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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
L&T FINANCE HOLDINGS LIMITED**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2021" of **L&T FINANCE HOLDINGS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2021, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial information of subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2021:

(i) includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Holding Limited	Parent
2	L&T Finance Limited (merged with L&T Infrastructure Finance Company Limited and L&T Housing Finance Limited)	Subsidiary
3	L&T Infra Debt Fund Limited	Subsidiary
4	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
5	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
6	L&T Investment Management Limited	Subsidiary
7	L&T Mutual Fund Trustee Limited	Subsidiary
8	L&T Capital Markets Limited (divestment of entire stake from April 24, 2020)	Subsidiary
9	L&T Financial Consultants Limited	Subsidiary
10	Mudit Cement Private Limited	Subsidiary
11	L&T Infra Investment Partners Fund	Subsidiary
12	L&T Capital Markets (Middle East) Limited (liquidated on December 17, 2020)	Subsidiary

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2021.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2021

With respect to the Consolidated Financial Results for the quarter ended March 31, 2021, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 8 to the Statement, in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic.

Our report is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2021, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities**(a) Audit of the Consolidated Financial Results for the year ended March 31, 2021**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2021 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 this Consolidated Financial Results.

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 Annual Consolidated Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group 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 Consolidated Financial Results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such branches or entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2021

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report is not modified in respect of this matter.

- We did not audit the financial information of 6 subsidiaries included in the consolidated financial results, whose financial information reflect total assets of Rs.

1,207.37 crore as at March 31, 2021 and total revenues of Rs. 147.81 crore and Rs. 550.47 crore for the quarter and year ended March 31, 2021 respectively, total net profit after tax of Rs. 64.11 crore and Rs. 253.08 crore for the quarter and year ended March 31, 2021 respectively and total comprehensive income of Rs. 64.49 crore and Rs. 254.66 crore for the quarter and year ended March 31, 2021 respectively and net cash outflows of Rs. 0.41 crore for the year ended March 31, 2021, as considered in the Statement. These financial information have been audited/reviewed, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Neville M. Daruwalla

(Partner)

(Membership No. 118784)

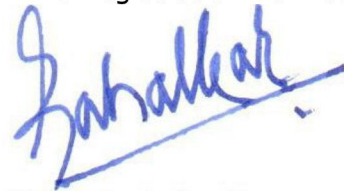
(UDIN: 21118784AAAACB3142)

Mumbai, April 29, 2021

For B. K. KHARE & CO.

Chartered Accountants

(Firm's Registration No. 105102W)



Shirish Rahalkar

(Partner)

(Membership No. 111212)

(UDIN: 21111212AAAAPU1595)

Mumbai, April 29, 2021

L&T FINANCE HOLDINGS LIMITED

CIN: L67120MH2008PLC181833

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(₹ in Crore)

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021					
Sr. No.	Particulars	Quarter ended		Year ended	
		March 31, 2021	December 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) (Refer note 15)	(Unaudited)	(Unaudited) (Refer note 15)	(Audited)
	Revenue from operations				
(i)	Interest income	3,223.61	3,304.44	3,280.05	13,104.85
(ii)	Dividend income	0.01	0.01	0.02	0.12
(iii)	Rental income	0.84	1.00	1.63	9.03
(iv)	Fees and commission income	185.28	154.02	157.96	812.39
(v)	Net gain on fair value changes	5.42	7.37	(85.96)	37.84
(vi)	Net gain on derecognition of financial instruments under amortised cost category	-	0.91	-	-
(I)	Total revenue from operations	3,415.16	3,467.75	3,353.70	14,104.12
(II)	Other income	172.02	118.73	71.98	372.63
(III)	Total income (I+II)	3,587.18	3,586.48	3,425.68	14,476.75
	Expenses				
(i)	Finance costs	1,609.12	1,723.82	1,803.14	7,513.60
(ii)	Fees and commission expenses	2.01	-	11.17	17.51
(iii)	Net loss on fair value changes	65.88	51.34	36.15	36.15
(iv)	Net loss on derecognition of financial instruments under amortised cost category	82.14	45.35	102.39	274.22
(v)	Impairment on financial instruments	504.02	925.97	501.98	1,994.19
(vi)	Employee benefits expense	271.57	257.70	270.36	1,067.06
(vii)	Depreciation, amortisation and impairment	22.33	21.01	21.47	81.59
(viii)	Other expenses	311.87	212.62	223.08	817.09
(IV)	Total expenses	2,868.94	3,237.81	2,969.74	11,796.67
(V)	Profit before exceptional items and tax (III-IV)	718.24	348.67	455.94	2,680.08
(VI)	Exceptional items (refer note 6)	-	-	-	-
(VII)	Profit before tax (V+VI)	718.24	348.67	455.94	2,680.08
(VIII)	Tax expense:				
(1)	Current tax (refer note 11)	217.20	(6.59)	7.34	632.50
(2)	Deferred tax	235.07	67.51	63.74	(126.06)
(IX)	Profit before impact of change in the rate on opening deferred tax (VII-VIII)	265.97	287.75	384.86	2,173.64
(X)	Impact of change in the rate on opening deferred tax	-	-	-	473.38
(XI)	Profit after tax (IX-X)	265.97	287.75	384.86	1,700.26
(XII)	Add: Share in profit of associate company	-	-	-	-
(XIII)	Profit after tax and share in profit of associate company (XI+XII)	265.97	287.75	384.86	1,700.26
	Profit for the period/ year attributable to:				
	Owners of the company	266.85	290.66	386.15	1,700.17
	Non-controlling interest	(0.88)	(2.91)	(1.29)	0.09
(XIV)	Other comprehensive income/(loss)	(23.19)	48.57	(116.12)	(159.36)
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans (net of tax)	0.54	(1.56)	(2.39)	(4.59)
	(b) Equity instruments through other comprehensive income	-	-	(36.00)	(56.16)
	B (i) Items that may be reclassified to profit or loss				
	(a) Debt instruments through other comprehensive income (net of tax)	(10.65)	3.51	5.31	0.16
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(13.08)	46.64	(83.67)	(99.54)
	(c) Exchange differences in translating the financial statements of foreign operations (net)	-	(0.02)	0.63	0.77
	Other comprehensive income/(loss) for the period/ year attributable to:				
	Owners of the company	(23.19)	48.57	(116.12)	(159.36)
	Non-controlling interest	-	-	-	-
(XV)	Total comprehensive income (XIII+XIV)	242.78	336.32	268.74	1,540.90
	Total comprehensive income for the period/ year attributable to:				
	Owners of the company	243.66	339.23	270.03	1,540.81
	Non-controlling interest	(0.88)	(2.91)	(1.29)	0.09
(XVI)	Paid-up equity share capital (face value of ₹ 10 each) (refer note 12 and 13)	2,469.45	2,006.98	2,004.83	2,004.83
(XVII)	Other equity	-	-	-	12,687.59
(XVIII)	Earnings per share (*not annualised):				
	(a) Basic (₹)	* 1.18	* 1.36	* 1.82	8.00
	(b) Diluted (₹)	* 1.17	* 1.36	* 1.81	7.97

Notes:

1 Consolidated statement of assets and liabilities as at March 31, 2021

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
	(Audited)	(Audited)
ASSETS:		
(1) Financial assets		
(a) Cash and cash equivalents	6,947.79	5,598.69
(b) Bank balance other than (a) above	1,479.18	2,205.71
(c) Derivative financial instruments	32.60	155.06
(d) Receivables		
(i) Trade receivables	47.31	64.74
(ii) Other receivables	66.04	19.31
(e) Loans	87,030.25	91,462.50
(f) Investments	8,872.13	5,979.27
(g) Other financial assets	79.61	91.97
(2) Non-financial assets		
(a) Current tax assets (net)	663.87	901.24
(b) Deferred tax Assets (net)	1,635.28	1,468.60
(c) Investment property	327.26	311.01
(d) Property, plant and equipment	31.40	47.91
(e) Intangible assets under development	23.84	62.04
(f) Goodwill on consolidation	636.71	636.71
(g) Other intangible assets	112.85	70.44
(h) Right of use asset	30.07	34.00
(i) Other non-financial assets	955.46	340.95
(3) Group of asset classified as held for sale	-	94.50
TOTAL - ASSETS	1,08,971.65	1,09,544.65

(₹ in Crore)			
	Particulars	As at March 31, 2021	As at March 31, 2020
		(Audited)	(Audited)
	LIABILITIES		
(1)	Financial liabilities		
(a)	Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	19.25	64.84
(b)	Other payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5.06	0.80
(c)	Debt securities	46,027.46	43,992.31
(d)	Borrowings (other than debt securities)	37,582.58	44,523.00
(e)	Subordinated liabilities	4,945.73	5,379.18
(f)	Lease liability	35.80	39.58
(g)	Other financial liabilities	950.54	444.07
(2)	Non financial liabilities		
(a)	Current tax liabilities (net)	312.36	107.89
(b)	Provisions	33.95	41.27
(c)	Deferred tax liabilities (net)	24.89	16.09
(d)	Other non-financial liabilities	63.68	13.03
(3)	Group of liabilities classified as held for sale	-	9.96
(4)	EQUITY		
(a)	Equity share capital	2,469.45	2,004.83
(b)	Other equity	16,303.75	12,687.59
(5)	Non-controlling interest	197.15	220.21
	TOTAL - LIABILITIES AND EQUITY	1,08,971.65	1,09,544.65

2 Statement of consolidated cash flows for the year ended March 31, 2021

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	(Audited)	(Audited)
A. Cash flow from operating activities		
Profit before tax	1,495.20	2,680.08
Adjustment for:		
Depreciation, amortisation and impairment	87.09	81.59
Loss on sale of property, plant and equipment (net)	0.59	0.32
Fair value loss on loan asset	158.77	91.96
Net fair value loss/ (gain) on financial instruments	237.17	(104.67)
Net loss on derecognition of financial instruments under amortised cost category	235.14	274.22
Impairment on financial instruments	2,978.03	1,994.19
Gain from sale of investment in subsidiary	(225.61)	-
Share based payment to employees	54.51	88.63
Operating profit before working capital changes	5,020.89	5,106.32
Changes in working capital		
Decrease in financial and non-financial assets	56.56	62.35
Increase in financial and non-financial liabilities	148.33	49.09
Cash generated from operations		
Direct taxes paid	(261.88)	(817.13)
Loans disbursed (net of repayments)	500.40	(2,238.87)
Net cash flow generated from operating activities (A)	5,464.30	2,161.76
B. Cash flows from investing activities		
Add: Inflow from investing activities		
Proceeds from sale of property, plant and equipment	3.44	25.78
Redemption in other bank balances in investing activities	953.29	-
Proceed from sale of investments (net)	1,335.17	5,014.85
Less: Outflow from investing activities		
Purchase of property, plant and equipment	(52.58)	(79.71)
Investment in other bank balances in investing activities	-	(2,154.77)
Purchase of investments (net)	(4,263.80)	(2,646.63)
Net cash flow (used in)/generated from investing activities (B)	(2,024.48)	159.52
C. Cash flows from financing activities		
Add: Inflow from financing activities		
Proceeds from issue of share capital including securities premium	3,005.06	39.70
Proceeds from issue of preference share capital	-	874.10
Proceeds from borrowings	20,556.77	32,587.96
Less: Outflow from financing activities		
Payment to non-controlling interests	(1.00)	(2.14)
Share issue expenses	(10.28)	(0.66)
Dividend paid (including dividend distribution tax)	-	(484.13)
Repayment of borrowing	(25,041.23)	(31,379.90)
Redemption of preference shares	(600.00)	(184.40)
Net cash (used in)/ generated from financing activities (C)	(2,090.68)	1,450.53
Net increase in cash and cash equivalents (A+B+C)	1,349.14	3,771.81
Cash and cash equivalents as at beginning of the year	5,598.69	1,826.65
Exchange difference on translation of foreign currency cash and cash equivalents	(0.04)	0.23
Cash and cash equivalents as at end of the year	6,947.79	5,598.69

3 These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

4 These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 29, 2021. The Joint Statutory Auditors of the Company have carried out audit of the aforesaid results.

5 The Company reports quarterly financial results of the group on a consolidated basis, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 5, 2016. The standalone financial results are available on the website of the Company at www.lifs.com, the website of BSE Limited ("BSE") at www.bseindia.com and on the website of National Stock Exchange of India Limited ("NSE") at www.nseindia.com. The specified items of the standalone financial results of the Company for the quarter and year ended March 31, 2021 are given below.

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	(Refer note 15)	(Unaudited)	(Refer note 15)	(Audited)	(Audited)
Total income	125.12	21.01	412.75	191.42	522.38
Profit/(loss) before tax	79.08	(30.00)	341.69	188.79	283.74
Profit/(loss) after tax	58.87	(27.63)	339.81	116.05	266.81
Total comprehensive income	58.85	(27.63)	339.79	116.16	266.70

- 6 Exceptional item during the year ended March 31, 2021 represents net gain of ₹ 225.61 crore on the divestment of entire stake in the subsidiary company, L&T Capital Markets Limited. The transaction was concluded on April 24, 2020.
- 7 During the year ended March 31, 2021, 8.15% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 600.00 crore have been redeemed. The Company has paid dividend of ₹ 95.96 crore on CRPS.
- 8 Estimation of uncertainty relating to COVID-19 global health pandemic:
In assessing the recoverability of loans, receivables, intangible assets and investments, the LTFS group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. The LTFS group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the LTFS group expects to recover the carrying amount of these assets. The LTFS group has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets. The digitisation initiatives undertaken by the LTFS group over the last few years has strengthened our ability to deal with the pandemic challenge. However, the extent of impact that the second wave of COVID-19 pandemic will have on the Company's results, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.
- 9 Reversal of interest accrued during the period of Moratorium:
Pursuant to the Judgement of the Hon. Supreme Court of India and as required by the Reserve Bank of India (RBI), vide its circular number RBI/2021-22/17 dated April 7, 2021, the Board of Directors of the lending entities of LTFS group have approved policies for refund / adjustment of 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. Based on the methodology for calculation of the amount to be refunded / adjusted, as advised by the Indian Banks Association (IBA), the LTFS group has reversed such interest-on-interest income charged to the customer, that it had accrued during the aforesaid period.
- 10 Amalgamation of L&T Infrastructure Finance Company Limited ("LTIFC"), L&T Housing Finance Limited ("LTHFC") and L&T Finance Limited ("LTFL"):
Pursuant to order of National Company Law Tribunal Benches, Mumbai and Kolkata dated March 15, 2021 and March 19, 2021 respectively, the scheme of amalgamation for merger of LTIFC and LTHFC (wholly owned subsidiaries of the Company) with LTFL is effected from April 12, 2021. As a consequence, effective April 12, 2021, LTIFC and LTHFC stands merged with LTFL with appointed date being April 01, 2020.
- 11 The Central Board of Direct Taxes ("CBDT") vide notification dated 11th September 2020 has notified the L&T Infra Debt Fund Limited as an Infrastructure Debt Fund under section 10(47) of the Income Tax Act, 1961 for the assessment year 2018-19 and subsequent assessment years. This notification entitles the Company to exemption of its total income from income tax on and from the assessment year 2018-19 onwards.
- The Company has further applied to the CBDT to give effect to the notification under section 10(47) retrospectively from the financial year 2013-14 (i.e. the year in which it received RBI registration as NBFC-IDF) on the basis that it had complied with the applicable guidelines during that period as well. However, pending approval from CBDT, a provision of ₹ 95.93 crore has been held for earlier assessment years with a corresponding charge to the Statement of Profit and Loss for the year.
- 12 During the year ended March 31, 2021 the Holding company has raised funds through the rights issue, amounting to ₹ 2,998.61 crores through allotment of 461,325,021 equity shares of face value ₹ 10 each fully paid up, at a price of ₹ 65 each, including a premium of ₹ 55 each.
- 13 The Holding company, during the quarter and year ended March 31, 2021 has allotted 1,141,608 and 3,287,073 equity shares respectively of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- 14 Consolidated segment wise revenue, result, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited) (Refer note 15)	(Unaudited)	(Unaudited) (Refer note 15)	(Audited)	(Audited)
	Gross segment revenue from continuing operations					
(a)	Rural finance	1,401.85	1,418.66	1,374.64	5,478.87	5,285.99
(b)	Housing finance	748.18	818.52	782.92	3,291.43	3,397.72
(c)	Infrastructure finance	1,068.41	999.63	1,012.79	4,075.06	4,286.46
(d)	Defocused business	75.76	91.37	85.90	395.38	684.39
(e)	Others	245.12	172.06	522.85	680.30	1,027.23
	Segment revenue from continuing operations	3,539.32	3,500.24	3,779.10	13,921.04	14,681.79
	Less: Inter segment revenue	(124.16)	(32.49)	(425.40)	(242.97)	(577.67)
	Revenue as per the statement of profit and loss	3,415.16	3,467.75	3,353.70	13,678.07	14,104.12
	Segment result (Profit/(loss) before tax)					
(a)	Rural finance	365.84	141.15	188.46	681.51	1,225.87
(b)	Housing finance	322.02	139.97	102.22	607.64	871.13
(c)	Infrastructure finance	157.61	150.92	195.95	425.16	919.45
(d)	Defocused business	(107.48)	(177.29)	(95.35)	(569.33)	(554.87)
(e)	Others	(19.75)	93.92	64.66	350.22	218.50
	Profit before tax	718.24	348.67	455.94	1,495.20	2,680.08
	Segment assets					
(a)	Rural finance	31,192.76	28,946.46	28,491.28	31,192.76	28,491.28
(b)	Housing finance	28,712.81	30,035.57	30,410.87	28,712.81	30,410.87
(c)	Infrastructure finance	40,499.93	43,290.44	41,705.39	40,499.93	41,705.39
(d)	Defocused business	3,056.77	3,754.03	5,230.76	3,056.77	5,230.76
(e)	Others *	14,445.55	12,426.65	12,878.62	14,445.55	12,878.62
	Sub total	1,17,907.82	1,18,453.15	1,18,716.92	1,17,907.82	1,18,716.92
	Less: Inter segment assets	(11,235.32)	(10,638.76)	(11,548.39)	(11,235.32)	(11,548.39)
	Segment assets	1,06,672.50	1,07,814.39	1,07,168.53	1,06,672.50	1,07,168.53
(f)	Unallocated	2,299.15	2,695.62	2,376.12	2,299.15	2,376.12
	Total assets	1,08,971.65	1,10,510.01	1,09,544.65	1,08,971.65	1,09,544.65
	Segment liabilities **					
(a)	Rural finance	26,940.03	24,919.89	24,613.00	26,940.03	24,613.00
(b)	Housing finance	24,651.71	26,098.11	26,631.96	24,651.71	26,631.96
(c)	Infrastructure finance	34,647.56	37,736.62	36,435.59	34,647.56	36,435.59
(d)	Defocused business	2,653.16	3,283.75	4,489.67	2,653.16	4,489.67
(e)	Others *	2,188.90	3,265.64	3,987.23	2,188.90	3,987.23
	Sub total	91,081.36	95,304.01	96,157.45	91,081.36	96,157.45
	Less: Inter segment liabilities	(1,220.16)	(622.67)	(1,429.19)	(1,220.16)	(1,429.19)
	Segment liabilities	89,861.20	94,681.34	94,728.26	89,861.20	94,728.26
(f)	Unallocated	337.25	319.52	123.97	337.25	123.97
	Total liabilities	90,198.45	95,000.86	94,852.23	90,198.45	94,852.23

* Includes group of assets and liabilities classified as held for sale

** Including non controlling interest

- (i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (ii) Segment composition :
Rural finance comprises of Farm Equipment Finance, Two Wheeler Finance, Micro Loans and Consumer Finance.
Housing finance comprises of Home Loans, Loan against Property and Real Estate Finance.
Infrastructure finance comprises of Infrastructure business.
Defocused Business comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.
Others comprises of Asset Management, Wealth Management etc.
Unallocated represents tax assets and tax liabilities
- 15 The figures for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which were subjected to Limited Review.
- 16 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period.

In terms of our report attached,
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
FRN: 117366W/W-100018



Neville M. Daruwalla
Partner
Membership no. 118784

Place : Mumbai
Date : April 29, 2021

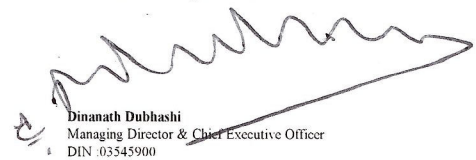
In terms of our report attached,
For B. K. KHARE & CO.
Chartered Accountants
FRN: 105102W



Shirish Rahalkar
Partner
Membership no. 111212

Place : Mumbai
Date : April 29, 2021

For and on behalf of the Board of Directors
L&T Finance Holdings Limited



Dinanath Dubhashi
Managing Director & Chief Executive Officer
DIN : 03545900

Place : Mumbai
Date : April 29, 2021

Press Release*Thursday, April 29, 2021, Mumbai***L&T Finance Holdings announces financial results for the quarter and financial year ended March 31, 2021**

- **Q4 PBT at Rs. 828 Cr, up 135% QoQ and 88% YoY (Rs. 440 Cr in Q4FY20)**
- **PAT before exceptional items at Rs. 428 Cr, up 47% QoQ and 11% YoY**
- **After one-time exceptional items, Q4 PAT at Rs. 267 Cr**
- **Sequential improvement in performance through the year, on QoQ basis:**
 - **All time high quarterly disbursement of Rs. 6,026 Cr in Rural Finance during Q4** (up 36% YoY & 12% QoQ). Significant increase in proportion of Retail book
 - Gained market shares through FY21. Ranked **#1 Farm Equipment Financier & #3 2W Financier**
 - Market leader in **Renewable financing**. Continued robust **sell-down momentum** in Infra space ~ **Rs. 979 Cr** in Q4 FY21 (vs. **Rs. 591 Cr** in Q4 FY20)
 - **33% YoY increase in collections** in focused businesses during FY21, despite lower collections in Q1. Collection Efficiency reached pre-Covid across businesses
- **Highest quarterly NIMs + Fees in FY21 at 8.17% in Q4**, led by a strong growth in Rural. FY21 NIMs+Fee at 6.95%
- Continued reduction in cost of borrowings. **Q4FY21 WAC at 7.65%, the lowest ever.**
- **GS3 below 5%**, YoY reduction from **5.36% to 4.97%**. Increase in PCR from **59% to 69%**
- **Lowest ever NS3 at 1.57%**, down 35 bps on QoQ basis & 71 bps on YoY basis (2.28% in Q4FY20)
- **Prudent provisioning approach to protect book:** Additional overlays currently at **Rs. 1033 Cr** (1.20% on standard book)

Mumbai, 29th April, 2021: The Board of **L&T Finance Holdings (LTFH)**, a leading Non-Banking Financial Company (NBFC-CIC), today announced the financial results for the fourth quarter and financial year ended 31st March, 2021. LTFH being a CIC, carries out its businesses through its wholly owned subsidiaries.

LTFH is a market leader (ranked No. 1) in Farm Equipment Finance and Renewable Finance, and is ranked #3 financier in both Two-Wheeler Finance as well as in Micro Loans (by book size) along with being one of the leading players in the Infrastructure financing space, more particularly in Renewables, Roads and transmission projects. With a sustainable business model, data analytics driven disbursements and collection and a sharp focus on asset quality and portfolio protection, the company remains committed to building a stable and sustainable organization for its consumers and other stakeholders.

In the quarter, LTFH raised ~Rs 3,000 Cr through Rights issue in Q4FY21, which was oversubscribed by 15%. Furthermore, the Company completed the merger of its operating lending entities - L&T Infrastructure Finance Company Ltd. and L&T Housing Finance Ltd., with L&T Finance Ltd. to create a single unified entity for better operational efficiency, superior cash flow synergies and unparalleled growth.

The Company now maintains a very strong capital adequacy of 23.80%.

Commenting **on the financial results Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings, said**, "With normalcy returning in the latter half, our focused businesses have witnessed continued momentum in disbursements, with increased market share across desired businesses (15% in Farm and 11% in TW finance). At the same time, we have fully dealt with stress

corresponding to first wave of Covid-19 and have adequately provided for the same through prudent provisioning in FY21 itself, and are well prepared to remain resilient on the back of strong fundamentals and a strengthened balance sheet. While the second wave has led to uncertainty and change in market dynamics, we believe that our strengths prepare us well to handle these circumstances.”

Key Highlights

The quarter continued to see economic recovery across sectors led by rural and infrastructure space, which helped our businesses. Our Rural franchise was strengthened with highest ever quarterly disbursements, with leadership positions in Farm & Two-Wheeler financing. Our Infra finance segment witnessed robust **sell down momentum** which touched **Rs. 979 Cr** in the quarter and NIMs + Fees increased to 8.17%, duly aided by lowest ever quarterly WAC at **7.65%**.

- A. Disbursements:** In Q4FY21, the company continued to witness a strong pick up in disbursements, duly supported by robust sell down momentum in Infra finance and achieved highest ever quarterly disbursements in Rural finance.

Rural Finance:

- a. **Farm Equipment Finance:** LTFH established itself as the No.1 financier in this segment with a significant increase in market share to 15%. Overall disbursements were up 17% YoY in FY21, achieved on the back of early normalization in CE. The disbursements for Q4 were up 40% on YoY basis. The Company leveraged analytics to gain counter share with identified dealers
- b. **Two-Wheeler Finance:** With improved market share, we have been ranked 3rd in the segment with an 11% increase in market share. In Q4FY21, the business CE saw an uptick from Q3FY21, with disbursements in the quarter also up 14% YoY
- c. **Micro Loans (ML):** With nearly NIL disbursements in Q1FY21 and moratorium till May, Micro Loans business registered its **highest ever quarterly disbursement** at Rs. 3,181 Cr in Q4FY21, up 54% QoQ and 44% YoY. Re-initiated disbursements to new customers in Q4 on the back of availability of customer repayment data.

• Housing Finance:

- a. **Home Loan:** In Q4FY21, the business continued to witness a steady pick up, with home loan disbursements registering a QoQ growth of ~35%. The salaried Home Loan segment registered a growth of 32% QoQ in Q4FY21 and 41% YoY
- b. **Real Estate:** LTFH continued its strategy of focus on project completion by lending only to existing projects during the quarter. The Company plans to start new underwriting in FY22.

• Infrastructure Finance:

LTFH continues to be the market leader in Renewable financing and one of the leading players in Infrastructure finance business with robust pipeline to aid disbursement growth in FY22. The business maintained a steady growth QoQ as situation improved. There was a strong uptick in sell-down and pre-payments, led by a strong sell-down desk and pick up in the sector. Strong emphasis was placed on project monitoring through continuous engagement with contractors and developers as well as use of technology like drones, etc.

- B. Liquidity:** Q1FY21 saw tightened liquidity situation for NBFCs with pandemic led disruptions, moratorium and closure of few debt schemes by a Mutual Fund. LTFH proactively took necessary measures to remain resilient through the pandemic:

- **Q1FY21** - Proactively shored up liquidity to safeguard the company against lockdown and moratorium issues

- **Q2FY21** - With ease in systemic liquidity & reduction in uncertainty; gradually reduced negative carry and liquidity
- **Q3/Q4FY21**- Demonstrated strength by raising low-cost funds as well as prepaying / renegotiating high-cost borrowing
- Sharp decline in cost of funds with Q4FY21 WAC at 7.65% – down 78 bps on YoY basis & 17 bps on QoQ basis

As of March 2021, the company maintained liquid assets in the form of cash, FDs and other liquid investments to the tune of **Rs. 10,122 Cr.**

C. Highest Credit Ratings: A diversified business presence, strategic importance to L&T, strong resource raising ability and adequate capitalization resulted LTFH and all its lending subsidiaries' long-term ratings been rated '**AAA**' by all four rating agencies:

- CRISIL** – May 2020 and in December 2020
- CARE** - October 2020
- India Ratings** - September 2020
- ICRA** - September 2020

Subsequent to the merger of L&T Infrastructure Finance Company Ltd and L&T Housing Finance Ltd into L&T Finance Ltd (L&T Finance) becoming effective, all the Rating agencies have reviewed the ratings of L&T Finance and have assigned / reaffirmed the '**AAA**' rating in April-21.

D. Focus on Strengthening Balance Sheet: LTFH strengthened its balance sheet by maintaining adequate PCR on GS3 book and additional provision on non-GS3 book for any future economic uncertainty. The GS3 assets of the company stood at **4.97%** in Q4FY21 of its book, showing a reduction of **39bps** YoY. NS3 registered the sharpest improvement since the introduction of Ind-AS and reduced from 2.28% to 1.57% YoY. The company also strengthened the PCR on Stage 3 assets from **59%** in Q4FY20 to **69%** in Q4FY21. Asset quality and PCR has improved in FY21 vis-à-vis FY20 despite the impact of Covid, showcasing strong underwriting, robust collection and stringent EWS

(Rs. Cr)	Q4FY20	Q3FY21	Q4FY21
Gross Stage 3	5,037	4,935	4,504
Net Stage 3	2,078	1,791	1,377
Gross Stage 3 %	5.36%	5.12%	4.97%
Net Stage 3 %	2.28%	1.92%	1.57%
Provision Coverage %	59%	64%	69%

As a prudent measure, LTFH is carrying additional provisions of **Rs. 1033 Cr** (1.2% of standard book) as of Q4FY21.

E. Focused Lending Book: The share of retail portfolio in the overall book grew to 43.4% in FY21. Within the book, Farm Equipment grew 22% on YoY basis and TW book by 8%. The asset size of our Salaried home loans portfolio also grew by 6% in the same period.

(Rs. Cr)	Q4FY20	Q4FY21	Book Growth (%)
Focused Lending Business			
Rural Finance	27,661	30,080	9
Housing Finance	26,584	23,689	(11)
Infrastructure Finance	38,909	37,543	(4)
Total Focused Book	93,154	91,312	(2)

Defocused Businesses	5,230	2,702	(48)
Total Lending Book	98,384	94,013	(4)

The Average Assets under Management (AAUM) of the Investment Management business stood at **Rs.72,728 Cr** in Q4FY21. The AUM for Equity and Fixed Income asset classes as on 31st March, 2021, stood at **Rs. 40,374 Cr** and **Rs. 23,386 Cr**, with a growth of **4%** and **4%**, respectively, on a QoQ basis.

F. Financial Performance

Concerted on-field efforts, data analytics led prioritization and resource allocation has led to an increase in collection volumes across businesses to pre-covid levels as well as strong disbursement momentum, supported by a higher total income.

The company posted a consolidated **Earnings before Credit Cost (EBCC)** of **Rs. 1,481 Cr** in Q4FY21, a **24 %** increase YoY, from **Rs. 1,192 Cr** in Q4FY20.

- **Steady increase in Fee income each quarter** (Rural fee up by 5% in FY21 despite disbursements being down by 15%); Overall Fee income up by **46%% YoY in Q4FY21**
- Reduction in cost of funds by **78 bps YoY** from 8.43% in Q4FY20 to **7.65% in Q4FY21**
- Increase in total income by **16% YoY in Q4FY21**
- **Reduction in GS3** from 5.36% to 4.97% YoY; **NS3 reduced** from 2.28% to 1.57% YoY; **Increase in PCR** from 59% to 69% YoY

The PBT for Q4FY21 stood at Rs. 828 Cr, up 135% QoQ and 88% YoY (Rs. 440 Cr in Q4FY20).

- **PAT (before exceptional items)** of **Rs.428 Cr** in **Q4FY21** vs **Rs.386 Cr** in Q4FY20
- After one-time exceptional items, PAT for Q4FY21 is Rs. 267 Cr

Mr. Dubhashi further added, “The merger of our three operating lending entities into one entity will enhance governance standards and we also believe that the simplified structure will lead to operational efficiencies and cash flow synergies, thereby creating long term value for stakeholders. Through FY21, LTFH has shown the ability to deal with extremely tough conditions and has emerged strongly. With the recent capital raise, we are suitably placed to deliver medium to long-term growth with increase in retailisation & well positioned to weather any short-term disruptions arising from second wave of Covid.”

About L&T Finance Holdings (LTFH):

LTFH (www.ltfh.com) is one of India's leading Non-Banking Financial Company (NBFC-CIC) that offers a range of financial products and services across rural, housing, infrastructure finance and mutual funds, through its wholly owned subsidiaries. L&T Financial Services (LTFH) is the brand name of L&T Finance Holdings and its subsidiaries. Headquartered in Mumbai, LTFH has been rated AAA — the highest credit rating for NBFCs — by four leading rating agencies. Since FY17, LTFH entities have successfully leveraged digital and data analytics to enhance portfolio quality, achieve scale, increase cost efficiency as well as build market leading products offering among the best-in-class turnaround time (TAT), in service of our consumers. L&T Financial Services has been certified as a constituent company in the FTSE4Good Index Series, for its ESG standards. LTFH was recognised as the ‘*Socially Aware Corporate of the Year*’ in the Business Standard Social Excellence Awards, 2019, and was awarded FICCI's Corporate Social Responsibility Award for “*Women Empowerment*” for Digital Sakhi, its flagship CSR program.

For further information, please contact:

L&T Financial Services

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Index PR

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April 29, 2021

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

BSE Limited
Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: L&TFH

Security Code No.: 533519

Kind Attn: Head – Listing Department / Dept of Corporate Communications

Sub: Declaration regarding Audit Reports with unmodified opinion for the Audited Financial Results (Consolidated and Standalone)

Dear Sir / Madam,

Pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, we hereby declare that M/s. B. K. Khare & Co, Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the Joint Statutory Auditors of the Company have submitted the Audit Reports for Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended March 31, 2021 with unmodified opinion.

We request you to take the aforesaid on record.

Thanking you,

Yours faithfully,

For L&T Finance Holdings Limited



Sachinn Joshi
Chief Financial Officer