

June 11, 2020

National Stock Exchange of India Limited

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

BSE Limited

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

Symbol: L&TFH

Security Code No.: 533519

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

Sub: Disclosure in accordance with SEBI circular dated May 20, 2020 - impact due to COVID-19 pandemic

Dear Sir / Madam,

Pursuant to the Securities and Exchange Board of India circular bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, regarding “Advisory on disclosure of material impact of COVID-19 pandemic”, we request you to take note of the following:

1. The Company is a non-deposit taking, non-banking financial institution and registered with the Reserve Bank of India as Core Investment Company (“CIC”). Being a Core Investment Company, the Company’s standalone revenue is, substantially, dividend received from its subsidiaries and hence, it is meaningful to look at the impact of COVID-19 pandemic at the consolidated level. The primary businesses of the Company which are undertaken through its subsidiaries are Rural Finance, Housing Finance, Infrastructure Finance and Investment Management.
2. In accordance with the requirements of the adoresaid circular please find below the necessary disclosures pertaining to the impact of COVID – 19 pandemic on the business, performance and financials:

Requirements of circular	Particulars
Impact of the COVID-19 pandemic on the business	<p>In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe.</p> <p>Q4 FY20 was estimated to be a fairly normal quarter till about March 10, 2020. The partial lockdown due to COVID-19 pandemic and the subsequent nationwide lockdown led to a slowdown in the disbursements (resulting in lower fee income and asset book) and collections, across the country. This has had some impact on the operating performance of Q4FY20.</p>

L&T Finance Holdings Limited

Registered Office

Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
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	<p>Substantial pre-planned disbursements in infrastructure finance were paused due to lock down related difficulties and increased risk perception. The retail disbursements were completely stopped at the end of March 2020 due to point of sale being closed during lockdown.</p> <p>The profitability for Q4 FY20 was largely impacted due to incremental provisions created as per regulatory requirements in light of the COVID-19 pandemic and to strengthen the balance sheet against the after effect of the pandemic.</p> <p>Further, as per RBI guidelines, the option of moratorium has been offered to all the customers for installments falling due between March 1, 2020 and August 31, 2020 across businesses.</p> <p>Please also refer the investor presentation and press release (Q4 FY20) available on websites of the Company (www.ltfs.com) and stock exchanges.</p>
<ul style="list-style-type: none"> • Ability to maintain operations including the factories/units/office spaces functioning and closed down; • Steps taken to ensure smooth functioning of operations 	<p>We have initiated following actions 2 weeks prior to the lockdown:</p> <ul style="list-style-type: none"> • Enhanced IT security and increased capacity of IT systems. Preparations were made to ensure that IT systems were in place much before the start of lockdown • Centralized emergency response team was set up to monitor government directives and make internal communication • Employee safety accorded top priority <ul style="list-style-type: none"> - Postponed all meetings/events of large gatherings and issued advisory for travel (both personal and business) - Workplaces are sanitized - Circulated precautionary Dos & Don'ts on personal hygiene - Incidence management reporting protocol is defined for medical exigencies among employees / family members • Steps were taken to enable work from home for critical operations with specified protocol and productivity tracking mechanism • For key identified operations, spread out 50% staff to work from different locations at head office and call centers

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	<ul style="list-style-type: none"> To ensure seamless customer service, took proactive measures and encouraged customers to prioritize the usage of digital facility for services, payments, and inquiry Further ramped up digital collection through e-wallets and other digital payments Sales teams & sales call centres were repurposed to enable debtor collection Focus on further conversion of customer through digital modes Roll-out of customer cashback schemes to drive digital payments
Schedule, if any, for restarting the operations	<p>Basis the Ministry of Home Affairs Order (40-3/2020-DM-I(A)) dated April 15, 2020 & April 16, 2020 and various State Government orders and after carefully studying the provisions thereof in this regard, branches and meeting centres were opened in a graded manner with effect from May 6, 2020 in Green and Orange zones with minimum staff. On opening of the offices in the Green and Orange zones it has been ensured that adequate safety measures as prescribed by various government circulars / advisories (which include social distancing, wearing of face cover / masks and regular sanitization) were put in place. Further, offices have been opened ensuring minimum attendance as specified by respective state authorities. Appropriate guidelines are issued to the employees in this context.</p>
<ul style="list-style-type: none"> Details of impact of COVID-19 on listed entity's <ul style="list-style-type: none"> capital and financial resources profitability liquidity position ability to service debt and other financing arrangements assets internal financial reporting and control supply chain demand for its products/services 	<p>In assessing the impact of COVID-19 pandemic on recoverability of loans, receivables, intangible assets and investments, we have considered internal and external sources of information, including credit reports, economic forecasts and industry reports. We have also performed sensitivity analysis on the assumptions and inputs used for estimating allowance for expected credit losses. Included in the allowance for expected credit loss is also the adjustment on account of macro-economic factors which involves significant judgement. Based on current indicators of future economic conditions, we expect to recover the carrying amount of these assets as on the last reporting date, i.e, March 31, 2020. Given the uncertainty over the potential macro-economic condition, the ultimate outcome of impact of the said global health pandemic may be different from those estimated as on the date of approval of financial results. We will continue to monitor any material changes to the future economic conditions</p>

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	<p>and any changes in the estimates arising from the future events will be recognised in the respective period.</p> <p><u>Liquidity Position:</u></p> <p>In full preparedness to manage the fallout of COVID-19 pandemic on its liquidity and funding position, the Company and each of its lending subsidiaries had proactively maintained adequate liquidity buffer. Further, as per Statement of Structural Liquidity as on March 31, 2020 prepared for LTFH at a consolidated level, cumulative positive liquidity gap has been maintained in each of the time-buckets up to 1 year. LTFH and it's lending subsidiaries continue to enjoy the highest credit rating of 'AAA / A1+' by CRISIL, India Ratings, CARE and ICRA. Details below:</p> <table><tr><th>Name of the Company</th><th>CRISIL</th><th>CARE</th><th>ICRA</th><th>India Ratings</th></tr><tr><td>L&T Finance Holdings Limited</td><td colspan="4">AAA / A1+</td></tr><tr><td>L&T Finance Limited</td><td colspan="3">AAA / A1+</td><td>AAA</td></tr><tr><td>L&T Housing Finance Limited</td><td colspan="3">AAA / A1+</td><td>AAA</td></tr><tr><td>L&T Infrastructure Finance Company Limited</td><td colspan="3">AAA / A1+</td><td>AAA</td></tr><tr><td>L&T Infra Debt Fund Limited</td><td colspan="3">AAA / A1+</td><td>-</td></tr></table> <p><u>Ability to service debt and other financing arrangements:</u></p> <p>We have been maintaining adequate liquidity buffer and bank lines to service the outstanding debt if and when they fall due. During April-May 2020, we have been able to raise Rs. 1,000 crore of term loans from banks and Rs. 5,345 crore through the issuance of NCDs and CPs.</p>	Name of the Company	CRISIL	CARE	ICRA	India Ratings	L&T Finance Holdings Limited	AAA / A1+				L&T Finance Limited	AAA / A1+			AAA	L&T Housing Finance Limited	AAA / A1+			AAA	L&T Infrastructure Finance Company Limited	AAA / A1+			AAA	L&T Infra Debt Fund Limited	AAA / A1+			-
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Estimation of the future impact of COVID-19 on its operations	<p>It is difficult to estimate the definitive impact of COVID-19 pandemic on the operations beyond Q1 F21 at this point of time.</p> <p>We are closely monitoring the developing situation arising out of COVID-19 pandemic and resultant restrictions imposed by the regulatory authorities.</p> <p>Rural disbursements may start slowly as markets gradually open up and Home Loan / Loan against</p>																														

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	<p>property/ Real estate / Infra finance will be limited to tranche disbursements in Q1 and Q2 FY 21.</p> <p>There could be rise in interest costs owing to evolving difficult funding environment.</p>
Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;	There has been no significant impact on the business due to non fulfillment of any obligations by any party to existing contracts/agreements. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account.
Other relevant material updates about the listed entity's business	-

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**



Apurva Rathod
Company Secretary and Compliance Officer

L&T Finance Holdings Limited

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