and have no current or expected interest in the Companies or its assets as per Section 247 of the Companies Act, 2013 read with Companies (Registered Valuers and Valuation) Rules, 2017. The fee paid for my services is not contingent on the results of my analysis.
- 7.9. The report is not, nor should it be construed as I am opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 7.10. Any person/party intending to provide finance/divest/invest in the shares/ convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.11. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and my work and finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 7.12. The report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to Stock Exchanges / National Company Law Tribunal/SEBI/RBI/regulatory/statutory authority for obtaining requisite approvals. The report should not be copied or reproduced without obtaining my prior written approval for



any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall I assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

7.13. I do not make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. I owe responsibility to the Companies that has appointed me under the terms of the engagement letter. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

8. CONSIDERATION FOR RECOMMENDATION

8.1. The Proposed Amalgamation contemplates :

- (a) the Amalgamation of LTF and LTMFTL into the LTFH, by way of merger by absorption and the dissolution of the LTF and LTMFTL without winding up and the consequent cancellation of the equity shares held by LTFH in the LTF and LTMFTL, in accordance with this Scheme;
- (b) The amalgamation of LTICL into LTFH, by way of merger by absorption and the dissolution of the LTICL without winding up and the consequent cancellation of the equity shares held by the LTFH in LTICL, in accordance with this Scheme

8.2. All three Amalgamating Companies (LTFL, LTICL and LTMFTL) are, directly or indirectly, wholly owned subsidiaries of the Amalgamated Company (LTFH).

8.3. On amalgamation, all equity shares of the Amalgamating Companies shall stand cancelled without any further application, act or deed. No new shares shall be issued or payment made in cash or in kind whatsoever by the Amalgamated Company.

8.4. Clause 41 in the Scheme is reproduced hereunder:

"....Upon the Scheme coming into effect, all equity shares of the Amalgamating Companies held by the Amalgamated Company (directly, indirectly and/or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new equity shares shall be issued or payment made in cash or in kind whatsoever by the Amalgamated Company in lieu of such equity shares held in the Amalgamating Companies..."



9. RECOMMENDATION

9.1. Computation of Fair Exchange / Fair Entitlement Ratio:

Valuation	LTFL		LTICL		LTMFTL		LTFH	
	Value per share	Weight	Value per share	Weight	Value per share	Weight	Value per share	Weight
Asset Approach	NA	-	NA	-	NA	-	NA	-
Income Approach	NA	-	NA	-	NA	-	NA	-
Market Approach	NA	-	NA	-	NA	-	NA	-
Relative Value per share	NA		NA		NA		NA	
Exchange Ratio			NA		NA		NA	

NA = Not Applied / Not Applicable

As explained in the Para 8 above, since all the Amalgamating companies are wholly-owned subsidiaries of the Amalgamated Company, no additional equity shares will be issued in lieu of the existing issued and paid up equity share capital of the Amalgamating Companies will be cancelled. Therefore, we have not carried out any valuation.

9.2. Based on the above, in the event of amalgamation of LTFL, LTICL and LTMFTL with LTFH, no consideration would be issued by the Amalgamated Company (LTFH) and all the equity shares in the amalgamating Companies shall stand cancelled.

Thanking you,

Yours faithfully,

Pawan
Shivkumar
Poddar

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Shivkumar Poddar
Date: 2023.01.12 07:40:49
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Pawan Shivkumar Poddar

Registered Valuer No.: IBB/RV/06/2019/12475

UDIN: 23113280BGXPHG2825

Place: Mumbai

Date: January 12, 2023

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January 12, 2023

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The Board of Directors
L&T Finance Limited
15th Floor, PS Srijan Tech Park, Plot No.52
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The Board of Directors
L&T Infra Credit Limited
Plot No.177, CTS Road,
Kalina, Santacruz (East),
Mumbai – 400098.

Dear Sir(s) / Madam(s),

Sub: Valuation Report for the proposed amalgamation of L&T Finance Limited and L&T Infra Credit Limited with L&T Finance Holdings Limited – Non-Convertible Debentures.

I refer to the engagement letter dated December 26, 2022 whereby I, CA Pawan Shivkumar Poddar (hereinafter referred to as “I” or “Valuer”), have been appointed by L&T Finance Limited (hereinafter referred to as “LTFL”), L&T Infra Credit Limited (hereinafter referred to as “LTICL”) and L&T Finance Holdings Limited (hereinafter referred to as “LTFH” or the “Company”) to issue a valuation report as required under SEBI Circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (as updated on December 1, 2022), as amended from time to time (“SEBI Scheme Circular - Debt”) for Non-Convertible Debenture (“NCD”) holders in relation to the proposed amalgamation of LTFL and LTICL with LTFH (hereinafter referred to as “Proposed Amalgamation”).

LTFL, LTICL and LTFH are hereinafter collectively referred to as the ‘Companies’.

Our deliverable for this engagement would be to provide a valuation report for the purposes of SEBI Scheme Circular - Debt in relation to NCDs of LTFH which would be issued to the NCDs holders of LTFL and LTICL pursuant to the Proposed Amalgamation (“Report”). In connection with the



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Proposed Amalgamation, the NCD holders of LTFL and LTICL will become NCD holders of LTFH at exactly same terms respectively as NCDs of LTFL and LTICL. For the purpose of this report, we have considered the Valuation Date as January 12, 2023 ("Valuation Date").

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1. I have been informed by the management of the Companies (hereinafter collectively referred to as the "Management") that in order to achieve simplification of holding structure of entities forming part of the group, improve operational and management efficiencies, streamline business operations and decision-making process, enable greater economies of scale, creating a single unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively, it is proposed that LTFL, LTICL and LTMFTL will amalgamate with LTFH. The aforesaid amalgamation is proposed under a Scheme of Amalgamation and Arrangement in accordance with the provisions of section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). Subject to necessary approvals, LTFL, LTICL and LTMFTL would be amalgamated with LTFH, with effect from the appointed date of April 01, 2023 ("Appointed Date"). Both, LTFL and LTICL had issued NCDs for the purpose of long term augmentation of funds. Pursuant to the Proposed Amalgamation, NCDs of LTFL and LTICL would be transferred to LTFH on same terms and conditions and NCD holders of LTFL and LTICL, as on specified record date, would become NCD holders of LTFH post scheme is made effective.
- 1.2. In this regard, I have been requested to issue a valuation report for the Proposed Amalgamation as required under SEBI Scheme Circular - Debt.
- 1.3. The scope of my services is to conduct a relative (not absolute) valuation of the NCDs for the purpose of SEBI Scheme Circular - Debt in relation to the Proposed Amalgamation in accordance with internationally accepted valuation standards / ICAI Valuations Standards 2018 issued by the Institute of Chartered Accounts of India as applicable.

2. BRIEF BACKGROUND

2.1. L&T FINANCE HOLDINGS LIMITED ('LTFH')

L&T FINANCE HOLDINGS LIMITED (CIN: L67120MH2008PLC181833) is a public company incorporated on May 1, 2008 under the Companies Act, 1956. LTFH is a registered Systemically Important Non- Deposit Accepting Core Investment Company ("NBFC-CIC") in terms of



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certificate of registration issued by the RBI bearing registration no N-13.02052 dated September 11, 2013. As an NBFC-CIC, LTFH is a primary holding company, holding investments in its subsidiaries. The equity shares of LTFH are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

The capital structure of the LTFH on the January 12, 2023 is as under;

Particulars	Amount (in INR)
Authorized Share Capital	
5,00,00,00,000 equity shares of Rs. 10 each	50,00,00,00,000
50,00,00,000 preference shares of Rs. 100 each	50,00,00,00,000
Total	100,00,00,00,000
Issued, Subscribed and Paid up Share Capital	
2,47,96,71,117 equity shares of Rs. 10 each	24,79,67,11,170
Total	24,79,67,11,170

The shareholding pattern of equity shares of LTFH as on January 12, 2023 is as below:

Equity Shareholders	No of Equity	%
Larsen & Toubro – Promoter	1,639,229,920	66.11%
Public Shareholders	84,04,41,197	33.89%
TOTAL	2,47,96,71,117	100.0%

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LTFL is focused on becoming a retail finance company and its retail businesses comprises Rural Business Finance, Farmer Finance, Urban Finance (includes Consumer Loans, Two-Wheeler Loans and Retail Housing) and SME Finance. The wholesale business comprises Infrastructure Finance and Real Estate Finance. The non-convertible debentures of LTFL are listed on the NSE and BSE, the details of which are set out in Schedule A of the Scheme of Amalgamation.

The capital structure of the LTFL on January 12, 2023 is as under:



Particulars	Amount (in INR)
Authorized Share Capital	
4,87,43,09,610 equity shares of Rs. 10 each	48,74,30,96,100
12,00,000 Preference shares of Rs.100 each	12,00,00,000
Total	48,86,30,96,100
Issued, Subscribed and Paid up Share Capital	
2,86,41,72,360 equity shares of Rs. 10 each	28,64,17,23,600
Total	28,64,17,23,600

The shareholding pattern of equity shares of LTFL as on January 12, 2023 is given below:

Name of Equity Shareholders	No of Equity	%
L&T Finance Holdings Limited	28,64,17,23,53	100%
Mr. Sachinn Joshi *	1	-
Mr. Dinanath Dubhashi*	1	-
Mr. Abhishek Sharma *	1	-
Mr. Raju Dodti*	1	-
Ms. Apurva Rathod*	1	-
Dr. Rupa Rege Nitsure*	1	-
Mr. Santosh Parab*	1	-
TOTAL	28,64,17,23,60	100.0%

*Held Jointly with L&T Finance Holdings Limited

2.3. L&T INFRA CREDIT LIMITED ("LTICL")

L&T INFRA CREDIT LIMITED ('LTICL') (formerly known as L&T Infra Debt Fund Limited) (CIN: L67100MH2013PLC241104) is a public company, incorporated on March 19, 2013 under the Companies Act, 1956. LTICL is registered with the RBI as an NBFC – Investment and Credit Company ("NBFC – ICC") in terms of certificate of registration issued by the RBI bearing registration no. N-13.02055 dated June 22, 2022. LTICL is engaged in infrastructure finance. LTICL is an indirect wholly owned subsidiary of LTFH. LTFH holds 76.64% and LTFH holds 23.36% in LTICL.

The non-convertible debentures of LTICL are listed on NSE and BSE, the details of which are set out in Schedule C of the Scheme of Amalgamation.

The non-convertible redeemable preference shares of LTICL are listed on BSE, the details of which are set out in Schedule B of the Scheme of Amalgamation.



The capital structure of the LTICL on January 12, 2023 is as under:

Particulars	Amount (in INR)
Authorized Share Capital	
1,00,00,00,000 equity shares of Rs. 10 each	10,00,00,00,000
10,000 preference shares of Rs. 10,00,000 each	10,00,00,00,000
Total	20,00,00,00,000
Issued, Subscribed and Paid up Share Capital	
57,16,30,214 equity shares of Rs.10 each	5,71,63,02,140
2,148 preference shares of Rs, 10,00,000	2,14,80,00,000
50 preference shares of Rs. 6,70,000	3,35,00,000
Total	7,89,78,02,140

The shareholding pattern of equity shares of LTICL as on January 12, 2023 is given below:

Name of Equity Shareholders	No of Equity	%
L&T Finance Holdings Limited	13,35,17,820	23.36%
L&T Finance Limited	43,81,12,389	76.64%
Mr. Sachinn Joshi *	1	-
Mr. Dinanath Dubhashi*	1	-
Mr. Abhishek Sharma *	1	-
Mr. Raju Dodti*	1	-
Dr. Rupa Rege Nitsure*	1	-
TOTAL	57,16,30,214	100.0%

*Held Jointly with L&T Finance Limited

3. REGISTERED VALUER – CA PAWAN PODDAR

CA Pawan Poddar ("I" or "valuer") is registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV/06/2019/12475. Also, the valuer is a member (Membership Number 113280) of The Institute of Chartered Accountants of India ('ICAI') and a sole proprietor of M/s. Pawan Poddar & Associates, Chartered Accountants (FRN 123111W). This report is issued in individual capacity as a Registered Valuer.

4. VALUATION DATE, DATE OF APPOINTMENT AND DATE OF REPORT

For the purpose of this assignment of valuation, following shall be the key dates:



B 116/117, Durian Estate, Goregoan Mulund Link Road, Goregoan East, Mumbai 400063.
Landline - 022 40039959 Email : ca.pawanpoddar@gmail.com

Valuation Date	January 12, 2023
Date of Appointment	December 26, 2022
Date of Report	January 12, 2023

5. SOURCES OF INFORMATION

For the purpose of this exercise, I have relied upon the following information which has been received from the Management and information available in the public domain:

- Audited financial statements of the Companies for FY ended March 31, 2022.
- Limited Reviewed unaudited financials of the Companies for six months ended September 30, 2022.
- Provisional unaudited financials of the Companies for nine months ended December 31, 2022.
- Draft Scheme of Amalgamation and Arrangement.
- Details of the NCDs of LTFL and LTICL.
- Details of the proposed NCDs of LTFH to be held by NCD holders of LTFL and LTICL on amalgamation.
- Other relevant details regarding the Companies such as their history, past and present activities and other relevant information and data.
- Such other information and explanations as I required and which have been provided by the Management including Management Representations.

6. PROCEDURE ADOPTED AND VALUATION METHODOLOGY FOLLOWED

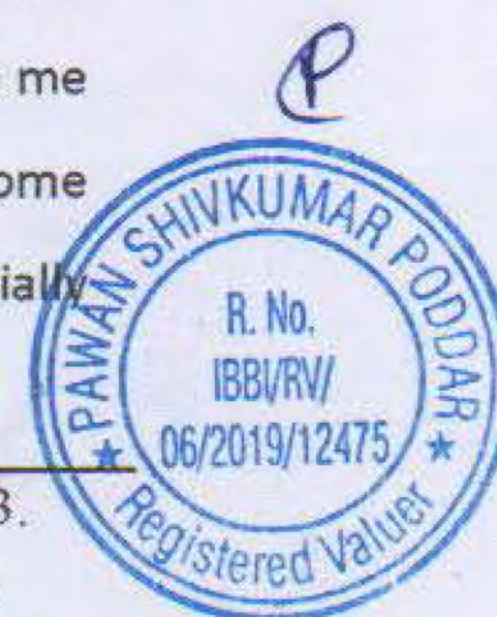
In connection with this exercise, we have adopted the following procedures;

- Reviewed the details of the terms of the NCDs of LTFL and LTICL such as credit rating, coupon rate, tenure, redemption price, quantum and nature of security.
- Discussions with the Management to understand the business and fundamental factors that affect the earning-generating capability including strengths, weaknesses, opportunity and threats analysis.
- Reviewed the credit rating, coupon rate, tenure, redemption price, quantum and nature of security of the NCDs of LTFH proposed to be held by NCD holders of LTFL and LTICL, to assess the difference, if any, in the market yields of NCDs for the Proposed Amalgamation.
- Reviewed the relevant clauses in the Draft Scheme.



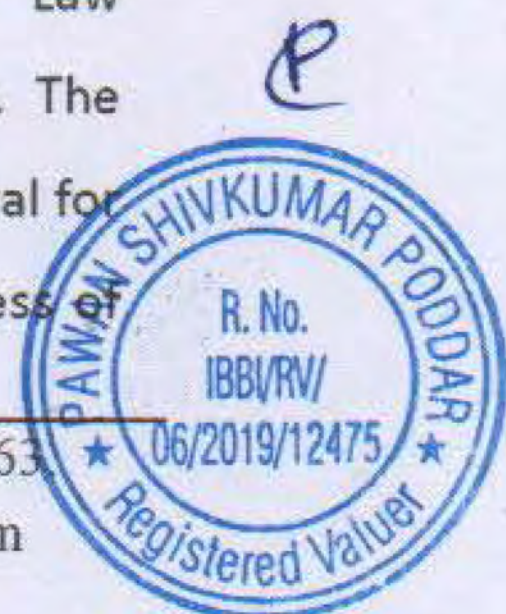
7. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 7.1. The report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, the Report for the Proposed Amalgamation is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.
- 7.2. This report has been prepared for the Board of Directors of LTFL, LTICL and LTFH solely for the purpose of complying with the requirements of the SEBI Scheme Circular - Debt in relation to the Proposed Amalgamation.
- 7.3. The report assumes that the Companies complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with any laws and litigations.
- 7.4. The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 7.5. For the purpose of this exercise, I was provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to me by the Companies / auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect the analysis/conclusions.
- 7.6. My work does not constitute an audit, due diligence or certification of these information referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, I have evaluated the information provided to me by the Companies through broad inquiry, analysis and review. However, nothing has come to my attention to indicate that the information provided / obtained was materially



misstated / incorrect or would not afford reasonable grounds upon which to base the report.

- 7.7. This report is issued on the understanding that the Management has drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and I do not assume any obligation to update, revise or reaffirm this report.
- 7.8. I am independent of the Companies and have no current or expected interest in the Companies or its assets as per Section 247 of the Companies Act, 2013 read with Companies (Registered Valuers and Valuation) Rules, 2017. The fee paid for my services is not contingent on the results of my analysis.
- 7.9. The report is not, nor should it be construed as I am opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 7.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.11. The decision to carry out the Proposed Amalgamation (including consideration /fair entitlement thereof) lies entirely with the parties concerned and my work and finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 7.12. The report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to Stock Exchanges / National Company Law Tribunal/SEBI/RBI/regulatory/statutory authority for obtaining requisite approvals. The report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless



whether consent has been provided, shall I assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

7.13. I do not make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. I owe responsibility to the Companies that has appointed me under the terms of the engagement letter. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

8. APPROACH FOR RECOMMENDATION

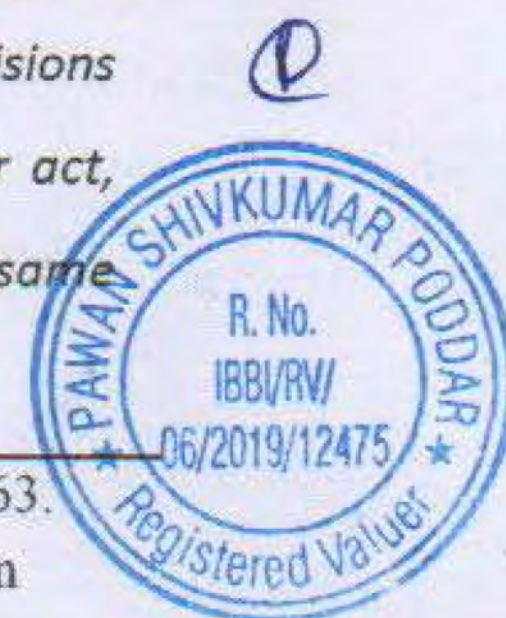
8.1. The Proposed Amalgamation contemplates the merger of LTFL and LTICL into LTFH, it would be imperative to determine the relative value of existing NCDs of LTFL and LTICL and the value of NCDs of LTFH that would be held by NCD holders of LTFL and LTICL.

8.2. The proposal is that pursuant to the Proposed Amalgamation, NCD holders of LTFL and LTICL will hold NCDs of LTFH with the same terms including the coupon rate, tenure, redemption price and quantum, nature of security, etc.

8.3. Further, it is understood that credit ratings and market yields of existing NCD issued by LTFL and LTICL and that of NCDs of LTFH that would be held by NCD holders pursuant to merger would be same / not materially different.

8.4. Clause 17(iii) and Clause 18 of the Scheme on the transfer of liability including NCD issued by LTFL and LTICL is reproduced hereunder:

17 (iii) *"Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, all borrowings in the form of debt securities, including Commercial Papers, non – convertible debentures ("NCDs"), external commercial borrowings, bonds or other instruments of like nature (whether secured or unsecured, convertible into equity shares or not) of the Amalgamation 1 Companies ("Debt Securities") shall, pursuant to the provisions of Sections 230 – 232 and other relevant provisions of the Act, without any further act, instrument or deed, become the Debt Securities of the Amalgamated Company on the same*



terms and conditions and without any change in structure, except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such Debt Securities, so transferred and vested."

18. "Pursuant to Clause 17 above, the holders of NCDs and Commercial Papers of the Amalgamating Company 1 whose names are recorded in the relevant registers of the Amalgamating Company 1 on the Record Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs and Commercial Papers in the Amalgamated Company as held by such NCD or Commercial Paper holder respectively in the Amalgamating Company 1 and on the same terms and conditions."

8.5. Upon the scheme becoming effective, the beneficial economic interest of the NCD holders of LTFL and LTICL in the NCDs of LTFH would be same. All the NCD holders of LTFL and LTICL would become NCD holders of LTFH. There is no economic impact on the ultimate value of the NCD holders of LTFL and LTICL and the proposed restructuring will be value-neutral to the NCD holders of LTFL and LTICL. Hence, in our view, arriving at the fair value of NCDs of LTFL and LTICL is not relevant for the present exercise, accordingly, fair valuation of NCDs is not carried out.

9. RECOMMENDATION

9.1. Computation of Fair Exchange / Entitlement Ratio

Valuation Approach	LTFL		LTICL		LTFH	
	Value per NCD	Weight	Value per NCD	Weight	Value per NCD	Weight
Asset Approach	NA	-	NA	-	NA	-
Income Approach	NA	-	NA	-	NA	-
Market Approach	NA	-	NA	-	NA	-
Relative Value per NCD	NA		NA		NA	
Exchange Ratio			NA		NA	

NA = Not Applied / Not Applicable

As explained in the Para 8 above, we have not applied any of the valuation methods to arrive at per NCD value, since the NCD holders of LTFL and LTICL would be holding same



instruments in LTFH and there will be no economic impact on the ultimate value of the NCD holders, computation of fair /relative value per debenture is not relevant.

- 9.2. All the terms of each of the series of NCDs of LTFH to be held by NCD holders of LTFL and LTICL (post Amalgamation) shall be exactly the same as the existing series of NCDs issued by LTFL and LTICL respectively (including coupon rate, tenure, redemption price and quantum, nature of security, etc.)

Based on the above in the event of amalgamation of LTFL and LTICL with LTFH, I recommend Fair NCD Exchange / Entitlement Ratio as follows:

LTFL:

"1 (One) Non-Convertible Debenture of LTFH for every 1 (One) Non-Convertible Debenture of LTFL."

LTICL:

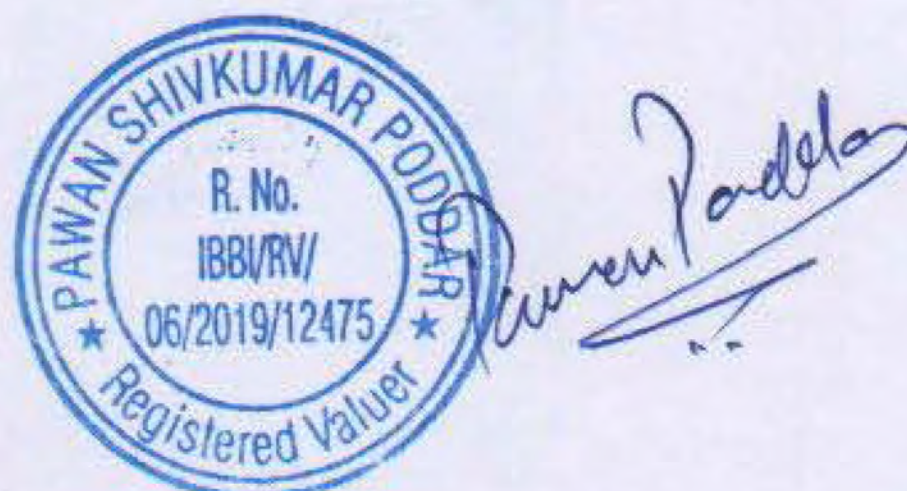
"1 (One) Non-Convertible Debenture of LTFH for every 1 (One) Non-Convertible Debenture of LTICL."

Thanking you,

Yours faithfully,

Pawan
Shivkumar
Poddar

Digitally signed by
Pawan Shivkumar
Poddar
Date: 2023.01.12
07:43:21 +05'30'



Pawan Shivkumar Poddar

Registered Valuer No.: IBB/RV/06/2019/12475

UDIN: 23113280BGXPHH3361

Place: Mumbai

Date: January 12, 2023