

**TRANSCRIPT OF THE THIRTEENTH ANNUAL GENERAL MEETING OF L&T FINANCE HOLDINGS LIMITED HELD ON WEDNESDAY, JULY 28, 2021 AT 3.00 P.M. THROUGH ELECTRONIC MODE (VIDEO CONFERENCE OR OTHER AUDIO-VISUAL MEANS) AND CONCLUDED AT 4:50 P.M.**

**Ms. Apurva Rathod, Company Secretary:**

Good afternoon.

Welcome to the 13<sup>th</sup> Annual General Meeting of L&T Finance Holdings Limited.

Before I hand over the proceedings of the AGM to the Chairman of the Board, Mr. Shailesh Haribhakti, I would like to draw attention of the Members to a few important points:

- The facility for participating in this AGM through video conference is available to Members on a first come first served basis.
- All speaker Members joining the AGM will by default be placed on the mute mode and during the question-answer session, on announcement of the name by the Chairman, the speaker Member will be put on the unmute mode. If a speaker is unable to speak due to connectivity issues, the name of such speaker Member shall be announced once again at the end i.e. once the other Members who have registered to speak have finished speaking.
- For inspection of documents/registers required to be made available during the AGM, Members are requested to write to the Company at [igrc@lfs.com](mailto:igrc@lfs.com) and the documents/registers will be made available electronically.
- As the AGM is held through video conference, the requirement for appointment of proxies is not applicable and therefore the proxy register is not available for inspection.
- In accordance with the requirements of provisions of Companies Act, 2013, Secretarial Standards and SEBI Listing Regulations, the facility to vote on the business items to be transacted at the AGM by electronic means was provided through remote e-voting, from July 25 to July 27, 2021.
- For any technical support in connection with the AGM, Members may contact the helpline number mentioned in the notice of the AGM.

Now, I request Mr. Haribhakti to commence the proceedings.

**Mr. Shailesh Haribhakti, Chairman of the Board:**

Dear Members,

I am happy to welcome all of you to the 13<sup>th</sup> Annual General Meeting of the Company which is held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs.

I hope all of you are safe and healthy. I thank all the Members for joining this AGM over video conference. The Company has taken all feasible efforts under the current circumstances to enable Members to participate through video conference and vote at the AGM.

Members who are participating in the AGM over video conference are being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013.

As the requisite quorum to conduct the proceedings of the AGM is present through video conference; I call this AGM to order.

I now request my fellow Directors who are attending the AGM through the video conference facility to introduce themselves.

**Mr. Dinanath Dubhashi:**

Good afternoon, I am Dinanath Dubhashi, Managing Director & Chief Executive Officer of the Company and am attending the AGM from the registered office of the Company in Mumbai.

**Mr. R. Shankar Raman:**

Good afternoon, I am Shankar Raman, Non-Executive Director of the Company and am attending the AGM from Mumbai.

**Mr. P. V. Bhide:**

Good afternoon, I am P. V. Bhide, Independent Director and Chairperson of the Stakeholder Relationship Committee and the Audit Committee of the Company and am attending the AGM from New Delhi.

**Mr. Thomas Mathew T.:**

Good afternoon, I am Thomas Mathew T., Independent Director and Chairperson of the Nomination and Remuneration Committee of the Company and am attending the AGM from Mumbai.

**Ms. Nishi Vasudeva:**

Good afternoon, I am Nishi Vasudeva, Independent Director of the Company and am attending the AGM from Mumbai.

**Dr. Rajani R. Gupte:**

Good afternoon, I am Rajani R. Gupte, Independent Director of the Company and am attending the AGM from Pune.

**Mr. Prabhakar B.:**

Good afternoon, I am Prabhakar B., Non-Executive Director of the Company and am attending the AGM from Bengaluru.

**Mr. Shailesh Haribhakti, Chairman:**

Mr. Pavninder Singh, Nominee Director of the Company is unable to attend the meeting due to exigencies.

Along with the Directors, we also have the Group Executive Committee of your Company attending the AGM over video conference i.e.,

- Mr. Sunil Prabhune, Chief Executive - Rural & Housing Finance and Group Head – Digital, IT and Analytics
- Mr. Kailash Kulkarni, Chief Executive-Investment Management
- Mr. Sachinn Joshi, Group Chief Financial Officer
- Mr. Raju Dodti, Chief Executive - Wholesale Finance
- Mr. Shiva Rajaraman, Chief Executive - L&T Infra Debt Fund
- Mr. Tushar Patankar, Chief Risk Officer
- Mr. Santosh Parab, General Counsel
- Mr. Abhishek Sharma, Chief Digital Officer
- Ms. Apurva Rathod, Company Secretary and Group Head – CSR and Sustainability

**CHAIRMAN'S ADDRESS**

The 2<sup>nd</sup> Covid wave, which is abating right now, has undoubtedly hit all of us personally with greater rigor and harshness and it is important for all of us to accord highest priority to health and safety in these times.

The year 2020 was distinct, marked by many 'never before' experiences and expectations. As I say, this unique year belonged to active listeners, better observers, and fast learners.

Today, as we meet on a virtual platform, second time in a row, I am thinking of how different the world has become and how the pandemic has given us a new perspective of doing the same old things albeit differently. We have experienced profound changes starting from better awareness towards health, discovering the power of flexibility in businesses, to rapid digitalisation, and growing interest towards sourcing alternative energy options.

I am confident that together, we will win and emerge stronger from this crisis.

The economy witnessed sharp degrowth during the first half of the year, owing to lockdowns, thus dampening business sentiment. However, even in the midst of such a challenging environment, fundamentally strong NBFCs, including your Company continued

to play a critical role in supporting the needs and aspirations of millions of customers across the country.

I am happy to share that your Company continues to be one of the leading financiers and I am confident that the first principles of your Company's business model will help it deliver medium to long term growth and position it well to face any short-term disruptions. These include:

- a. Proven Business strengths including your Company's market leaderships & channel partnerships in segments it operates
- b. Strong collections framework, which is becoming more & more data oriented
- c. Well established liability franchise, providing your Company the ability to raise funds across tenors at time of choice
- d. Improved asset quality, which was bolstered by Rs. 1,033 Cr of additional overlays till Q4FY21 and has been further incremented to Rs. 1,403 Cr in Q1FY22
- e. Strong balance sheet, further supplemented by the capital raised through Rights Issue in Q4

Furthermore, Digital and Data Analytics will continue to radically change the way business is conducted. The 'Core' of our 'Right to Win' framework lies in the use of Digital and Data Analytics and it has greatly helped us navigate the Covid related crisis. Your Company will continue to leverage Digital and Data Intelligence to drive Scale, Cost Effectiveness and Customer Experience across businesses.

Through FY21, your Company has not only demonstrated the ability to deal with extremely tough conditions but has also emerged stronger. Moreover, the financial performance of the first quarter of FY22 further validates the strengths of your Company and the sustainability of the business model.

In Q1FY22, your Company's business strengths helped it to cope well with the challenges due to the onset of 2<sup>nd</sup> wave of Covid.

- Collection led disbursements strategy ensured responsible growth while maintaining the asset quality. Volumes for the quarter were driven based on analysis of collection inputs in addition to opening of dealerships.
- Analytics led prioritization and better resource allocation led to low impact on collection volumes.
- Liquidity for the Company remained comfortable despite pandemic led disruptions, OTR, etc. on the back of proactive measures instituted from the 1st wave of Covid.

Moreover, an astute treasury management led to diversification of funding sources at lower cost of borrowing. The cost of funds, which was the lowest at 7.65% in Q4FY21 has remained at same levels in this quarter.

- Continued strengthening of balance sheet - In the first wave of the pandemic, we focused on building additional overlays during the onset, during Q1/Q2 FY 21, reaching

a level of Rs. 1,757 Cr to protect the balance sheet before slowly releasing them as the situation unfolded. In this quarter, we've taken the same forward and have added Rs. 369 Cr to the additional overlays. This is in excess of the provisions on GS3 assets and corresponds to 1.75% on the standard assets.

All these measures helped your Company report a PAT of Rs. 178 Cr in Q1FY22, which is up 20 % YoY.

Lastly, our employees remain our most important capital and we'll do all that we can to ensure their health, safety and well-being. These colleagues have kept our flag flying high till their very last and your Company will go over & beyond to ensure best support to the families of the departed colleagues. Your Company's Covid Care support for employees was immediate. In addition to safety kits and vaccination cost reimbursement, we were amongst the first to announce ex-gratia and two-year salary payment, as well as education and vocational training support for families of our employees who lost their lives due to Covid. Your Company has also ensured that over 96% of the team is now vaccinated at least once.

We believe sustainability is the nucleus of comprehensive growth, and addressing its issues is your Company's topmost priority. Our long-standing commitment is to create value for society through our initiatives and investments on the ESG front. This year's sustainability report "Growing Together – People, Business & Community" specifically highlights this. This is the third year of your company's sustainability report.

Your company has been focusing on ESG for over 3 to 4 years now and has made GRI standards 2016, the fulcrum to work on, strongly working on the six capitals of ESG – Financial, Manufactured, Human, Intellectual, Social & Relationship and Natural. We have also engaged Ernst & Young as an external assurance partner for our sustainability report. A few highlights:

**Environmental:**

- Your Company's businesses are very closely related, very naturally aligned to ESG
- Your Company has saved almost 49 lakh tons of emissions by lending to renewable sector & financing 1,560 MW of green energy)
- Several technological solutions have been taken to save electricity, conserve paper, and very clearly taken targets as we go ahead

**Social:**

- On the social front, your Company's CSR projects work very closely with the rural communities for digital literacy and it reaches out to close to 13 Lakh+ plus community members

**Governance:**

- On the governance side, your Company has a well-diversified Board, segregation of MD's and Chairman's office has now been there for the last five years
- Your Company has two women directors on the board when one is compulsory, and thus highest standards of corporate governance is thus adopted

Additionally, your Company has been ranked reasonably well by various agencies on the ESG front.

So clearly, ESG will be the focus area for your Company going ahead.

Your Company had prepared in Q4FY21, for facing any headwinds due to Covid-19 and has been able to do well. The strengths that your Company exhibited during Q1FY22 places it suitably to take advantage of the current business opportunities, in addition to being the bedrock of growth in medium to long term. The collection efficiencies & business volumes during the month of July are certainly better than the previous month and our fundamentals of analytics driven business & collection strengths, in addition to our well entrenched liability franchise will hold us in good stead. Your Company is also focusing on adding new products to retail basket – Farmer Finance & end-use defined Consumer loans in this year to build upon its market leadership & cross sell franchise.

Your Company is much more confident today than it was in Q1FY21 because of its ability to predict the outlook for the current book based on the repayment behaviour data points and the additional provisions in the balance sheet.

It would be imprudent on my part to not mention about an emerging risk of 3rd wave of Covid-19. Your Company's strengths will ensure that it would be able to navigate these short-term challenges while continuing to fulfil the twin objectives of protecting the balance sheet and conserving the business franchise.

With the country's rollout of vaccination and improving awareness of the pandemic, I am hopeful that it would be less crippling than wave 2. The initiative rests not only on the governments but also us, as private citizens, to continue to follow Covid-19 appropriate behaviour in the coming months i.e., SMSV – Social Distancing, Masking, Sanitisation and Vaccination.

I sincerely thank all our shareholders, associates, partners, regulators, employees and other stakeholders for their undeterred support and continued faith in the Company's capabilities.

Take care and stay safe!

Now, I commence to transact the business contained in the Notice dated June 24, 2021.

The Annual Report and the Notice convening the AGM have been sent through electronic mode in accordance with regulatory requirements. The said documents are also made available on the website of the Company and the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

With the Notice having already been circulated to the Members, I take the Notice convening the AGM as read.

Representatives of the Statutory Auditors of the Company and Secretarial Auditor of the Company have joined the AGM from their respective locations.

The Independent Auditors' Report on the Company's financial statements is unqualified. With the permission of the Members, I take the report as read.

Further, the Secretarial Audit Report on compliance with the applicable statutory provisions is also unqualified. With the permission of the Members, I take the Secretarial Audit Report also as read.

Members who have not casted their votes through remote e-voting and are participating in this AGM will have an opportunity to cast their vote through the e-voting system provided by CDSL.

Members who have already voted through the remote e-voting facility shall not be eligible to participate in e-voting facility made available during this AGM. However, they can attend/participate in the AGM.

The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary, as the scrutinizer for scrutinizing the e-voting process.

The results of the voting on resolutions will be declared within 48 hours based on the scrutinizer's report and the same will also be displayed on the website of the Company and CDSL post intimation to the stock exchanges.

With the permission of the Members, will now take up the resolutions, by calling the brief description of it and take the resolution as read. The statement annexed to the Notice in connection with the special business contains the objectives for which the resolutions are proposed to be passed. We will open the floor for any questions by Members after all the

resolutions are tabled and the results thereof will be announced by the scrutinizer post the AGM.

**Item No. 1:**

To consider and adopt the audited standalone financial statements of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2021 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2021.

**Item No. 2:**

To appoint a director in place of Mr. R. Shankar Raman, who retires by rotation, and being eligible, offers himself for re-appointment.

**Item No. 3:**

To appoint M/s Khimji Kunverji and Co LLP as the Statutory Auditors of the Company.

**Item No. 4:**

To re-appoint Mr. Dinanath Dubhashi as the Managing Director and Chief Executive Officer of the Company.

Members who have registered themselves as speakers may now ask questions concerning the Annual Report. I request the speaker not to repeat the questions which have already been asked and to confine the speech to matters relating to the Annual Report up to a maximum period of three minutes. Responses to the questions will be provided at the end of this session.

Now, I will announce the names of the speakers and would request them to come forward one by one.

Our first speaker, Mr. Santosh Bhutani

**Mr. Santosh Bhutani:**

First of all, I will like to thank the management for giving me the opportunity to question on the item of the agenda.

Sir, my first question is what are the Company strategies on the challenges and to counter them? How is the Company planning to use the rights issue money and how is the Company planning to do with the NCDs and to improve the asset quality and capital improvement? Sir, you see that the present rate of our Company is around 85 which was offered at the time of the rights Issue. The shares have not get any appreciation in the last two years.

Sir, what I see after going through the journey of the Company, we are not contented at all.

As the Company has much more potential than what it was delivered yet. Sir, we feel and believe that the Company is far better in its thinking, better in its working, stronger in its commitment and more responsible.

Sir, few questions I had already sent through mail. I want to update that your staff is taking too much pain to respond to each and every query of the investors.

I wish the Company all the best for its future and hope to see the Company shine.

Thank you very much. Jai Hind sir.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you. Now, I call upon Mr. Hiranand Kotwani

**Mr. Hiranand Kotwani:**

Am I audible, gentlemen? Namaste.

**Mr. Shailesh Haribhakti, Chairman:**

Yes, Mr. Kotwani, go ahead

**Mr. Hiranand Kotwani:**

Namaste to Mr. Shailesh Haribhakti particularly. Namaste to all.

Sir, my one question is which is a cause of concern that our consolidated net profit has reduced from Rs. 1,700.26 crores to Rs. 948.88 crores which was a tremendous fall. It is the cause of concern, because ultimately prosperity is there and prosperity should be there.

And the second question is, what is the reason or the various reasons for reduction in the profit as we can grow, but if the prosperity is not there, then growing is not important.

The difficult condition due to pandemic, some cost reduction or some other pain is there, if you could elaborate that I'll be thankful. Other thing is about what we received from this rights issue, how are we going to utilize it in various verticals and various growth with the prosperity?

I mean that the growth should be with prosperity, what is your call on that?

How many employees particularly were affected from Covid-19 and at what capacity our offices are working and how many are working from home?

Those who are affected, how you tackle them, fatality, compensation to them who were particularly ill for some days?

In the last year, were there any irregularities from the employee side, some fraud in the financial sector from the employee side please elaborate and how many litigations are going on with the various institutions?

Thank you and good luck for ahead.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you Mr. Kotwani

We will answer all your questions. Thank you. May, I now request Mr. Adil to speak. Mr. Adil please come.

**Mr. Adil Polad Irani:**

Have you unmuted me?

**Mr. Shailesh Haribhakti, Chairman:**

Yes, we can hear you, Adil.

**Mr. Adil Polad Irani:**

Oh, okay. Thank you.

Thank you, thank you very much, my dear Chairman, Mr. Shailesh Haribhakti for clarifying all the things. Basically, my main thing is going to be like when are we going to apply for a bank license?

Normally, I don't question what takes place before 31<sup>st</sup> of March. That is history.

What does my Company want to do in future?

You see, this is like a marwari business, you lend money, you get money, you lend money, you get money. So, every year you are supposed to increase your base basically.

I don't understand why, even though you've taken right from us, you've taken so much money from us, it was a Rs. 60 rights or Rs.10 rights which means you have already taken. Even if you give me 100% dividend and Rs. 10 every year for the next 10 years you have already taken Rs. 10 from me.

And that is it.

Thank you very much. I hope all the staff everybody is safe.

And I hope there have not been any deaths.

I would like to say to maintain one minute silence for all the people who have lost their family member. Thank you so much.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you, thank you very much. Very thoughtful of you.

May I now call upon, Ms. Lekha Satish Shah to speak

**Ms. Lekha Satish Shah**

Can you hear me, sir?

**Mr. Shailesh Haribhakti, Chairman:**

Yes, absolutely. Thank you.

**Ms. Lekha Satish Shah**

Thank you. Thank you, sir.

Respected Chairman sir, Board of Directors and my fellow members. Good afternoon to all of you. Myself, Lekha Shah from Mumbai.

First of all, I am very much thankful for our Secretarial Team for rendering very good investor services and also sending me the AGM notice vide an email in such a difficult situation, which is full of knowledge, facts and figures in place.

Thank you, Chairman sir for explaining well about the Company. Sir, I pray to God, he always showers his blessings upon you. Happy to see all the good things that you have done during this difficult time. Sir, I would like to ask few questions. First question is how is our Company operating? Are we operating from our home or from office? And my second question is, are all our Company employees vaccinated against the Covid-19?

I would like to say, I propose all the resolutions for today's meeting.

And my best wishes will always be there for our Company and its prosperity.

Thank you, sir.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you, Lekhaji.

You will be happy to know that about 96% of all our employees are vaccinated by now.

I will now call upon Mr. Bimal Kumar Agarwal.

**Moderator:**

Chairman sir, Mr. Bimal Kumar Agarwal is facing some technical issue.

So, I call upon our next speaker, Mr. Manoj Kumar Gupta.

**Mr. Shailesh Haribhakti, Chairman:**

Sure, Mr. Manoj Kumar Gupta, please come.

**Mr. Manoj Kumar Gupta:**

Hello? Hello sir, good afternoon.

**Mr. Shailesh Haribhakti, Chairman:**

Good afternoon

**Mr. Manoj Kumar Gupta:**

My name is Mr. Manoj Gupta and I am a shareholder of L&T Finance from the IPO.

Respected Chairman, board of directors, fellow shareholders.

I have great respect to you and your team for good result in this time of Covid-19. And I thanks to our Company Secretary and specially Mr. Nagaraajan Iyer who has inspired us to join this meeting.

I was not supposed to join but he said, please at least join sir. So I joined this meeting. I am out of the house today and have come to my hospital. I run a charitable hospital in Kolkata. So, I have come here to inspect the vaccination program, because we provide vaccination at a nominal rate to the weaker section of the society. It's a hospital run for more than 110 years founded by Mr. J.R. Birla.

**Mr. Shailesh Haribhakti, Chairman:**

Excellent.

**Mr. Manoj Kumar Gupta:**

Sir, how the investor will get return on their investment? How small investor will get return on investment? I have no complaints. I have no any issue, because I have full faith on L&T group and I am a great admirer of Mr. Naik. That man has a created history in L&T and that man has given good return to the investors. So I have no complaints about that.

Dividend is an issue so I always ask in the Company that do not declare any dividend. Spend that dividend on the employees and their families and the society and community to fight against this Covid-19. And, sir, what is the Covid-19 impact on our Company?

And sir, I want to know your view on the moratorium impact on Company. The Supreme Court has set a moratorium as declared by the Government of India in this pandemic time. And sir, I will request you one thing, that don't take a hard step against the defaulter in this Covid-19 time. As maybe some people must have started defaulting in this Covid-19 time to pay their EMIs, don't take any hard step against them. Give them some relief and give them some time to pay that loan or EMIs in future course. Because we can request you and we have heard your name and because I am a shareholder in several companies where you are the auditor and we have full faith and confidence in the L&T Group. I further request you one thing, to appoint Mr. Naik as the Chairman of this entity. If he will be the Chairman

of the Company, immediately our price will go up in his name, and we will get a good return from the stock market

**Mr. Shailesh Haribhakti, Chairman:**

We will convey that to him.

**Mr. Manoj Kumar Gupta:**

And what's your plan for subsidiaries? Do you have any plan to reduce the number of subsidiaries and what is your view on the mutual fund business? Because now, general investors do not want to invest in mutual fund business. So, what is your view sir. Thank you, sir.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you. Thank you, Manojbhai.

Thank you very much. I now call upon Ms. Prakashini Ganesh Shenoy.

**Ms. Prakashini Ganesh Shenoy:**

Yeah, I am Ms. Prakashini Ganesh Shenoy, can you hear me, sir?

**Mr. Shailesh Haribhakti, Chairman:**

Yes, very well, thank you.

**Ms. Prakashini Ganesh Shenoy:**

Yeah. Yeah. Welcome, sir.

I am Ms. Prakashini Shenoy from Bombay. Respected honorable Chairman, Mr. Haribhakti sir, other dignitaries on the Board and my fellow shareholders good afternoon to all of you. I have received the annual report through email, which is informative, colorful, transparent and contains all the information as for the corporate governance

I thank madam Ms. Apurva Rathod and her team for the same. I should not forget to thank Mr. Nagaraajan Iyer for calling me and giving me the link for today's meeting without which I won't be in a position to speak. Chairman sir, I'm thankful to you for giving us a right future in your speech, which you have explained to us in a very good way. We are living the day where everything is unpredictable including our lives. In such circumstances, running a Company like ours, is not a small thing. I salute you Chairman. sir. I am happy that the balance sheet is healthier when compared to last 3 years, even in spite of Covid-19. I am even thankful to Chairman for doing excellent work in the field of CSR activities. Chairman sir, hats off to you for doing good work for the family who have expired due to Covid-19. You are paying ex-gratia, you are taking care of education of their students, or the children of the persons who had passed away during the year due to Covid-19. I appreciate sir.

Sir, I have few questions. What is the effect of Covid-19 on the Company and what are its challenges? Number 2, what are the learnings from lockdown and how is the Company

implementing these learnings? Are we planning to have any new product during this year in our kitty? Please let me know.

I wish the Company good look for the bright future and pray to God that the profit of the Company shall reach the peak in the due course. I support all the resolutions put forth in today's meeting, thank you, sir.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you very much Ms. Prakashini ji and I now call upon Mr. Santosh Kumar Saraf.

**Mr. Santosh Kumar Saraf:**

Namaskar Chairman sir. Respected Chairman, other dignitaries on the Board and my fellow shareholders who have connected through video conference, good afternoon to all of you. Namaskar to all of you, I am Mr. Santosh Kumar Saraf. I hope all the staff members, employees and their family members are healthy and safe. My condolences for those people who left us due to Covid-19 and pray for their family members, more strength and peace to them, pray for good days ahead.

Thanks, I believe that the Company has fixed the appropriate time for the AG. However, I wanted to make a request, can the AGM going forward start, if possible, 30 minutes later as the share market would be closed by then. I request the Directors to consider this timing for the next meetings.

**Mr. Shailesh Haribhakti, Chairman:**

We will keep that in mind, definitely sir.

**Mr. Santosh Kumar Saraf:**

What are the steps taken for cost cutting, Covid care, so that the effect on operation and income of the Company is minimum? Are there any plans of listing the Mutual Fund Trustee Company as there are many companies in the markets who have listed their mutual fund subsidiaries? I also request to reduce the wastage of paper by providing the documents via email instead of sending it physically. My another suggestion is to install solar panels on the rooftops of the Company's buildings, so that there won't be a necessity of depending on the electricity supply, plus it would benefit in the form of cost cutting. I would also like to request you all to reuse the waste water as it would also be beneficial under the ESG.

You answered to Ms. Lekha Ji's question that 96% of the employees were vaccinated. I wanted to enquire whether the family members of those employees who had to pay to get vaccinated in the private hospitals, were they reimbursed the amount? I am saying this because many of them won't get vaccinated if they have to pay for such vaccination.

Sir, can you let us know the figures of the male/female employees and age wise across all the branches of the Company? I am enquiring about this as many companies have disclosed this number in the integrated report that they have issued.

I pray for the entire team of management, directors, other stakeholders that all of them stay healthy and happy and stay safe from the probable third wave. I would like to request the team that in future, whenever the AGM will be conducted physically, some extra time shall

be given to those shareholders who stay out of Bombay to attend the meeting. This year, the video conference facility for attending the meeting was very successful and convenient as travelling to the registered office during monsoons would have been difficult for shareholders as well as the directors. Thank you, Chairman sir, God bless you, pray for more dividend in coming years, Jai Hind.

**Mr. Shailesh Haribhakti, Chairman:**

Thank You, sir. Mr. Shailesh Mahadevia, please come. Very happy to welcome you.

**Mr. Shailesh Mahadevia:**

Respected Chairman Mr. Shailesh bhai Haribhakti ji, our Managing Director, Mr. Dinanath ji, and all other familiar faces on the Board. Well, I am happy to see that all of you are hale and hearty under the critical conditions prevailing in the country. Sir, firstly, let me congratulate the board of directors and the management team for achieving excellent result under critical conditions and the working has been very well reported in our annual integrated report which also contains sustainability report comprising CSR activities. Sir, we are perhaps the only Company in this field who has given such an extended report regarding sustainability. And, sir, the activity which goes along with this are our CSR activities, the 3 things put together speaks or gives the barometer of the Company. As per the ESG rating under MSCI is A rating which is the highest rating a Company can get. Sir, my congratulations to all the people for their effort.

**Mr. Shailesh Haribhakti, Chairman:**

Ms. Apurva Rathod is driving this activity in the Company.

**Mr. Shailesh Mahadevia:**

I was about to add that I wish to congratulate our Company Secretary, Ms. Apurva Rathod and her team, including Mr. Nagaraajan Iyer in particular for their assistance which enabled us to participate in this meeting. I also appreciate the right issue, which has been given by the Company for the benefit of long term shareholders. Sir, we very much value it and we will remember it for many times to come. Now, I wish to put some questions, with the view to increase my understanding and appreciate the work, which is being done by the Company. So, my 1<sup>st</sup> question is that we are devoting time, energy and perhaps cost also in achieving ESG ratings, my question is whether it has benefited in borrowing funds at a lower rate of interest and/or whether that has enabled us to get better return when we lend it to others? My 2<sup>nd</sup> question is that ESG is not only to be followed by the Company, but it should be followed by all stakeholders who are associated with the Company. Sir, have you ascertained the same? I would suggest that they should be followed up in this process. Sir, my 3<sup>rd</sup> question is regarding our lending for non-renewable energy. For wind power, we have given Rs. 4,648 crores and for solar energy we have given Rs. 2,585 crore, sir solar energy is much more rewarding as it gives continuous power supply for almost around the year, compared with wind energy, which is not consistent as the rewards are not very high. Sir, are you thinking of reversing our investment and loan more to solar energy rather than to wind power?

Sir, my next question is regarding our last year's working that is 2021. If we look at the operating profit margin, net profit margin or ESP, they are almost half compared with the previous year. You have given explanations and we have understood everything but what

we have seen and that you are claiming and you have also seen that our balance sheet has strengthened. So, whether in the year 2021-22, this table is likely to turn that is my question. Sir, my next question is regarding the impairment as a result of various financial instruments. The impairment cost in the year 2020-21 was Rs. 2,978 crores, and in the previous year it was Rs. 1,994 crores. So, 2 questions related to this, whether this is not a very high figure as far as current year is concerned and the 2<sup>nd</sup> question is that whether this impairment is likely to continue year after year, because that affects our profitability to a very great extent, particularly in this year.

Sir, my next question is regarding the number of employees. We have stated that we have 22,532 employees. Sir, I found it extremely difficult to find out the number of women employees, which we are having in our organization. Normally I would refer to business responsibility report and I would get that. But the presentation of the balance sheet's soft copy is sometimes very complicated to go through. And therefore, I could not get this figure. So, kindly enlighten me on this aspect. One of the shareholders suggested that the meeting may be delayed and kept at 3:30 P.M – 4.00 P.M. I am selfish man; I would suggest that you keep it at 2:30 P.M so that at 4.00 P.M. I can attend another meeting because now during the last week so many companies are keeping meetings at the same time and on the same day. I wish the organization every success and thank you for looking after not only our employees but all the relatives as far as their Covid-19 problems are concerned.

Thank you very much, sir for giving the time to me.

**Mr. Shailesh Haribhakti, Chairman:**

Keep well, keep safe. And I now call upon Mr. Dnyaneshwar Kamlakar Bhagwat

**Mr. Dnyaneshwar Kamlakar Bhagwat:**

Good evening. Can you hear me, sir?

**Mr. Shailesh Haribhakti, Chairman:**

Yes, we can hear you. Tell me Mr. Bhagwat.

**Mr. Dnyaneshwar Kamlakar Bhagwat:**

First of all thanks for calling my name. I will just go for my question, sir. Thanks to the Company Secretary for sending me a soft copy, which is so full of knowledge and easy to understand and also thanks to her team and Mr. Nagaraajan for giving me the link to attend the AGM. So, I thank her and Mr. Nagaraajan also. For the financial results, I don't have any questions because I have full faith in our Company as well, as you, Chairman sir, as under your guidance, the Company is doing very good. I know that in the business, there are some ups and downs and that is bound to happen. So, in the financial part, I don't have to ask any more question and about the resolutions, I fully support your all your resolutions. As I am an old shareholder, that's why I don't have any problem.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you very much. Thank you very much.

**Mr. Dnyaneshwar Kamlakar Bhagwat:**

Hello, can you hear me? I thought my line got disconnected. Sorry for interruption, sir. My question is how many employees are working from home and how many are working from office? My 2<sup>nd</sup> question is what is the learning of these 2 years of Covid-19 and for 2022, how we are going to plan for next year? Suppose, this again happens in next year so what is our plan next year also?

My wishes for the forth coming festivals to all the staff and their families.

And thank you very much for being patient and sorry for being inaudible in between.

**Mr. Shailesh Haribhakti, Chairman:**

Not to worry at all. Thank you. We understood all your questions. Thank you very much, Mr. Bhagwat.

I now call upon Mr. Gautam Kedarprasad Tiwari.

**Mr. Gautam Kedarprasad Tiwari:**

It is so nice to see you, Chairman sir. We always knew you will be the Chairman since the time you were conducting the audits. We knew that due to the good business acumen and knowledge, this Company would do well and that is why we had encouraged this Company to be separate from the parent Company. We can understand the constraint that the Company must be experiencing due to the Covid-19 pandemic like all other companies. I would like to say good afternoon to my very dear and very much popular and very much able and expert with a very good business understanding and acumen, Chairman, Mr. Haribhakti sir along with my all well dignified directors, L&T Finance Holdings Limited team and fellow shareholders, my name is pronounced already, Mr. Gautam Tiwari and I am participating from Mumbai, as usual. Chairman sir, I am really very much impressed with our annual report. It is really very good and has been prepared with very great care and a lot of hard work must have gone into preparation of this elaborated report. This annual report is very robust, strong, healthy, well designed, informative, transparent, colorful, with all facts and figures in place, which was sent in advance for which I am really thankful to our secretarial department who have been very kind and nice and responding to us precisely. I would also like to thank Mr. Nagaraajan Iyer and our moderator for today, Mr. Shrikant Oturkar, for their support to attend this virtual AGM. They arranged this so well. We had experienced certain issues of muting and unmuting in other companies, which didn't happen here, thanks to them.

I would also thank Ms. Apurva Rathod and Mr. Nagaraajan Iyer for their wonderful services from day one. They are very humble, hardworking and polite and have been going out of the way at times to provide good results for all their investors. This Company is filled with diamonds and I am also grateful for the MD&CEO, CFO, CS and the Secretarial Team, Finance Team with the entire board of management along with all staff, and employees who have contributed as a helping hand even despite these challenging dreaded pandemic situation not only in India but across the world and have delivered and paid dividend year on year uninterruptedly to our shareholders. I have to compliment you for this and we are grateful for this. I would like to see this type of service during the future years as well.

We are grateful to have Mr. Dinanath Dubhashi as our Managing Director and Chief Executive Officer who has a very good business acumen and business understanding and expert leadership.

As our parent Company is shining bright, and other parts of the group companies like L&T Infotech is also emerging as a Company, I am sure in the years to come, this Company will also progress.

I am extremely happy with the CSR activities that the Company has been undertaking. Coming to the queries, I would like to know what are the future prospects and what is the growth plan? I would like to ask our Managing Director, what is our strategy in managing the pandemic situation in the years to come? The Company managed the pandemic situation very well in the year 2021 but what will be the steps taken to manage it in the future? So, is there any plan for capital expenditure? How our Company is monitoring the existing and potential risks due to this challenging situation?

Will be grateful, sir if you can give us the brief of monitoring of risk by this Company, and how it is carried out. I would like to maintain silence for those who lost their lives in the pandemic. It is so good to know that your Company has undertaken vaccination drives for the staff and employees and for those who came into contact with them. It shows how much you care about them. This gives us an assurance that whatever steps this Company takes, not only benefits the shareholders but also the staff and their employees.

Another query I would like to ask is about the priorities for the Company in near future, due to prediction of third wave of Corona. As seen in America and Germany, if there is a third wave, how has the Company prepared for it?

I wish good luck to the entire team and ensure, that we will, like we have always, support you in all the years to come. Thank you.

**Mr. Shailesh Haribhakti, Chairman:**

Yes, absolutely. Thank you, sir.

I would like to call upon Mr. N. Nachiappan

**Mr. N. Nachiappan:**

Am I audible?

Good afternoon to Chairman and board members, myself N. Nachiappan from Chennai. My sincere appreciation to management for taking care of employees and their families during Covid-19. I have a few questions, whether L&T Housing Finance vertical has any proposal to enter into affordable green housing finance for low income borrowers as opportunities are more for growth and increased market share? Also, international financial institutions are supporting such finances.

My next question, please refer page number 181 of Annual Report. Our Company invested Rs. 537 crores in debt securities of Dewan Housing Finance. Dewan Housing Finance is in the corporate insolvency resolution process before the honorable NCLT, how much is realisable from the resolution applicant that is Piramal Capital Housing Finance Limited. If there will be a shortfall, is there any provision made in the books and if yes, of how much?

My next question, whether any of the borrowers, whether it is LLP or Company of our Company were referred to honorable NCLT for corporate insolvency research process under IBC during the reporting period, and if so, how much amount is involved?

My next question is about the Statutory Auditors of wholly owned subsidiary Company of Mudit Cement Private Limited who resigned before the expiry of their term. Board Report of Mudit Cement Private Limited doesn't specify the reason for the resignation.

My next question - off Balance Sheet items, contingent liabilities and commitments on page number 212 of Annual Report, other money for which the group is contingently liable, letter of credit, letter of comfort has come down drastically from Rs. 2,004 crores to Rs.159 crores. Let us know the reason for steep decline please.

And here, I want to mention one thing that we should respectfully remember, Mr. Y. M Deosthalee, who passed away last year. His vision brought L&T Finance Holdings Limited into a reality. Let us follow his principles and take L&T Finance to greater heights. That's all from me, thanks for the opportunity given. All the best.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you, Mr. Nachiappan, before you go, let me tell you that there was no particular reason for the auditors to exit the office. This is largely an account of the regulatory requirements for rotation of auditors. So, there was no particular reason.

Our next speaker is Mr. T.N. Sivasubramanian.

**Mr. T.N. Sivasubramanian:**

Hello! Good afternoon everyone. Yeah, so I have few questions.

The performance for 2021, I made some comparison with the peers, like the Bajaj, Mahindra Finance, Chola and even smaller companies like JM Financials, and I found out that the earnings per share was lowest for L&T Finance Holdings Limited. So why is the performance so much affected?

That is the reason I want to know as a small shareholder, and every other Company including NBFCs have paid dividend during the financial year 2021 but there is no dividend payment for that also the reason we wanted to know.

And the last year also, I pointed out that the dividend distribution policy is very vague as displayed in the Company's website and the payment of dividend is not in accordance with that. Request you to please kindly correct the same as it is too vague for any small common shareholder to understand.

And the tax rate for the year was close to 36.5%. So, I would like to know the reason for such high tax rate and what is the tax slab in which the Company normally fall into? Further, the Company also says it has strengthened the balance sheet by creating more provisions. Is it more apt? I just wanted to understand whether reducing profit is strengthening the balance sheet? Is the right way of strengthening the balance sheet by creating more provisions as the Company has made more provisions than the profit? So that is one thing which I wanted to understand. Currently small investors have absolutely no reward and no

consideration, So I request the management to kindly consider that fact also. That's all from my side, thank you.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you. Mr. T. N. Sivasubramanian. Thank you, our next speaker is Mr. Rishi Kesh Chopra.

**Moderator:**

Chairman sir, Mr. Rishi Kesh Chopra and speaker no. 15 Mr. Tamal Kumar Majumder have not joined. So, I call our next speaker, Ms. Homayun Beruz Pouredehi to speak.

**Ms. Homayun Beruz Pouredehi:**

Hello, can you hear me now?

**Shailesh Haribhakti, Chairman:**

Yes, absolutely. Thank you.

**Ms. Homayun Beruz Pouredehi:**

It is so good to see you, Mr. Haribhakti sir. What nostalgia I have after looking at you. We had met in all previous AGMs, remember?

**Mr. Shailesh Haribhakti, Chairman:**

Yes ma'am, I remember very well. Welcome to this AGM.

**Ms. Homayun Beruz Pouredehi:**

What I wanted to say is that we don't come under essential services. So, there is restriction on us, on our office staff for coming to office and so on. So, sir, how do we operate as, you see all the customers are not tech savvy. Even for me, I had to go to my CA's office to do online transactions. Sir, it definitely affects the Company, right, when the staff is not there in the office? So, how is a pandemic affected us in this way? What has been the loss on account of pandemic on us? So, what about the net, what to do when the net doesn't work? That also needs a very good solution.

The company secretary is one of the finest company secretaries, we know him since when he was in some other company.

He has been following up very well, step by step by step. Even some time back he provided us the link. That is the way it should be. I can give you names of company secretaries who have never contacted us because of which I have not been able to get across to the AGM.

**Mr. Shailesh Haribhakti, Chairman:**

We will carry your compliments to him. Thank you so much.

**Ms. Hodayun Beruz Pouredahi:**

Thank you, sir. We wish our Company, all the best and all the best to the board members. You can answer my questions about how do we function? How does the Company operate? And what about the net problem which is always there? Thank you.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you very much. Keep safe, keep well.

Our next speaker is Mr. Dinesh Gopaldas Bhatia.

**Mr. Dinesh Gopaldas Bhatia:**

Firstly, congratulations to the Chairman and entire team for maintaining the revenue in this pandemic situation.

L&T has managed to keep up with the brand name. I have noticed that the rating agency have rated the debentures and other financial instruments with AAA which clearly indicates that the Company is sound and doing excellent. I propose all the resolutions. Thank You.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you. And, finally we have Mr. Kirti Shah.

Mr. Kirti Shah? Please unmute Mr. Shah. We can't hear him. Apurva, can we unmute him?

**Moderator:**

Mr. Shah, you are unmuted, just increase the volume of your laptop or computer.

**Mr. Shailesh Haribhakti, Chairman:**

Are we able to get a gist of his questions, Apurva?

**Ms. Apurva Rathod:**

No sir.

**Mr. Shailesh Haribhakti, Chairman:**

Okay, we will request him to send the questions through email and we will reply to him.

With that, we have finished with our list of speakers.

I will just make a few general comments, and then I will hand it over to Mr. Dinanath Dubhashi to answer specific questions.

Let me begin by saying that one of the key responses that we gave to the pandemic was to increase and enhance our digitalization.

The way that our Company has supported working from home and the interaction with our entire ecosystem on a digital platform and through digital means has been enhanced dramatically. We also paid very significant attention to cyber security and safe, very secure ways of dealing with our Company on the digital platform that has been one of our key results that have led to us maintaining the strength of our balance sheet while our profits have declined for sure. But the strength of the balance sheet has improved because we kept the digital infrastructure in very good and safe order.

The second big challenge that we faced was on credit costs and we have been making provisions in a conservative manner.

Somebody asked about the risk management process and we have one of the sharpest risk management processes. The Chairman of our risk committee is Mr. Prabhakar B., who has been a very, very seasoned banker, all his life.

And we are very pleased to put it on record that we are extremely careful about setting up the appropriate guardrails for monitoring risk, making sure that we attend to risks and mitigating those risks in a way that will be to the benefit of all the shareholders.

And finally, the question on green bonds and green finance. For sure our ability to raise overall resources at a rate of 7.65% has a mix of green bonds in it, has a mix wherein we have been in a position to tell lenders about our good practices, our green practices and all of that has resulted in extremely low cost of borrowing, which enabled us to carry on our operations effectively.

I will stop there in terms of the four or five overall thoughts and I will request Mr. Dinanath Dubhashi to answer some of the questions, which have been raised.

**Mr. Dinanath Dubhashi, Managing Director & Chief Executive Officer:**

Thank you, Chairman sir.

What I will do, like every time, will try and club some of the questions into large themes and try and answer them and then maybe there will be some specific questions remaining, which I will try and cover. My promise is that if some questions are not covered or if there are any specifics, we will definitely reply to them by email later, but we will try and do complete justice to the confidence shown by all the shareholders and the very relevant and intelligent queries raised by the shareholders. So, the first big group of questions was about impact of Covid-19 on our Company and what is our preparation for that? And maybe going ahead, what are the challenges regarding Covid-19 or the growth prospects?

I will take these together. So, let me put first, the Covid-19 and the impact on the country, on us and the perspective.

As you all know, we had two waves of Covid-19, one started in last year March, 2020 and it covered a good part of the first half of the financial year. The impact lasted till almost August to September 2020. And then, the second wave started at the end of April this year, current financial year, which is, of course, not a part of the financial year being discussed at today's meeting but started end of April, it is still going on even if its slowly receding.

Coming to the question of what was the impact. Of course, the biggest impact was the people's health, and I will come to that. But it impacted us in many ways, as one of the

shareholders said, NBFC is not under essential services, it was what is called permitted services and that too it was not uniformly done across various states. Because of that, there were a lot of issues and I will talk about how the Company prepared for it. For doing day to day business, all the basics were done like keeping the offices open, our people were going and meeting customers. Second impact was the financial health of the Company and even of our customers. As you know, we have crores of retail customers and many of them got affected, even their businesses got affected.

The third impact, if I may put, was on business as point of sales were closed, dealerships were closed, business points were closed, new houses were not selling and I am not talking just for the Company but overall industry.

The last impact was on finances available for the Company. As a NBFC, treasury is important. Last year, for the first 3 to 4 months, the liquidity in the market was very much affected. So, these are the four big impacts but I think more importantly I should be speaking about how we handled it.

But before that, I must tell you the first impact it had on our staff. Despite lot of care and many efforts taken by us, about 2,000 of our almost 22,000 employees were affected by Covid-19 and this is not counting family members who were affected and because of that our people got quarantined. Also with a very heavy heart, I have to say that we lost 18 colleagues in Covid-19 and I think whatever the other achievements are, they pale into insignificance due to the kind of sacrifices that these 18 colleagues have taken.

Chairman sir, with your permission. I think we should respect them, I think in the Company, we have paid respect to them certainly, but we should respect the wishes that the shareholders have expressed and observe one minute silence with your permission.

**Mr. Shailesh Haribhakti, Chairman:**

Yes. Please, I will be very happy to do that. Thank you very much.

**Mr. Dinanath Dubhashi, Managing Director & Chief Executive Officer:**

Thank you.

And thank you to all the shareholders for expressing their concern for the staff. And hence, let me start with what care we are taking for our existing staff and what we have done for the souls who have departed and staff who have actually given their lives in the line of duty.

There are also questions about Covid-19 1, Covid-19 2 and Covid-19 3. I can tell you that we have used learnings from Covid-19 1 for dealing with Covid-19 2 and we are sure, both the learnings will work for Covid-19 3 as well if unfortunately, it comes.

So, the first learning is to take care of your staff. People's life first was the first learning and let me elaborate the measures we have taken. So, for employee care, we have a group mediclaim policy, which covers hospitalization for our employees as well as their families. We have a group term life insurance, which covers employees' life in the event of death while in service and this is not necessarily in case of Covid-19, it covers all kinds of deaths. We also have group personal accident insurance. Our people actually move around on two wheelers to do business, to do collections and in addition to normal term life, there is a personal accident cover. Specifically, for Covid-19, we have a Covid-19 domiciliary policy,

so that for treatment expenses incurred at home can be covered, especially as we have young crowd, where average age of employee is 27 years. So, most of them don't have to get admitted in hospital but from home the medical expenses are being taken care of through this policy. We have online healthcare facility, doctor on call service, because in the height of pandemic, you cannot even go and visit a doctor, so all the staff and their family have this access.

We have made a one-time grant for people working on the ground, for purchase of mask and hand sanitizers. We have provided face shields to all our field staff, so that they get protected and even the customer is protected. For very initial stage medical expenses, as soon as somebody falls sick, we have a salary advance of up to Rs. 10,000. Most importantly, we have our Company's sponsored vaccination drive for all employees as well as for the family up to a particular level, very senior employees of course, we have said we will pay for them, but for the families of all middle, lower-level employees, vaccination cost is also borne by the Company.

As one of the shareholders said that families' health is also important and we are taking great care of that and also, we are having online health and wellness sessions for our employee, including breathing exercise, yoga, etc. So, we are taking care of their wellness in addition to just health.

For our Covid-19 martyrs, who have passed away in line of duty. We have given one-time ex-gratia payment of about Rs. 2 lakh for supporting the family, continuation of the monthly salary for a period of 2 years, children's education assistance and spouse's education assistance - for children, any education till graduation and for spouse's, vocational professional education. So, all these things, we are doing. Anything that we do, cannot compensate a life but it is our duty to do this for the employees. So, that is first thing we are doing to be prepared for Covid-19 and also recognizing the employees who have sacrificed their lives.

Now, what are the learnings from Covid-19? How are we preparing? What is that we have done during FY21 and in Q1FY 22 that helped us? So two big learnings we have learnt, that as a financial Company or as a NBFC, there are two things which are most important. First, you have to conserve your balance sheet, balance sheet shocks can come because of things like Covid-19 which cannot be predicted and so you have to conserve by making provisions, by raising equity. Second is that you have to conserve your business because in a rush to save expenses, cut expenses, you should not cut where it is required because Covid-19 is today, not tomorrow after which growth will come back. At that point of time, we should have good strength to grow. Next thing we have done is that we have concentrated on building our business strengths and market leaderships and many of our products have achieved market leaderships. We are number 1 in some of the products, number 2 and up to number 3 in some other products and we have invested a lot in our channels, in our dealer network, which will help us to grow in good times. We have invested a lot in digital and data analytics and this has helped us in acquiring new customers, protecting our collections and seeing where new business can be done and most importantly, in times like this, reaching customers seamlessly. We have built a very strong business and collections. In FY21, during bad collections, bad times, we have actually collected 33% more than last year and this has helped because we have invested in our collection franchise as well. We have made sure that asset quality remains good and our NPA i.e. GS3 has actually reduced from March 2020 to March 2021 as well as our provision coverage has gone up. One more thing we have done, as one of my esteemed shareholders asked that why to make provisions or that provisions were more than profits and we agree with that but we cannot

predict whether after Covid-19 1 was over, there could be Covid-19 2 and whether Covid-19 3 will come, we don't know and hence, we need to protect our balance sheet properly, so that the continuity of business, the strength of the Company remains and that is why these provisions are being made and last, but not the least, raising capital to bring the Company's capital adequacy to close to 24%.

So, we believe with all this, we are ready for two things. First, being that in short term, if there is Covid-19 3 and if there are disruptions, your Company will emerge stronger out of it and not only survive. Secondly, in medium to long term growth opportunities, we will have the right strength to take those growth opportunities and run with it. I think in India our favourite topic is cricket. So, let me give you an example of it. A good batsman cannot predict whether the next ball is going to be a half volley or a bouncer but a good batsman will always remain balanced on his feet, so that if it is a half volley, he can hit a four and if it is a bouncer, he can go and duck and let the bouncer pass over the head. Today we are genuinely in that situation that Covid-19 3, whether it will come, whether it will bouncer, or it will not come and it will be a full toss half volley, we don't know but what we can do with all your support is be ready for either of the situations. It is genuinely an extraordinary situation and we have to do our best to be ready for it.

Very interesting questions were there about the future of the Company. We have two large areas of business. One is retail, which is our rural and housing and second is wholesale, which is our infrastructure. We have followed two different models. In retail, we have grown, we have invested and grown the balance sheet. We were less than 25% retail 5 years back, today as on date we have 46%. In wholesale i.e. Infra, we are the leaders, but we have followed the route of not expanding balance sheet. We have done business and sold it. We will continue to do that in the future and aim to take retailisation upto 60% in the next 4 to 5 years. To do that, we need to grow and establish our leadership in our existing products which we are by investing in the channels; in digital analytics to do that and also look at launching new products and the Company has plans in increasing strengths that we have built up, one is we have got a very good rural franchise. So, investing and launching new products and catering to other requirements of a farmer is something that we will look at. We have made a very good beginning in consumer loans. In this quarter, we will cross about Rs. 1,000 crores book in consumer loans and that is something which we believe is something in future we can definitely grow. Even today, though SME sector is in a problem but in future in India, there is scope and something that we are trying to work on. Last year also, I had mentioned that in SME, we will look but certainly due to Covid-19, the climate was not right to launch it. But that is something definitely we will grow in next 4 to 5 years. So, with all this, there are good plans for the Company to grow and keep growing and change the retailisation and increase retailisation by growing more in retail, keep our strengths in wholesale infrastructure using the churn model.

There was a question about cost reduction initiatives that we have done. You would actually see that in FY21 our overall costs, were actually flat at Rs. 1,970 Crore over FY20. But I should explain the cost reductions that we have done and where we have invested. So, in cost reduction, we saved almost 55% wherein Rs. 55 crores in employee cost by getting more efficiency. We have not given any increments in FY21 to the employees. We saved another Rs. 55 crores by managing our administration cost by moving to cheaper branches, negotiating with branch owners for reduction of rent/ waiving of rent, etc. Further, by renegotiating with banks the charges, we saved Rs. 18 crores. We also had one time cost of Rs. 88 crores for the merger, for the stamp duties, etc. This entire money we reinvested in building the strengths that we talked about, in our collection infrastructure, in business

infrastructure, in digital and data analytics. So, it has moved from what we call expenses to what we can call investment.

With that, I have tried to clarify the impact of Covid-19 and how the Company has handled it and how we believe that we will use these lessons and learning of Covid-19 1 and make sure that we can apply them if Covid-19 3 comes. It is not like the Company will not be affected, obviously it will but we will make sure that we remain safe and sound as we go ahead on the other side.

As far as payment of dividend is concerned, the situation was quite difficult and the Board did not consider a proposal to pay the dividend, considering the current challenging environment on account of Covid-19, the first wave and the second wave coming and also the need to conserve capital and the need to conserve liquidity. I should also add that; at that point of time there was a draft guideline of Reserve Bank of India and in good governance, even though the guidelines were draft, we followed them and according to that we could not consider a dividend. We completely understand about the issues of the small shareholders and this was a special year and special time and it was needed to keep the capital of the Company intact to move ahead, also it was in line with governance.

There was a question about tax rate of about 36.5%. So, yes, this year, the rate was 36.5% and it was because of some one-time taxes. There was Rs. 225 crores of one-time goodwill tax because of the changes done in the union budget and also there was Rs. 96 crores hit on tax on L&T Infra Debt Fund for past years. If we take it out, the continuing statutory tax rate bracket in which the Company falls is 25.17% and we believe and hope that in future, that will be the tax rate going ahead.

There was a question on DHFL very specifically and agree with you completely that Honourable NCLT accepted the proposal of Piramal and according to that average recovery will be about 24% and the rest 76% has already been provided by the Company and hence, that will not be an additional hit, if the current plan goes according to that.

Question on how many accounts are still under NCLT during the reporting period. There were three accounts which were admitted under IBC, totalling to Rs. 291 crores, out of which one account with total outstanding amount of Rs. 30 crores was settled already and hence withdrawn from NCLT.

Statutory Auditors of Mudit Cement Private Limited, Chairman sir has already answered the question.

I will talk about a male to female ratio of employees. It is a very interesting number, out of 22,000 people, we have about 914 ladies. Now, the interesting part is our field force which is all on the ground. We are trying to induct more ladies but even still it is mainly majorly male dominated. So, if we take head office staff, more than 30% are ladies. More importantly, as you would see, even our Board Members as well as senior management, there are a number of ladies; absolutely equal opportunities are given to our lady colleagues and more and more of them are certainly doing extremely well in the Company.

There was a question on the reduction of net profit from Rs.1,700 crores to around Rs. 971 crores wherein there was a reduction of about Rs. 730 crores. To answer this, I would like to say that there was one time tax impact of about Rs. 315 crores which I talked about, one time stamp duty of Rs. 88 crores and an additional provision that I talked about of about Rs. 280 crores. These four items itself account for a reduction of Rs. 700 crores.

There was a question asked on internet and about its progression. We actually started our lockdown preparation two weeks ahead of the lockdown, not that we were expecting the same, but yeah, it was being anticipated. So, enhanced IT security and increased capacity of the IT systems, focus on the disaster management, business continuity of all IT systems, put in place centralized response teams to monitor government directives because every state had their different directives and as I said employee safety was put at the top. The facility of work from home was allowed, critical operations were enabled, computers were moved to people's home and even today while working on the ground, people don't work from branches. Their jobs require them to go on the field and they do that.

Head office is operating according to the extant government guidelines. In addition to that, we are also taking care that people who have to travel by public transport, we don't call them to office and only people who have their own vehicles are called to office. This is to ensure their safety, because as we said safety comes first.

There was a question on risk management. Very good question. So, there is a Risk Management Committee which Mr. Prabhakar B. heads and at Board's levels we have a clearly defined risk appetite statement with risk limits framework that we can't go beyond this, very healthy risk dashboards and early warning signals. We also conduct very often stress tests on our portfolio. The Risk Management Committee meets at least once in three months, in times like Covid-19, we meet much more often, to make sure that the risk management of the Company remains robust.

The returns from lending to others, our NIMS i.e. net interest margin plus fees was 7% in the year FY21, so we do earn a healthy spread. Money for rights issue, we have gone according to the objects of the rights issue. So, the money amongst others, obviously was used also for enabling growth and investing in subsidiaries and one of the major objects was reduction of debt at the holding company. So, we have repaid the commercial paper at the holding company level and now many of you may be knowing that we have a resolution, which we have circulated to preference shareholders for redemption of preferences shares. So, this is reduction of debt at the holding company level, borrowing only at the operating subsidiary level to ensure good governance.

There was a question on fraud especially in the retail business. We have 286 frauds, adding up to the total of Rs.1.4 crores. Now, as you will see, in comparison to our overall balance sheet of Rs. 90,000 crores, it is small. But we are taking all measures to reduce and Mr. P.V. Bhide who is the Audit Committee Chairman monitors very closely the measures we are taking for that.

On banking license, we are awaiting clarification from the Reserve Bank of India and of course, the Board will consider the pluses and minuses of doing that but at this point of time, with the current regulations, we are not eligible to have banking license.

Further, there has been reduction of number of subsidiaries. In 2016, we merged two subsidiaries into one, then we merged another one small company and then in FY21 we have merged two companies into L&T Finance Limited.

Solar panel - our head office is the LED gold certified building, and we are implementing all the tech advancements to save electricity and increase efficiency.

I believe, I have answered all the questions after grouping them and also tried answering some specific questions.

If any of the shareholders believe or any of you think I have not answered any question, you are welcome to write to our Secretarial Department and we assure you that we will reply very specifically to your questions.

Thank you very much.

**Mr. Shailesh Haribhakti, Chairman:**

Thank you Dinanath, very comprehensive and very well answered questions.

The e-voting facility will remain open for the next 15 minutes to enable those Members who have not yet casted their vote and who may then cast their vote if they like.

We are grateful to all Members who have participated through the video conference facility. Wish all Members a healthy and safe future. Request all of you to be very careful during this period and take care of yourself and your families.

I now declare the Meeting as closed.

Thanks everybody.