

TRANSCRIPT OF THE TWELFTH ANNUAL GENERAL MEETING OF L&T FINANCE HOLDINGS LIMITED HELD AT 3.00 P.M. ON TUESDAY, JULY 28, 2020 THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS

Apurva Rathod, Company Secretary:

Good afternoon all and welcome to the 12th Annual General Meeting of L&T Finance Holdings Limited.

Before I hand over the proceedings of the AGM to the Chairman of the Board, that is 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 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 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, 2020.
- 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:

Dear Members,

I am happy to welcome all of you to the 12th 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. Let me greet all of you with our traditionally Namaste. 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 this 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:

Namaste everybody, 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 from Kalina, Mumbai.

Mr. R. Shankar Raman:

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

Mr. P. V. Bhide:

Good afternoon, I am Pradeep Vasudev Bhide, Independent Director and Chairperson of the Stakeholder Relationship Committee of the Company. I am attending from my residence at Delhi.

Mr. Thomas Mathew T.:

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

Ms. Nishi Vasudeva:

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

Dr. Rajani R. Gupte:

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

Mr. Prabhakar B.:

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

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 and the members of GECs are:

- Mr. Sunil Prabhune, Chief Executive - Rural Finance & Group Head – Digital, IT and Analytics
- Mr. Kailash Kulkarni, Chief Executive-Investment Management & Group Head – Marketing
- Mr. Sachinn Joshi, Chief Financial Officer
- Mr. Raju Dodti, Chief Executive - Infrastructure Finance
- Mr. Srikanth J, Chief Executive - Housing Finance & Group Head - Central Operations
- Mr. Tushar Patankar, Group Chief Risk Officer
- Mr. Shiva Rajaraman, Chief Executive - L&T Infra Debt Fund
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- Mr. Abhishek Sharma, Chief Digital Officer

Last but not the least, Ms. Apurva Rathod, the Company Secretary who has organized this wonderful meeting for all of us, is also attending the AGM through the video conference facility.

CHAIRMAN'S ADDRESS

The last few months the turbulence that we have felt in our country is of a completely different time many have referred to it as a blacksworn event. Starting from frequent earthquakes in various parts, locust attacks, cyclones in major cities, skirmishes at our borders, and of course the nation-wide lockdown because of Covid-19, we have experienced a lot. The economy and economic activities have rarely faced such unprecedented headwinds in such a short span of time.

Life and lifestyles across the world are undergoing a radical change. A key lesson from this crisis has been the need to re-strategise and adapt. It calls for designing a new plan of action and adjusting to the new realities- rapidly and responsibly.

In midst of this challenging market environment, I firmly believe that NBFCs will continue to play a critical role in the nation's economic development. There is no doubt that these difficult times have slowed us down, but they cannot diminish the sector's importance in nation-building. The long-term prospects for highly rated and good-quality NBFCs, including your Company, remain robust, and once things get back to normal, our enterprise and enterprise like us will continue to catalyse India's economic growth.

In the last financial year, the NBFC sector faced a lot of challenges such as liquidity and solvency issues, rising borrowing costs and limited funding access. These conditions were further accentuated by announcement of Moratorium by RBI and liquidity worsening in Mutual Fund markets during the beginning of this year. Lenders across all genres, however, continued to prefer high-rated NBFCs, such as your Company, with sound fundamentals, strong parentage, and high credit ratings. Even in these market conditions, your Company raised ₹ 28,225 Crore in long-term borrowings in FY20, its highest ever, and further topped it up by raising long-term borrowings of ₹ 3,550 Crore in the first quarter of FY21. I would also like to mention here that, we've received the first tranche of USD 50 million of the total USD 100 million ECB loan from Asian Infrastructure Investment Bank, during Q2 FY21, which is a testament to the market confidence in your Company. To alleviate any concerns due to liquidity, in the current times, we maintained a liquidity buffer of ₹ 16,669 Crore, as on 30th June 2020, of which ₹ 9,082 Crore were pure liquid assets. We chose to maintain such high liquidity buffers in order to de-risk ourselves in these uncertain market conditions. There will definitely be an impact of the negative carry because of the excess liquidity, but we'll continue to bring down these liquidity levels as the macroeconomic situation improves.

I am proud to state that your Company, by the virtue of its proactive and prudent strategies, remained alert while displaying its resilience to ensure business continuity. As the markets gradually unlock, re-aligning business strategies to the 'new normal' it has become extremely important that we maintain our agility. I assure you that your Company is taking prudent steps in this direction to ensure it remains focused towards achieving its goals.

Let me give you a few examples:

In the first quarter of FY21, during April and early days of May, your Company prioritized collections by digital modes owing to physical inability to undertake field collections. As the

geographic locations gradually unlocked, your Company focused on restoring the collection rhythm and maintaining the asset quality, especially through on-field customer outreach in non-containment zones. It also capacitated call centers and employed its strength in data analytics to improve customer connect and complement limited on-field collection capabilities. As a result, our debtors have reduced by over ₹ 1,300 Crore in Q1FY21 alone. The GS3 for your Company, during this period, has also reduced by roughly ₹ 100 Crore which is in addition to the reduction of ₹ 500 Crore in GS3 in FY20. We have increased the provision coverage on GS3 to 69% as on Q1FY21 taking the NS3 down to less than 2% at 1.71%, our best ever. The NS3 for Rural business of your Company, at the end of Q1FY21, stood at 0.26% which is amongst the best in the industry.

Owing to the customer outreach taken by your Company during Q1FY21, the moratorium in retail lending book has reduced from 79% in Q4FY20 to 44% in Q1FY21. Our post-Covid collection efficiencies are increasingly moving towards pre-Covid levels. An example to this effect can be the collection efficiency of your Company in Farm Equipment business which was close to 86.5% just below the ~90% pre-Covid efficiency. Close to 86% of the under construction Real Estate projects, that your Company has financed, have resumed construction as on end of Jun-20 and toll collections from our road portfolio have reached ~80% of pre-Covid levels.

In addition to initiatives undertaken by your Company towards collections and business in this environment, it is also taking prudent provisions in its books to safeguard against any possible downturn post-moratorium. Your Company, at the end of Q1FY21 carried ₹ 1,244 Crore of provisions, classified into macroprudential provisions of ₹ 650 Cr; Covid-19 provisions of ₹ 486 Crore and ₹ 108 Crore of enhanced ECL provisions, which translate into 1.39% of its standard book. These provisions highlight the underlying strength of your Company's balance sheet and make it better prepared for any challenges in the post-moratorium environment.

The FY21 will experience the challenges arising out of COVID-19 in the areas of demand pickup, credit culture, repayment capacity and willingness to pay. We anticipate strong recoveries in rural India, even though there may be a slow pick-up in the real estate and infrastructure-financing segments. Apart from doing stringent project monitoring, the Company has also introduced tighter credit norms for fresh business disbursements.

With the gradual unlocking of the geographic districts in May and June, we are seeing positive sentiments in rural India with the timely onset of monsoon and above-normal reservoir levels. Based on the progression of collection volumes, your Company re-initiated Farm Equipment, Housing Loans and Two wheeler disbursements in May and Microloans / Consumer Loans disbursements in end-June. For our Real Estate business and Infrastructure Finance business, owing to the higher risk in the market, your Company prudently limited itself to undertake tranche disbursements towards completion of its existing projects.

In Q1FY21, your Company has seen progressively strong disbursements momentum especially in the Farm Equipment finance where your Company emerged as the No. 1 lender in June with a 19% increase year-on-year, and substantially increased disbursements in the Two-wheeler segment as well. We are increasingly confident on the emergence of green shoots in the rural segment and your Company is well poised to take advantage of the same.

We cannot deny that this unprecedented phase in our lives is as much about rational decision-making to prioritise sustainable practices as it is about fast-forwarding our transition into the digital era. I am glad to inform you that your Company has been ahead of the curve by building a strong culture of using digital and data analytics to streamline its credit-decisioning, putting in place an institutionalized process of algorithmic lending.

Your Company has worked on building efficiency in running down the defocused portfolio; improving the ability to maintain NIMs and fees in difficult conditions; boosting the capability to raise funds from diverse sources; deploying right technological resources; making adequate provisioning, enhancing execution abilities and maintaining a robust portfolio quality.

Your team is undergoing a swift and quick change in the wake of the coronavirus outbreak. This process of transformation would not have been possible without its 22,000+ employees. Even during the lockdown, and while working remotely, the team displayed the same level of spirit and energy as before. For this, I am deeply grateful to the team for their enormous contributions.

I would also like to share that your Company was not behind when it came to carrying out its duties as a responsible organisation in the wake of the Covid-19 outbreak. Apart from donating ₹ 20 Crore to the PM Cares Fund, your Company, through its various CSR initiatives, provided more than 5,000 hygiene kits to the Mumbai Traffic Police for their safety and well-being, distributed ration to stranded migrant labourers in Maharashtra, enabled villagers to make online transactions and helped thousands of disadvantaged people to avail the monetary benefits of various government schemes.

In the end, I extend my gratitude to our management team, our employees, our bankers and all our stakeholders for their commitment and contribution towards the growth of your Company. Further, I want to show my appreciation for my fellow Directors, very very sincere gratitude to all of you, Thank you for your cooperation and guidance and good health you gave all of us. Also I offer my gratitude to you my loyal shareholders for their continued support. I assure you that your Company will use all the lessons thrown up by this adversity and continue driving ahead towards building a more resilient and enduring organisation.

Now, I commence to transact the business contained in the Notice dated June 30, 2020.

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. Bombay Stock Exchange 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 M/s Deloitte Haskins & Sells LLP and M/s B K Khare & Co., Joint Statutory Auditors of the Company and Ms. Naina Desai, 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, I 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, 2020 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2020.

Item No. 2:

To appoint a Director in place of Mr. Prabhakar B., who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 3:

To approve and ratify payment of additional remuneration to the Managing Director and Chief Executive Officer of the Company.

Item No. 4:

To approve re-appointment of Mr. Thomas Mathew T. as an Independent Director of the Company.

Item No. 5:

To approve issuance of Cumulative Compulsorily Redeemable Non-Convertible Preference Shares by way of public offer or on a private placement basis.

Members who have registered themselves as speakers may now ask questions concerning the Annual Report. I request the speakers 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 of three minutes. Responses to the questions will be provided at the end of this question session.

I will now call upon the speakers one by one in the order in which they have registered.

Our first Speaker, Mr. Aspi Bemanshaw Bhesania

Mr. Aspi Bemanshaw Bhesania:

Can you see me?

Mr. Shailesh Haribhakti, Chairman:

Yes Aspi, go ahead.

Mr. Aspi Bemanshaw Bhesania:

Nice to see you in good health.

Mr. Shailesh Haribhakti, Chairman:

Thank you.

Mr. Aspi Bemanshaw Bhesania:

You should have not given 90 paise dividend in March when the economy was going down and even the economy was about to be locked down and should have conserved the resources, at least good that you didn't give final dividend.

Mr. Aspi Bemanshaw Bhesania:

Where is the growth coming from? Rural only mainly, at present in urban, people have lost their jobs, even there is no money in the cities, because people are just sitting at their homes and most of it is in confinement. Sir, Mahindra Finance and Shriram transport are all coming with the rights issue. Are you thinking of coming out with rights issue? You said that in your speech, you have given ₹ 20 Crore to PM Care funds, sir I would have preferred if this money was utilized for your employees to do some good work. Sir, in your segment reporting of first quarter, you have written defocused business. What is defocused business and why is there a loss of ₹ 304 Crore in Q1 in this segment? Thank you and all the best. Sir, there is another meeting I have to attend that is at 3:30 p.m.

Mr. Shailesh Haribhakti, Chairman:

All the best Aspi, Thank you.

Our next speaker is Mr. Mukesh Chandiramani

Moderator:

Chairman Sir, speaker no. 2 Mr. Mukesh Chandiramani and speaker no. 3 Mr. Dnyaneshwar Kamlakar Bhagwat are not available, they have not joined. So I request speaker no. 4 Mr. Ravi Kumar Naredi to speak.

Mr. Shailesh Haribhakti, Chairman:

Thank you. Mr. Ravi Kumar Naredi please.

Mr. Ravi Kumar Naredi:

Yes Sir, respected Chairman, MD, distinguished board of directors and my fellow shareholders. Share market is still scared from finance company shares and L&T Finance is one of them. Do you think due to Covid-19, major provisioning is ahead in Quarter 1,

Quarter 2, the whole year and in Financial Year 2021, as we know there is more unemployment and every company is saying they are curtailing the expenditure which brings more unemployment on cards? As you have distinguished Chairman, MD, so I want you to speak on this subject. Thanking you.

Mr. Shailesh Haribhakti, Chairman:

Thank you Mr Naredi, very interesting. Next speaker is Mr. Santosh Kumar Saraf

Mr. Santosh Kumar Saraf:

Namaskar

Mr. Shailesh Haribhakti, Chairman:

Mr. Saraf, Good Afternoon

Mr. Santosh Kumar Saraf:

Namaste Sir.

Do you hear me Sir?

Mr. Shailesh Haribhakti, Chairman:

You have become mute now, please unmute yourself.

Mr. Santosh Kumar Saraf:

Can you hear me now?

Mr. Shailesh Haribhakti, Chairman:

Yes, we can hear you.

Mr. Santosh Kumar Saraf:

Namaskar Sir,

Respected Chairman, MD, and my shareholders brothers and sisters, my namaskar to all, I am calling from Kolkata and the shareholders brothers and sisters, who have joined through video conference, my namaskar to all. Because of Covid, I could meet you, otherwise your meeting happens in Mumbai and it is not possible to come there. I don't know whether to call Covid as a benefit or pain, what to call? I will call it a benefit, as I am feeling so happy. People are attending from 4 places. Otherwise they all would have had to come to Mumbai. Currently people are from Mumbai, Pune, Delhi, Bangalore and etc. You would have had to take care of them. And it would have been difficult by the secretarial department, Company Secretary madam to arrange the meeting, to arrange the timings and it would have been a big headache. And such a huge headache is reduced. And I wish in the future too such a type of meeting is conducted. We will like it, we will be able to talk to you.

In such tough times too, the results are really good. Last year was tough for finance companies and mutual fund companies. I do personally invest in mutual funds, so have knowledge about it.

Our business sector was not good and in March, our AUM was down by flat 25% which has been recovered a little. I pray that more recovery will be done.

Mutual fund income last year was ₹ 249 Crore only but this year please increase our AUM so that commission income too, asset management income too increases.

This year, as on March 31, how much was AUM and in that how much was debt fund and how much equity? And our AUM percentage from the total industry, if you will tell us that, then this will also be very good.

Standalone income is okay, but consolidated income has gone down by 25%, what is the reason behind it? Which company didn't perform well that led to consolidated being seen to be down?

The unclaimed 6 shareholders that you have, whose 689 shares are lying in the unclaimed account, what measures have been taken by the management or the secretarial department that their unclaimed shares are transferred to their accounts. For that, what communications have been done or other steps have been taken. What happens is that, the public issue that was opened is not an old issue. From my idea, shares were already in DEMAT and so due to some or the other reason, due to some mistake it was not treated properly.

Whether the registration no. is there of Company Secretary? Because does she have a registration number, then she would have provided her registered number as per rules of Companies Act, 2013. Please provide the ACS number of the Company Secretary of our Company in the Annual Report especially just like you provide Director's Identification Numbers.

Mr. Shailesh Haribhakti, Chairman:

Yes, secretary definitely has the membership no. You need not worry.

Mr. Santosh Kumar Saraf:

No sir, you have provided. I am taking about her, not about you, about Company Secretary sir. If she has a number then she should have provided because this is a rule, an offence actually. I would like to bring to your attention that from next year onwards this should be taken care of.

From the total people employed, how many of them are women and how many are disabled? These numbers are not provided. According to today's rules, you have to provide different figures through which we can acquire knowledge. And tell us their percentage too. And if the percentage is less, what are your plans for their empowerment? In Mutual fund industries, their empowerment can be done the most because for marketing work they are very sensitive.

The CAMS registrar that you have appointed, it's service is not good. When we send them a mail, their availability is not there. Please you give these services.

Last year that you have done a physical meeting, for which annual report was also required to be made and many other things had to be done. The arrangements they were done, in that arrangement of snacks would also have had been done. So, in that, how much was the total expense? And now that you are doing a visual meeting, in that how much is the total expense? Also include that in your answer. Because I am trying to explain that if we conduct a visual meeting, how much saving can the Company do for us? And us shareholders from Calcutta or Mr. Naredi ji who is from Bhilwara, he is also attending this meeting from Bhilwara, someone who is out can also attend. And that is why, I wish that, in the future, surely conduct physical meetings, for Mumbai people, in order to meet you,

would surely, demand for physical meeting, but at the same time, please also keep video conferencing, so that will be good for us too as we can attend too.

Will meet again and stay safe at home. Namaskar. Thank you.

Mr. Shailesh Haribhakti, Chairman:

Our speaker no.6 Mr. T. N. Sivasubramanian

Mr. T. N. Sivasubramanian:

Ya, Yes sir, good afternoon to all the Directors, am I audible?

Mr. Shailesh Haribhakti, Chairman:

Yes, you are audible.

Mr. T. N. Sivasubramanian:

First of all, as a shareholder, I would like to tell you, I am disappointed. Because you know, as a shareholder, either we expect a good return by way of dividend or market appreciation. So as pointed out by earlier person the dividend amount was very low in my view. Even I invest in shares based on the dividend policy put up by the companies. Even if you look at the dividend policy put up by the Company, point no. 4 says the Board will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares, but I don't think any consideration is paid to this point at all. So the dividend was such a small amount and no consideration is paid to this point and based on this, the small shareholders invest in your Company. The other one is market value you know has already been beaten down. The Company is proud of its AAA rating and then why there is no trust in the market? Market is not trusting, the market value is always beaten down and due cognizance of this fact also to be considered and thought of.

My next question is on staff expenses, compare similar NBFC Bajaj, Mahindra, Chola, M&M Finance, there is 30% increase in staff cost compared to previous year, whereas other companies have 15% increase in staff cost. Just want to know why there is 30% increase in staff cost?

Mr. Shailesh Haribhakti, Chairman:

Thank you very much Mr. Sivasubramanian. Our next Speaker Mr. Dinesh Gopaldas Bhatia.

Mr. Dinesh Gopaldas Bhatia:

First of all Shailesh bhai and all the team, congratulations for giving good results even in this difficult situation. Also, congratulations to you and your team for the details given in page 3 of the Annual Report. During this difficult situation most of the NBFC companies are in loss and our Company has given the good result, although the profit is less compared to last year, but good considering this difficult situation. Although the dividend paid is less, but it is good that the Company managed to be in the list of dividend paying Company in this situation. Thanks to you and your team. Company has a good business model to face the difficult situation. Thanks to Mr. Nagaraajan Iyer and the secretarial team for making this good Annual Report. Thanks for arranging this meeting through video conferencing, it is very clear. Not taking much of your time I support for all the resolutions.

Mr. Shailesh Haribhakti, Chairman:

Thank you Dinesh bhai and our Speaker No.8 Mr. Hiranand Kotwani, Kotwaniji.

Moderator:

Chairman Sir, Speaker no. 8 Mr. Mr. Hiranand Kotwani and Speaker no. 9: Mr. Bimal Kumar Agarwal are not available, have not joined. So I request the next speaker no.10 Mr. Gautam Kedarprasad Tiwari to speak.

Mr. Shailesh Haribhakti, Chairman:

Okay, Gautamji.

Mr. Gautam Kedarprasad Tiwari:

Sir, am I audible and am I visible?

Mr. Shailesh Haribhakti, Chairman:

Very much, Gautam bhai. Very nice to see you.

Mr. Gautam Kedarprasad Tiwari:

Very nice to see and very happy to see you as a Chairperson Sir. You have been a figure of not only our Company but also of our families since decades. Shaileshji, Haribhaktiji you are very much dear and near to our heart and that is the main reason, I am attending this meeting, leaving other meetings aside.

Mr. Shailesh Haribhakti, Chairman:

Thank you.

Mr. Gautam Kedarprasad Tiwari:

Very very Good Afternoon to all my dignified Directors, Mr. Dinanath Dubhashi is there, Mr. Sachinn Joshi is there, our secretarial department also Ms. Apurva Rathod is there, our Nagaraajan is there and all other Directors, fellow shareholders and L&T Finance Holdings team.

First of all, I would like to be really thankful to you, being a NBFC company, our performance was good and we are in constant profitable position, although profits were comparatively less this time. Also, I am thankful for lot of awards you have won. We are experiencing your business expertise and business acumen in the growth of the Company. Thank you for the same.

Coming to page no. 49 – Annexure D, showing 12 or 13 subsidiary companies. The subsidiaries - Infra Finance and Housing Finance, they have good reserves as well as good profitability, still they are not giving us any dividend. They are not providing any benefits to our Company. Are you planning to come out with their IPO or thinking of any other such plans? Have you got anything on your mind regarding these companies as to what is to be done, although they are having better position, better profitability and better reserves also but they are not contributing to any profits?

Are none of our other subsidiaries also contributing to any profits? I think person like you who is at this chair is quiet capable of doing something about it. I am very sure. You have got that ability, that potential and that business acumen to make sure to do something about it and I am very sure that you will do what is required to be done to bring this Company to contribute to us some profits in the coming years.

Sir, on divided of 90 paise, one of the shareholders said that the Company should not be paying dividend at all. But I want say that to be on dividend paying list, we should be paying some dividend, irrespective of the amount.

For people and share market it shouldn't be that Company has not paid any dividend. We should pay atleast some dividend to be on dividend paying companies list.

Mr. Shailesh Haribhakti, Chairman:

Definitely, we will consider the same.

Mr. Gautam Kedarprasad Tiwari:

We are proud of you Sir, I am a shareholder of so many blue chip companies and the shareholder of L&T since father's time. We had insisted Mr. Deosthalee to come out with any independent Company and that is why this Company was formed. And IPO was for ~ ₹ .60. This Company share price has been lowest to ~ ₹ 37 and as high as more then ₹ 200. Request to ensure that the Company maintain high price.

It give us happiness to see you be it virtually. I am really happy which cannot be expressed in words.

Mr. Shailesh Haribhakti, Chairman:

Even we feel the same

Mr. Gautam Kedarprasad Tiwari:

Like many companies have done, is our Company planning any layoffs?

How much is the cost saving done due to holding a virtual AGM and how are we going to use these savings? How are you going to distribute this savings amongst the shareholders?

Hoping to have physical meeting next year. This year it was forced to have such virtual meeting.

How much dividend and shares have we transferred to investor protection fund?

You have transferred ₹ 100 Crore to PM Cares fund and how much more funds were transferred to the PM Relief Fund and is this a part of CSR spending?

Even the blue chip companies have faced the decline, so we would like to know what is the percentage wise decline in our business and percentage wise decline in our profits? To what extent have we suffered due to CoVID-19 pandemic? You can send your replies later on. Also, if you can update on the future road maps.

Sir, I welcome appointments and reappointment of all directors. Of course our gratitude and support is there as usual all the time till we exist on the earth planet and even after we don't exist we will keep on supporting you. We wish all the best from bottom of my heart and very bright future to all the board members, my fellow shareholders, team of management, all employees and staff who contributed excellent services throughout the year and thanks to all the secretarial staff, especially Mr. Nagaraajan Iyer for the fantastic service any time you call him day or night he is available to help you out like anything. Will pray for safety and health for all of you. And once again wish you a bright future.

Mr. Shailesh Haribhakti, Chairman:

Thank you very much and our final Speaker is Mr. Vinay Vishnu Bhide

Mr. Vinay Vishnu Bhide:

Hello

Mr. Shailesh Haribhakti, Chairman:

Yes, Mr. Bhide we can hear you.

Namaste, Welcome Mr Bhide.

Mr. Vinay Vishnu Bhide:

Are you able to recognize me sir?

Mr. Shailesh Haribhakti, Chairman:

Yes, very much sir.

Mr. Vinay Vishnu Bhide:

So nice to see, you are getting better day by day. Our Chairman Mr. Haribhakti, MD and CEO, Mr. Dubhashi, Mr. Shankar Raman and Directors present on VC today, other participating entities, staff and officers of L&T Finance Holdings, shareholders, good afternoon to all of you.

As stated in the financial results table of Directors' Report, Company's total standalone income was flat and improved on consolidated basis. For the financial year the equity shareholders had been paid dividend of 9%. As of now only 2 questions I want to be short and quick, I will highlight items on which I have queries and their page nos. I hope I got the page no. right on reading on the computer. 1st question is from Annexure D of BR – Form AOC on subsidiaries - When and under which situation or performances will dividend accrue to our Company that is L&T Finance Holdings from the subsidiaries because I find that our subsidiaries - Infrastructure Finance, Finance and Housing Finance, are comfortable in terms of profit as well as probably capital also. Do we have a policy on the dividends that we draw from subsidiaries? If we do not have such a policy, it would be worthwhile to form such a policy to get dividend from our subsidiaries.

Do we have any divestment plans for subsidiaries or spin off or issue of shares to shareholders or an IPO?

Finally one point on the subsidiary is that, in view of changed business conditions, do we have a plan to close or move out of some of our subsidiaries?

That was all regarding the subsidiaries

2nd point is on reportable segments on page no.195 if I got it right - For Housing Finance, turnover has gone up compared to last year whereas the profit has come down from ₹ 1,084 Crore to ₹ 871 Crore. Question is that whether it is the just an optical understanding of the figure or it is something more then what we need to read from the figures?

For Infrastructure Finance, we see that the turnover has gone up from ₹ 1,385 Crore to ₹ 4,385 Crore and profits have gone up from ₹ 466 Crore to ₹ 919 Crore. Is there any extra income or some non recurring income? Please explain this margins part to us.

Finally I find that from our total business portfolio the most interesting part is two wheeler finance portfolio, what was the situation of the two wheeler finance portfolio in the last financial year that is prior to the pandemic breakout and what changes do our people

foresee in terms of the loan disposals and other requirements of two wheeler finance business?

I will close with these points and I support all the resolutions. Wish you and all the Board of directors success. All the best. Thank you once again for providing opportunity to speak.

Mr. Shailesh Haribhakti, Chairman:

Thank you, Mr. Bhide.

I now request Mr. Dinanath Dubhashi to answer the questions.

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

Thank you Sir and thank you to all people who have asked questions. I will do my best but will also try and put the questions thematically and not repeat the answers. Lot of questions were asked about dividend and as you would know in March, we declared an interim dividend. Obviously, the try of the Company is always as per to the dividend policy - benefit its shareholders by giving good dividend and based on that we gave 90 paise interim dividend. What the shareholders also must know is after the pandemic breakout the Reserve Bank of India came with various policies encouraging banks and encouraging all other players to conserve cash and not declare any further dividends till RBI allows. So, while this was compulsory for banks, for NBFCs it was also an advice of RBI. And your Company, like always was prudent not only to conserve cash but also be on the right side of regulation and governance and till the COVID situation is clarified and cleared and the whole country and the whole world comes off it would be a good idea and good advice to conserve cash and that is the reason why the final dividend was not declared. We fully understand that dividend is extremely important for shareholders. Many of us are shareholders and we fully understand that. But kindly note that these are the two reasons, one is COVID and second is RBI's advice, the regulator, to conserve cash and not declare any further dividend. I guess that answers the dividend questions across the speakers.

Aspi ji second question you asked was on where the growth is going to come from? As the Chairman has himself said in his speech and if you refer to our investor presentations, the first quarter, obviously the first quarter overall for the country has not been good. But if you see even April to May to June, changes and in July, the rural sector of the country seems to be coming over the problem faster than the other sectors. Very clearly the monsoons are good, the reservoir levels are good, the rabi crop has been good and despite problems it has reached the market. Farmer has got good amount of money and very clearly, not only for us but all companies, in the rural sector, are going to do well. The other sectors that your Company is in, in lending especially in infrastructure and housing are also core sectors of the country. And yes, the growth there will perhaps be slower but certainly the growth will be there in the long term. So, to answer your question very specifically, in the short term definitely rural, the first growth optic is supposed to come from rural, that is what we believe but ultimately even housing and infrastructure is needed for the country and good growth will come from there.

Aspi ji you also asked about defocused business.

The defocused business, if you remember in the beginning of last year, we put certain businesses that we were doing but were not core like structured finance, debt capital market, as defocused, and we have mentioned in our various communications. That portfolio is being run down and as we keep running it down, as we keep making provisions, this portfolio is coming down very rapidly and very soon go away and what the Company is

doing is taking huge provisions, right now the provisions up to ~70% has been taken in that and protecting the Company's future from any problems in this portfolio. So very clearly, we have three very focused businesses which is Rural, Infra and Housing and one non-lending focused business which is Mutual Fund, the Company is concentrating on them as of now.

With respect to the rights issue, very clearly many of the peers have looked at rights issue. Any finance company or bank needs to look at its capital structure, keeps needing to look at ways to enhance the capital structure, to strengthen the capital structure. Your Company will also keep doing that and at appropriate time, we will come up with the right measures and obviously we will keep the shareholders interest in mind while doing that and come back to you on that.

Santosh Saraf ji, thank you for attending this meeting and also complimenting the results of the Company.

I will talk about asset management business. In March 2020, our AUM was ~ ₹ 71,000 Crore for the mutual fund. From that, equity was ~ ₹ 37,000 Crore and the rest all was debt. From that, our equity AUM percentage will be around 50% which implies that our mutual fund is one of the best structured mutual funds in the industry due to such high equity AUM.

You also asked about why are the profits down as compared to last year? This was due to 2 one-time impacts being:

1. This was due to the changes in the tax rates that happened this year. Due to such tax rate changes, the Company had to make for one time write off of ~ ₹ 470 Crore as deferred tax asset write off. All banks as well as NBFCs had to do this. And we had to take a write off of ~ ₹ 473 Crore. So that is first one-time impact.
2. Second one-time impact was due to the provisions made for COVID and this was as per the direction from Reserve Bank of India. Moratorium was given to people and this moratorium resulted in us taking provisions. If these loans remain good after the moratorium ends, these provisions can also be written back. We have done such provisioning of ~ ₹ 314 Crore in Q4 FY2020.

So, these were the two huge items. Profit from operations were good but due to these two huge items, the profit reduced to ~ ₹ 1,700 Crore.

You also asked about the expenses of the AGM. The expenses of e-AGM that we are holding now is about ₹ 1.5 Lakh vis-a-vis the expense of ~ ₹ 15 Lakh for holding a physical AGM. This results in 90% savings. But in physical AGM, another huge spending of ₹ 45 Lakh is for printing annual reports. So, will request that all the people who can provide us with email address and opt for non-printed annual reports, your Company will save that much and that much more profit will be generated and accordingly will be able to benefit you.

Apurva Rathod's ACS number is given in the Notice of AGM, ACS - 18314. We have a very capable secretarial department and as per the regulatory requirements we had provided the ACS number.

Women employees are provided with all facilities like maternity leave (as per regulatory requirements), work from home facilities and extended leave without pay which are very important to women employees. With the current work from home situation, not only women employees but also male employees are benefitting from that and work from home is working efficiently. Your Company will also look into the policies of work from home

regarding no of employees that would be able to work from home, so that will also benefit the women employees.

Mr. Sivasubramanian's, question pertaining to dividend has already been answered.

Increase in staff expenses of 30% - one of the very good reasons why our Company's profits is good is the growth in retail business, where we told that we will grow our retail business - rural or housing. With the increase in the retail business, the profit increases and also the expenses increases. It is one of the reasons that since our retail business grew, our staff expenses increased. You spoke about increased expenses but you should also look at the cost to income ratio. And the cost to income ratio is the most important ratio for any finance company or Bank, our ratio is 26% which is one of the lowest in the industry. The other peer names that you took, if you see their cost to income ratio, you will see that we have the lowest in the industry. And I assure you, and having said that, this Company will always be looking very efficiently to cut expenses, as you go ahead and expenses will be cut. In fact, if you would have noticed the Q1 FY2021 results over the Q4 FY2020 results, there is a big reduction of expenses in the Q1 FY2021 itself. And as a part of management and the Board, we assure you that we will be quite efficient.

Mr. Dinesh Bhatia ji your main question on divided is already answered.

Mr. Gautam Tiwari ji you asked about the dividend from subsidiaries. It is very important to understand the nature of the Company. Your Company L&T Finance Holding is a holding company. It is called a CIC i.e. core investment company. This Company doesn't do any operations of its own nor does it have any employees other than myself and the CFO. All employees are on the payrolls of various subsidiaries and those subsidiaries carry out various businesses for the Company, we try that most businesses do well, but as the business do well, you know in some years there will be some issue in some business, those subsidiaries, their performance will keep varying. The dividend from the subsidiaries is actually the only source of income for the holding company. Holding company uses that dividend for two purposes that is to give dividend to the shareholders and to pay some salaries of the employees who are on the payroll of holding company. So that is how the structure is. You have to look at the dividend from subsidiaries, which are all 100% subsidiaries, as the main income for the holding company. It is just a structure actually.

You also talked about layoff. There is no plan of any large-scale layoffs. But what the Company keeps doing is a very clear performance appraisal, we give good chance to our employees, a good training to our employees to be able to do well but there are clear measurement matrix which the employee has to satisfy and only then we will be able to give returns to the shareholders. We are patient, we give enough time to the employees to perform. But obviously, if an employee doesn't perform for a continuous period, it is best for the Company as well as the employee as well as the shareholders that an amicable separation happens. So, I would not call it layoffs but performance management done for the benefit of the Company and the shareholder.

There was the question on dividend transfer to IEPF. 1,02,966 shares of around 866 shareholders and dividend amounting to ₹ 20.28 Lakh will transferred to IEPF. The last date for claim here is September 6, 2020 in both the cases.

There was a question on decline in PAT due to COVID. COVID acts in various ways. There is a specific provision which is taken for COVID which I told you is ₹ 314 Crore in Q4 FY 2020, we have further taken provision of ₹ 577 Crore in Q1 FY 2021. Now we need

to understand why we took such provision. If the moratorium is going to end in August, after that it is possible that the economy itself goes into some problem. Good companies, well managed companies, companies which are owned by strong houses like L&T will always protect themselves against these future problems by taking good amount of provisions and strengthening its balance sheet so that we don't give shocks of the profit going up and down. And it is a very prudent policy that the Company has adopted to make these provisions. COVID also effects in other ways, like there was hardly any business in April and May, June onwards the business started and in July it is better but most certainly for the first two quarters of FY2021 business is going to be down. As quarters go, management will always do its best to quickly come out of this COVID problem. So first, the country has to recover and then has to look at growth. Your Company will do the same thing. It will protect itself very strongly against something going wrong but at the same time be ready to take advantage of growth.

The Board of Directors, the management and the employees of your Company assure you that we will do our very best, although the situation is worst. We will not give up trying and do our very best.

Mr. Bhide, namaskar, you also raised the point on dividend from subsidiaries. I have already answered that. Closing or moving out of business is very important. What we do is we look at various businesses i.e. which business to grow, which business to move out of and as you would know we had declared that we are moving out of the wealth management business and 1 subsidiary which is L&T Capital Markets Limited, we have already sold and that transaction happened in Q1 FY2021 and in the next annual report you will not see that subsidiary. We are aware of shareholder value. And any business which we believe we are not in best position to do, we will be able to manage that. As far as business wise, company wise and subsidiary wise profit is concerned, I will actually draw your attention to page 7 of the Annual Report at the table called ROE bridge and this is an important segment and this important statement gives business wise profits. As you rightly said, sometimes due to various formats there can be confusion as to which business is performing and therefore to enable the shareholders to know which business is amounting to how much of profit, we very transparently provide this table.

Last question was about two wheeler finance. Our overall rural business will most certainly show the first growth. Within that, the segment which started growing first is the tractor finance. Now for two-wheelers, the issue with the industry was that the industry was already down even before COVID. Before COVID there were issues like BS4 to BS6, ABS, CBS, because of this the two-wheeler prices were up. So, most certainly the industry was down and it continues to be down. Now two things are going to happen, one as income level of people come back slowly, hopefully the demand will go up. But right now, it is down. Secondly, as the need for personal transport goes up, we are hoping that these demands will go up. And thirdly, because of rural pickup in demand, we hope the demand will go up. But currently the industry is not doing very well. However, your Company has a good market share of close to 10% in two-wheeler finance and we will continue to have a good place here and when the growth comes, we will be at the forefront of the growth.

I hope we have answered most of the questions. I now hand it back to the Chairperson for closing the meeting.

Mr. Shailesh Haribhakti, Chairman:

Thank you very much for excellent answers to all the questions. Thank you very much

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

We are grateful to all Members who have participated through the video conference facility. Wish all Members to remain safe, stay safe and stay healthy and 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.

Thank you all.