

TRANSCRIPT OF THE SIXTEENTH ANNUAL GENERAL MEETING OF L&T FINANCE LIMITED (FORMERLY KNOWN AS L&T FINANCE HOLDINGS LIMITED) HELD ON TUESDAY, JUNE 25, 2024 AT 10.00 A.M. (IST) THROUGH ELECTRONIC MODE (VIDEO CONFERENCE OR OTHER AUDIO-VISUAL MEANS) AND CONCLUDED AT 11:42 A.M. (IST).

Mr. S.N. Subrahmanyam, Chairman:

Dear Members, Good morning and a warm welcome to the Sixteenth Annual General Meeting of L&T Finance Limited (formerly known as L&T Finance Holdings Limited), which is held through video conference in accordance with the circulars issued by MCA. I thank you for taking time off from your busy schedule to join us today.

I am attending the AGM from the registered office of the Company at Mumbai. My colleagues and fellow Directors who are also attending the AGM from the registered office are:

- Mr. Sudipta Roy, Managing Director and Chief Executive Officer of the Company;
- Mr. R. Shankar Raman, Non-Executive Director of the Company;

Mr. Thomas Mathew T., Independent Director and Chairman of the Nomination and Remuneration Committee of the Company is attending the AGM from Dubai;

Dr. Rajani R. Gupte, Independent Director and Chairperson of the Stakeholders Relationship and Customer Protection Committee and Corporate Social Responsibility and ESG Committee of the Company is attending the AGM of the Company from Pune.

Dr. R. Seetharaman, Independent Director and Chairman of the Audit Committee of the Company is attending the AGM from Dubai;

Ms. Nishi Vasudeva, Independent Director and Chairperson of the Risk Management Committee of the Company is attending the AGM of the Company from New Delhi.

Along with the Directors, we also have the Members of the Group Executive Committee of your Company, this also includes Ms. Apurva Rathod, Company Secretary attending the AGM over video conference.

Members who are participating in the AGM over video conference are being reckoned for the purpose of quorum as per regulatory requirements.

The Company has taken all feasible efforts in accordance with the regulatory requirements, to enable Members to participate through video conference and vote at the AGM.

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

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

The Integrated Annual Report (including the correction to the notes to the financial statements post-dispatch), the Notice convening the AGM, the unqualified Statutory Auditors report and the unqualified Secretarial Auditors' report have been sent / made available through electronic mode and the same may be taken as read.

Before I begin my address, first, let me thank Mr. Dinanath Dubhashi for his contribution in elevating L&T Finance to the Retail powerhouse it has become today. Mr. Dinanath served L&T Finance with dedication and commitment and under his leadership and guidance, L&T Finance has fully transformed. Mr. Dinanath played a stellar role in building a strong team and ensuring a smooth transition of the leadership. I would also like to wish the very best to Mr. Sudipta Roy who took over as the Managing Director and CEO of L&T Finance. I am confident that under the leadership of Mr. Sudipta, supported by a strong senior management team in place, L&T Finance will continue to thrive and remain at the forefront of the NBFC sector.

In line with L&T's focus of building a strong services portfolio (comprising IT & technology services and financial services); the financial services business has been and continues to be a strategic and integral part of the overall business plan of Larsen & Toubro. Let me re-iterate once again, the finance business continues to be a strategic and integral part of the overall

business of Larsen & Toubro. The parent L&T, believes that your Company would be a key driver of the L&T group's services and its portfolio profitability in the medium to long term and would remain committed in its endeavor for growth. This has reflected in the additional stake of ~0.50% bought by L&T in your Company, taking its total shareholding to 66.37% as of today.

FY24 was a year when the world grappled with geopolitical tensions, inflation, supply chain constraints, and various macro-economic factors. The global economy continued to reel under elevated pressure on account of conflicts. Apart from geopolitical concerns, additional pressure on the global economy was driven by monetary tightening, especially by the US FED. Concerns continued with the downturn in the real estate markets coupled with declining real estate prices and sluggish job markets in major economies especially in China.

Despite all these global factors, the Indian economy continued to show promise and demonstrated remarkable resilience. India's strong fundamentals especially the GDP growth, moderating inflation, and stable currency prompted Reserve Bank of India to revise its growth projections closer to 8% for FY24. In fact, as per the recent data, GDP in Q4FY24 grew at 7.8% while the GDP growth for the fiscal year provisionally stood at 8.2%. The sustained growth of the Indian economy has been driven by policy measures not only at the macro level but also at the micro level and driven by domestic consumption and a growing middle class.

Furthermore, the rural landscape in India is undergoing a profound transformation, propelled by the rapid expansion of digital infrastructure and heightened consumption. Moreover, these patterns and current trend indicates that the rural India is driving employment opportunities and economic growth, thereby presenting a favourable outlook for your Company.

Considering all these fundamental parameters, we are optimistic and highly confident that India will maintain its growth trajectory and reach its goal of becoming the third-largest economy by 2030. India's robust and resilient growth story is also aiding the growth of your Company.

FY24 has been a milestone year in your Company's journey, as your Company has achieved 'Lakshya 2026' goals at the Retail level in Q3FY24 and now has reoriented to convergence at consolidated level by FY26, and to this effect, FY24 performance is:

- Retailisation now stands at **94%** vs original target of **>80%**

- Retail Book growth at **31% YoY** vs targeted growth rate of **25%**
- Q4FY24 Consolidated Asset Quality with Gross Stage 3 at **3.15%** and Net Stage 3 at **0.79%** as against the targeted GS3 of **<3%** and NS3 of **<1%**, respectively

Your Company has undergone a remarkable transformation from a predominantly wholesale financier to a retail financier over a short period of time, which is a significant achievement, and I don't think this exists parallel in anywhere. The Company continued to implement its plan of accelerated reduction of its wholesale book, resulting in a substantial decrease of more than Rs. 13,984 Cr in FY24, thereby reducing the wholesale book size to Rs. 5,528 Cr in FY24, and this stands at ~Rs. 4500 Cr today. This also represents a reduction of 72% on a year-over-year basis.

Regarding the Rural & Urban Ecosystem, your Company has established a digital retail franchise with a book size exceeding Rs. 80,000 Cr, with the Rural & Urban book sizes standing at approximately Rs. 40,000 Cr each. Notably, the Company has maintained pristine asset quality throughout this process.

During FY24, your Company also completed the merger of its subsidiaries with itself thereby creating a single lending entity. The merger has brought in many benefits to your Company, in the form of – reduction of complexity in the corporate structure, enhanced liability management, ability to provide improved returns to its shareholders, seamless compliance and adherence to RBI Scale-based Regulations.

Going forward, your Company will continue to focus on making its organisational performance consistent, predictable and sustainable by adopting the following 5 key pillars of execution:

- Enhancing Customer Acquisition – Execution on deepening the customer acquisition funnel both, horizontally (greater geographical coverage) as well as vertically (greater counter share at dealer points).
- Sharpening Credit Underwriting - Building a self-learning credit engine based on bureau, account aggregator and alternative data signals to make underwriting more robust.
- Implementing Futuristic Digital Architecture - Optimising digital journeys to eliminate chokepoints and providing a superlative experience to customers and In-house engineering for enhanced time to market.

- Heightened Brand Visibility - Enhancing brand presence across channels and building salience and recall for the brand 'L&T Finance'. You must have heard the jingle at the start of this AGM which forms part of this.
- Capability Building - Focused enhancement and optimisation of talent pool.

Your Company is investing heavily into being a Digital Financial company; Analytics and Gen AI are being used to improve business functioning and operational efficiency. Going forward, your Company will continue to aim at delivering a minimum of 25% CAGR growth of its book. Furthermore, to consistently achieve such growth, your Company will continue to progress with digital finance delivery as a customer value proposition thus touching every part of the customer ecosystem through the Company's digital offerings. The optimal mix of a strong physical presence and preferred channel partners, coupled with leveraging your Company's database of over 2.3 Cr customers (of which about 1.55 Cr are rural and about 0.75 Cr are urban) has put in place a superior retail franchise, adept at meeting the dynamic needs of the customers.

Further, your Company has consistently invested in upgrading and strengthening its risk management tools. Towards this it has put in place risk detection with enhanced and real-time data analytics, next-gen scorecards, risk-monitoring dashboards, geo-agnostic underwriting, analytics-based multi-layer controls, and early warning signals to minimise and mitigate risks. By analysing various data points like income, credit history, debt-to-income ratio, and financial metrics, risks are assessed, and lending decisions are taken. Utilising strengths like deeper risk management, credit underwriting, and data-analytics, your Company has been able to curtail the GS3 from 4.08% in FY22 to 3.15% in FY24. This does not mean that the Company has minimized on the physical verification, we call ourselves a 'phygital company' due to its digital services which is also supported by the physical checks, which is done with our huge workforce.

On the ESG front, your Company has been a pioneer in integrating ESG principles into businesses and operations, achieving a positive impact through measures such as resources efficiency, energy conservation, and reduced carbon footprint. Your Company has made significant strides towards climate impact management, including a 18% reduction in carbon emissions and a 39% increase in reliance on renewable energy and may be at some point we will call ourselves a green finance company. I'm proud to say that your Company achieved the

highest ever CDP score of 'A-' in the 'Leadership' band, making it amongst the first Indian NBFC to do so.

Looking at the flagship CSR program, Digital Sakhi, it has reached over 42 lakh community members across 1700+ villages, 20 districts, and 9 states, promoting financial literacy and inclusion. Under Project Prakruti, your Company has planted over 1.5 lakh saplings. Your Company has also provided disaster relief to flood victims and supported those affected by the Balasore train accident. Additionally, its Road Safety initiatives have driven training for over 17,500 students and sensitized over 21,000 people on helmet use and safety reflectors.

Even for the employees your Company has implemented various initiatives to support employee development, including cross-functional opportunities to existing employees through job rotation internally and training programs. As part of the diversity and equity efforts, your Company has made significant progress in gender diversity, one notable achievement being ~48% increase in women Field Level hiring on a YoY basis. It is also noteworthy that your Company recently ran the 'Great Place to Work' survey with the intent of employee engagement and understanding their satisfaction levels. This initiative reflects your Company's commitment towards creating a positive and inclusive work environment.

In conclusion ladies and gentlemen, we extend our heartfelt gratitude to each of our stakeholders and our Board for the unwavering confidence in L&T Finance. It is your trust which is the driving force behind your Company's success, and we truly appreciate the support that each of you continues to provide. Our commitment to delivering value and sustainable growth remains steadfast. The confidence of our stakeholders and the Board motivates us to strive for excellence, and we are dedicated to upholding the trust placed in us.

I will now request the Company Secretary to brief the Members on certain points relating to the AGM proceedings.

Ms. Apurva Rathod, Company Secretary:

Thank you, Sir. Good morning, all.

- The statement annexed to the Notice in connection with the special business contains the objectives for which the resolutions are proposed to be passed. The floor will be opened for any questions by Members after all the resolutions are tabled.
- All speaker Members joining the AGM will by default be placed on the mute mode and during the question-answer session, upon 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 all 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@ltps.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 regulatory requirements, the facility to vote on the business items to be transacted at the AGM by electronic means was provided through remote e-voting, from Saturday, June 22, 2024 from 9:30 a.m. (IST) to Monday, June 24, 2024 to 5:00 p.m. (IST).
- Members who have not voted through remote e-voting can vote using the e-voting option, made available by CDSL.
- 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 2 working days 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.
- For any technical support in connection with the AGM, Members may contact the helpline number mentioned in the notice of the AGM.

Now, I handover the proceedings back to the Chairman.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Apurva.

With the permission of the Members, I will now commence transacting the business contained in the Notice dated April 27, 2024 by calling the brief description of the resolutions.

Resolution 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, 2024 and audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2024.

Resolution No. 2:

To declare a dividend of Rs. 2.50 per share on Equity Shares of face value Rs.10 each.

The next resolution pertains to my re-appointment on retirement by rotation as per requirements under the Companies Act 2013 and therefore, I request Mr. R. Shankar Raman to chair the Meeting for the next resolution

Mr. R. Shankar Raman, Chairman:

Thank you, Chairman. Good morning to all. It is my pleasure to propose the next resolution.

Resolution No. 3:

To appoint a director in place of Mr. S. N. Subrahmanyam (DIN: 02255382), who retires by rotation, and being eligible, offers himself for re-appointment.

I, now request Mr. S. N. Subrahmanyam to chair the Meeting.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Mr. R. Shankar Raman.

Resolution No. 4:

To appoint a director in place of Mr. R. Shankar Raman (DIN: 00019798), who retires by rotation, and being eligible, offers himself for re-appointment.

Resolution No. 5:

Appointment of Statutory Auditors of the Company.

The appointment of M/s. T R Chadha & Co. and M /s. Brahmayya & Co., as the Joint Statutory Auditors of the Company is proposed in light of the completion of tenure of the existing Statutory Auditors, M/s. KKC & Associates LLP at the conclusion of the Sixteenth AGM of the Company in accordance with the regulatory requirements.

Resolution No. 6:

Continuation of Mr. Pavninder Singh (DIN: 03048302) as a Director on the Board of the Company.

The said resolution has become infructuous on Mr. Pavninder Singh ceasing to be the Director of the Company effective June 13, 2024 in accordance with the terms of the investment agreement dated September 21, 2015 entered into between BC Asia Growth Investments, BC Investments VI Limited ("Bain Capital") and the Company in relation to the acquisition of shares (directly or indirectly) by Bain Capital. The said agreement has been terminated effective June 13, 2024.

The e-voting window shall now be activated for Members to vote during the AGM. Members are requested to vote in accordance with instructions specified in the notice of the AGM.

Members who have registered themselves as speakers may now ask questions concerning the Integrated 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 and if

you can, up to a maximum period of three minutes because there are many speakers for this particular AGM.

I'll now call out the name of each speaker and depending on your situation as to where and how you are you may please ask your questions.

The first speaker Mr. Manoj Kumar Gupta.

Moderator:

We request the speaker to put the video on before speaking.

Mr. Manoj Kumar Gupta:

Hello Sir, How are you?

Mr. S.N. Subrahmanyam, Chairman:

Hello Sir, How are you?

Mr. Manoj Kumar Gupta:

I'm fine Sir. Good morning.

Mr. S.N. Subrahmanyam, Chairman:

Good morning and good to hear your voice. Please tell me Sir.

Mr. Manoj Kumar Gupta:

Good morning respected Chairman, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta, I've joined this meeting from my residence in Kolkata. Sir, first of all, I thank you and your team of management, the Managing Director and his team for such a good result of the Company for FY2023-24 and I thank the Company Secretary and her team to enable us to join this meeting through video conferencing especially Mr. Nagaraajan Iyer who

would always help us to join this meeting through video conferencing and always took care of small investors.

Sir, so what's your future plan for the Company? Do you have any plans to acquire any other NBFC? As you have missed two or three opportunities in the last two years to acquire some companies under insolvency, as under insolvency several NBFC companies were acquired. So, are there any plans to acquire any NBFC in future to grow more.

In future how will you reward the investors Sir, because the Company's balance sheet and performance is strong but reflection is not there in the stock market because your share price is low. If we compare the Company's working and the balance sheet with the stock market price then the Company's stock market price should be more than Rs. 500. So why is there no reflection in the stock market of your work? Our management team is working because balance sheet is strong. Do you have any plans in future to convert L&T Finance into bank, like, Kotak, Mahindra Finance and others, since L&T is a trusted and big brand after the Tatas so do you have any plans to convert L&T Finance into L&T bank? Since the government has formed and the budget will be prepared. So, what do you expect for NBFCs from the budget?

Mr. S.N. Subrahmanyam, Chairman:

So, Mr. Manoj, all your questions are very relevant and very well thought through and very well phrased. So let me answer it one by one.

The future of L&T Finance as much as we see it, is very bright and beautiful. The Company has done very well. Remarkably, as you can see during the last couple of years, one of the biggest matters on hand was the transition of leadership which was from Mr. Dinanath Dubhashi to Mr. Sudipta Roy, has gone very well. The Company had multiple subsidiaries the which are now consolidated in one lending company called 'L&T Finance Limited'. The Company was into multiple businesses which now we have more or less brought into one major business, which is retail finance and we have sold out most of the other businesses.

The Company was predominantly a wholesale finance company which is now predominantly, a retail finance company. The Company had limited digital and IT services, but now it is becoming a highly digital finance company and may be in a couple of years, when the market

also matures into highly digital, the Company will probably be one of the leading digital finance companies, not only in India but also globally, which is the trajectory of the Company.

The retail loan portfolio is ~Rs. 80,000 Cr and we have set a target internally of achieving ~Rs. 2,00,000 Cr in a short while. We'll announce the details as we go forward because the plan is still being worked out. The support by Larsen & Toubro Limited to this company is very strong as during the recent disinvestment between Bain Capital and the Company, Larsen & Toubro Limited brought ~0.5% shares of the Company to further augment the shareholding in the Company and in order to back it totally.

There is a very good Managing Director and CEO and an extremely strong leadership in place and we believe this should augur well for the future of the Company in the NBFC sector.

Sir, we do not have any plans to acquire any company as such, if you see the Company has predominantly gone through organic growth and we don't believe in inorganic growth, as it had not been done on a regular basis and in my opinion and in our belief within the Company, organic growth is the best way to take any organisation forward.

Sir, on investor returns, we have been declaring dividend for the last five years, and dividend may have not been much but for this particular year, we declared a dividend of Rs. 2.50. Only during the pandemic, in the year 2021, we had not declared dividend, otherwise every year even during the difficult times we had declared dividend and this year we have given Rs. 2.50 to the shareholders.

Last year one of the shareholders had asked me a question on the movement of the share price. It has moved up from ~Rs.65 to ~Rs.180 as on today and it will continue to grow. My only request to you Sir, you have a lovely photograph of *Bhagwan* behind you. Keep praying to that and keep looking at us with the smiling face and we'll continue to grow.

Lastly, we have no plans to enter into the banking sector as in my opinion there is a good place for NBFCs in this country and we'll continue to be an NBFC as much as I can see.

Thank you, Sir.

The next speaker is Ms. Lekha Satish Shah.

Moderator:

We request the speaker to put the video on before speaking.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Lekha Satish Shah

Moderator:

Technical issue with speaker, we could call upon the next speaker.

Speaker No. 3 is Ms. Lily Pradhan.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Lily Pradhan.

Moderator:

We request the speaker to put the video on before speaking.

Ms. Lily Pradhan:

Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Of course, Ms. Lily Pradhan, wherever you are, you are always audible.

Ms. Lily Pradhan:

Good evening, respected Chairman and all viewers. I am Lily Pradhan from Kolkata. First of all, I give my respect to respected Chairman, Board of Directors and Company Secretary and her secretarial team. As a Company Secretary she has always coordinated with me like all

shareholders. She is a very good and appreciative human, overall, very good investor services were provided and I am really proud of our Company Secretary for being polite, decent, hardworking with patience behavior. I had received email with the notice well in advance. I wholeheartedly support all resolutions. I am very happy to know that the Company's performance is very good and is developing a lot, which is a sustainable growth nowadays. But I have some specific questions and requests considering the present situation. What is the aim and objective of the future developments in the country, like on a national level? What are the CSR activities for challenged persons perspective and micro analysis of the CSR activities? Further, AGM must be continued through VC or hybrid in future because in any part of the world, even abroad, a person can participate and express their views. Nothing more. Thank you, Thank you so much. All the best.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Pradhan, always thank you for your support. You are one of the shareholders who always attends and gives us words of encouragement and are always positive on whatever you say. The aim and objective were already mentioned, it is to grow this company as an NBFC, and we have set an internal target of book size of ~Rs. 2,00,000 Cr. As I mentioned to the previous shareholder, I'm sure that the Company will proceed towards from ~Rs. 80,000 Cr to the target in a short span of time. We are concentrating on the retail finance, both rural as well as urban finance and we will press all buttons to grow and fire on all engines in those sectors. On the CSR activities, Ms. Pradhan, we do a lot of work. It is predominantly based on education, medical assistance, rural assistance and developing villages helping social causes and so on and so forth. Our Company Secretary, Ms. Apurva Rathod is in charge of the CSR department and a lot of efforts and money goes into whatever we can contribute towards the society and this also revolves around the places where the Company has got its prominent presence, and we'll continue to do that. If there is any other specific suggestions from your side, please do send it across and we'll definitely look at it.

Thank you very much.

Speaker No. 4: Ms. Prakashini Ganesh Shenoy

Ms. Prakashini Ganesh Shenoy?

Ms. Prakashini Ganesh Shenoy:

Hello. Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Of course, ma'am. Good morning. How are you?

Ms. Prakashini Ganesh Shenoy:

Good morning, Sir I'm Prakashshini Ganesh Shenoy from Mumbai. Respected honorable Chairman Mr. Subrahmanyam Ji and the dignitaries on the Board and my fellow shareholders, Good morning to all of you. I have received the AGM report well in time, which is colorful, transparent, knowledgeable, informative and contains all the information as per the corporate governance. I thank Ms. Apurva Rathod for the same. I should not forget to thank once again for reminding me of today's meeting, without which I wouldn't be in a position to speak. So, thank you once again. Ms. Rathod has given a beautiful picture regarding the Company and its working in all parameters. Thank you, Chairman Sir. I'm glad to note that the Company has done outstanding work in the field of CSR activities during the year. At the outset, I'm thankful to the Board for recommending the dividend for FY2023-24.

I'm also very glad to note that the Company has done outstanding work in respect of finance, revenue etc. as compared to the last year. Congratulations for the same. Sir, I have just one or two questions. My first question is how are we planning to increase the revenue? My second question is how are we planning for digital future? My last question is what results can we anticipate for the next quarter? Sir, last but not the least as Ms. Lilly said, I fully agree with her, in respect of the Company Secretary as well as on the video conferencing points, I also support her for conducting VC in future so that people all over, will have an opportunity to express their views. I wish the Company good luck for a bright future and pray to God that the profit of the Company reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman Sir.

Mr. S.N. Subrahmanyam, Chairman:

Amma, Thank you very much once again.

You have asked some very important questions. Let me try to give my reply to you in brief. On the revenue side, as I told you, once the AUM of the Company goes up from Rs. 80,000 Cr to Rs. 2,00,000 Cr which is a goal to be achieved in immediate short term, I think from that AUM the revenues will flow and the Company will continue to grow. I don't want to predict what it will be because the Company is going to have a strategic plan for the next 5 years starting next year and the detailed plan would be final aim for the year 2030, which would direct the Company to grow in new areas and the growth will be the same in retail area, which will be decided during the strategic plan. I'm sure that Mr. Sudipta Roy and his team will come out with a very detailed plan to take the Company forward. On the digital side, as you are aware, Ma'am, Mr. Sudipta Roy and his team have been spending a huge amount of effort, in terms of both, physical and money, to make the Company highly digital. I am sure that you will hear from us and you will hear from the market in a short while, assuming that the market also matures into fully digital. It can become one of the world's leading digital finance company and I'm sure it will happen. The results are for the hard working people in order to evolve it and I'm sure with their commitment, dedication, foresight and efforts they all put in, the necessary results will come out of L&T Finance and be rest assured, as a shareholder of this Company. Yes, we have a very efficient and good Company Secretary, Ms. Apurva Rathod. I hope she continues to be diligent and in service to all of you in the manner she has been so far and will continue to be that in the future.

Thank you, Ms. Shenoy, *namaskaram, vannakkam* again.

Speaker No. 5: Mr. Santosh Kumar Saraf

Moderator:

We request the speaker to put the video on before speaking.

Mr. Santosh Kumar Saraf:

Hello?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Sir. Good morning to you.

Mr. Santosh Kumar Saraf:

Ram ram.

Mr. S.N. Subrahmanyam, Chairman:

Jai Shree ram.

Mr. Santosh Kumar Saraf:

Respected Chairman, Board of Directors and all employees present, I am Santosh Kumar Saraf. I hope everyone is healthy and fine and I am grateful to each one of you. It is because of your hard work; the Company has progressed and we are receiving good dividends.

I have 3 minor questions Sir. Firstly, there are so many disputed cases pending for the Company regarding income tax, GST etc., and there are more than 40 cases pending. So, what are the steps taken to clean our balance sheet Sir. Next questions Sir, our female employee personnel is very low, we have only ~5% of them, which is very low, so, what steps are you taking as we are a finance company and might have some chances to increase our female percentage. What steps are taken to empower more and more females? Next question Sir, you are only present in 20 states and in 2 union territories and not in all 28 states. What have you planned next for this year in order to extend our offices in other states where we do not have our presence because you still have to cover 8 states and 6 union territories. Next question Sir, how many offices we have on rent basis? Thank you. Lastly, I wish all our Directors, all our employees and all our staffs present there ~31,000, a good and happy financial year and pray to do the hard work again. So that, next year, we get a good result and also a good dividend. Thank you. *Namaskar.*

Mr. S.N. Subrahmanyam, Chairman:

Saraf ji, Thank you. As usual, your questions are very incisive and very pertinent. Let me take a few of them. On the dispute matters, I'll try to answer it. See, in an environment like ours, where the economy is growing, where the laws and rules are still evolving and the government is also desperately looking for revenues, there are bound to be disputes and these disputes arise because of ambiguities in the rules and laws. We look at it from one point of view, and

then we carefully consider the opinions from our lawyers, consultants, and Government would also look at it from their point of view. So, if they raise the demand and we have a different view of what the demands ought to be, naturally there is a dispute and there is a process with which the disputes are sorted out. If you see, most of the disputes are sought in our favour. But, these disputes have their own way of sorting it out, we cannot simply go to the court and sort it out. There is a method to go to the appellate, there's a tribunal and then finally it gets sorted out. That is a method to sort it out, and that is a method that we follow. But being open and transparent, the Company is known for its ethical and value systems and we put all that in the report so that as a shareholder you can have a clear view of what these disputes are and how they are being taken forward. So, be rest assured, there are no disputes which are something to be worried about or to lose sleep over these are disputes that arise in the normal course of business and as an organisation, we have views. We have a righteous view on it and we will sort it out amicably as required which would be the correct way to go about it. So, be rest assured about it. Now you also raised the point of dividend last year and why the share price is not moving now because of the requests of people, we have moved up the dividend from what we were paying to Rs. 2.50 per share. Rest assured, the Company exists on the shareholders' value systems and we'll do what we can to increase the dividend. Being a finance company if we keep paying very high dividend, then we have to continuously raise money from the market for investing further and therefore in such a company, the dividend policy is always very conservative. Second, the dividend policy is also guided by the regulations and rules of both RBI and SEBI and especially in finance companies, as we cannot pay dividend beyond a point, the Company follows the prudent and conservative policy and as the Company makes more money, we will pay more dividends as we go forward. You can also see the share price which was just ~Rs. 60 at the beginning of the year and now it has moved to ~Rs.180 and as the performance becomes better, I am sure the valuation of the Company will grow much beyond which will lead to better shareholder's value. We are present in many states and we will continue to increase our presence in other states, but we look at many factors including the value systems there, the governance there, the kind of political happenings, etc. and there's a calibrated strategy to go forward. There is an executive management which goes through it. The Board's Risk Committee and other committees take a look at it. It is heavily debated at the Board and thereafter we get into other states for expansion. But as the Company grows, we'll have to expand and this is the strategy which will be put into play as we move forward. We have a registered office in Mumbai and an office in Chennai and ~1,816 offices in other states and these are all leased out spaces and the

properties do not belong to the Company. Saraf *Ji*, thank you very much for your lovely questions and *Jai Shri Ram*.

Speaker No. 6: Mr. Gautam Kedarprasad Tiwari

Moderator:

We request the speaker to put the video on before speaking.

Mr. Gautam Kedarprasad Tiwari:

Sir, am I audible, Sir?

Mr. S.N. Subrahmanyam, Chairman:

Of course you are, good morning to you, Sir.

Mr. Gautam Kedarprasad Tiwari:

Oh, good morning to you, Sir. I'm very happy to see you, Sir, my video can you see Sir?

Mr. S.N. Subrahmanyam, Chairman:

I cannot see your video, but your voice is reverberating in our ears.

Don't worry. Please ask your questions. Please go ahead.

Mr. Gautam Kedarprasad Tiwari:

Hello can you see me now?

Mr. S.N. Subrahmanyam, Chairman:

No, we cannot. But last year you came and your face is still visible to us, so don't worry.

Mr. Gautam Kedarprasad Tiwari:

Thank you, Sir. First of all, very good morning, Sir. I would like to say that the entire management, Mr. Subrahmanyam *Sahab*, along with Mr. Sudipta Roy, have worked very hard and you have really given good results. The stock price always speaks about these good results at the stock market. Dear Sir, even our secretarial department assisted by, I mean lead by Ms. Apurva Rathod and Mr. Nagaraajan, Mr. Nagaraajan, is very, very excellent in giving investor services, and provided outstanding investor service. He was helpful to all the shareholders in attending the meeting and gave good hospitality, due care and respect. We are very much thankful for such a good investor service. Sir, I would like to know, as you have mentioned that our Company now is digital, so when can be become fully digital? Sir, on our carbon reduction footprint, I would like to know as to when are we going to become fully carbon neutral, Sir? How and when are you going to reward the shareholders? That is very important thing, Sir. We have been there along with you since IPO time, and also when the share price was at Rs. 60 and also when the price was ~Rs. 60-78. Now your hard work has done a wonderful thing and the price is ~Rs. 180 today. I am sure if this quarter results would be good, it is going to cross even ~Rs. 200 for which we are very much confident and I'm sure we have got total faith, trust and expertise in the management. You know your job very well. Your lessons, your expertise, your experiences shall all work together and will reward the shareholders the way of stock price appreciation in the market which will be much better than the higher dividend itself. Sir, I would like to also know how much finance was provided to the farmers and farm equipment have been distributed during this particular quarter and how much is the CSR spend during this particular quarter and the last year. As you had said, that the road map was planned for this year and the immediate next year, so, if at all you can give us the same, I'll be happy with it and also, who are our top channel partners. Rest all is very good. Sir, I support all appointments and reappointments of all our Directors, especially your appointment, very heartily. I'm very sure it is wonderful and your presence in the Company is going to work wonders and wonders and is going to reward shareholders very gracefully and rest all is very fine. We thank you for Rs. 2.50 dividend which comes to 25% and rest all is very good. We wish you a very happy, long, healthy, wealthy, safe life ahead and we promise that we are going to stay with you and with our strong support from all our family and associate. It's a forever and lifelong. Thank you very much. There is a grand salute to you. Thank you very much Sir.

Mr. S.N. Subrahmanyam, Chairman:

Tiwari Ji, your first 3 questions I will answer them. I'll request my colleague Mr. Sudipta to provide details. As I said, the Company and its management is spending considerable time and effort, in recruiting some world class people towards digitalization and Gen AI applications within the functions of the Company towards the growth of the Company. There's an ongoing job as you see by the Company in getting fully digital. It doesn't help unless the market also goes digital. People have to accept digitalization. People have to get used to it and people also need to have smart devices to accept digitality in its full format. The network and wi-fi situations are required to work across the country, in some places it is strong in some places it is not, so these are all structural issues that we have. But I can assure you that in a short while, this is bound to happen because that's the way the world is going. That's the way the country is also growing and the Company will adapt and adopt itself to this new way of functioning. We are already doing that in many of our methods and ~25% has been digitalised right now, it will switchup to 100% in maybe 2 or 3 years and we are all behind this. On the reward to shareholders, Tiwari Ji, as you have correctly said, wherever possible, we've been increasing the dividend and as I mentioned to the other shareholders, we are already at Rs. 2.50 now. We will continue to play a major part to return this money to you. After all, whatever money the Company has, it is all yours and we will do whatever we can to do that. The share price is not our creation, and the Company has done well. Therefore, the share price has gone up and *aapke muh mein Gee Shakkar*, let us hope that someday it goes till Rs. 200, Rs. 250 or Rs. 500, whatever it is we hope for the best. Now on the financing, the CSR spend and top channel partners, will request Managing Director and CEO of the Company to give you the reply for that, Mr. Sudipta.

Mr. Sudipta Roy, Managing Director and CEO:

Thank you, Sir. Good morning Mr. Tiwari. As an organization, we are focused on sustainability as well as making sure that our carbon footprint is minimized in everything that we do. Now, as you know, it's a long journey, but we are more or less committed to achieving our carbon neutrality target by the year 2035 and our efforts are not only in our CSR, but also in terms of planting trees or making sure that the buildings that we operate in wherever, renewal energy is available to power those buildings, we use those renewable energy and try to minimize the carbon footprint for many of our employees as well in our locations where we have facilities to offer those services as well. So, to re-iterate, we have committed to a carbon neutrality target

by the year 2035. In terms of our CSR spends, our overall CSR spends for the last year was ~Rs. 23.8 Cr. In terms of your question on how much we disbursed in Farmer Finance last year, specifically in our tractor financing business, we disbursed Rs. 6,848 Cr for the full year and we worked with the majority of the OEMs in the country and, two of our dealer dependent businesses are Two Wheeler financing business as well as our tractor financing business where we work with all the major OEMs on the tractor side. We work with Mahindra as well as with TAFE. We work with the John Deere and with Sonalika and the International Tractors Limited. In Two Wheelers, we work with the reputed Two Wheelers like Hero, Honda, Royal Enfield and TVS. We work with most of the OEMs in most of the locations that we operate in. I hope this answers your question.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir.

Speaker No. 7: Mr. N Nachiappan.

Moderator:

We request the speaker to put the video on before speaking.

Mr. N Nachiappan:

I'm audible Sir?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Sir.

Mr. N Nachiappan:

Hi Sir. How are you, Sir?

Mr. S.N. Subrahmanyam, Chairman:

I am fine, Sir, with your good wishes.

Mr. N Nachiappan:

Good morning, Chairman and Board Members, myself Nachiappan from Chennai. I'm very happy to participate in the 16th AGM of our Company. My sincere appreciation to the Chairman and Board Members for spending Rs. 20.30 Cr towards CSR activities, which is beyond the statutory obligation of 1.23 Cr. It shows when it comes to CSR, the decisions are taken from heart and not from mind. Thank you. I have few questions. What is Company's growth strategy for the next 3 to 5 years and any product or service in the pipeline? My next question is that the penalty of Rs. 2.50 Cr levied by RBI for non-compliance of certain provisions of NBFC, what is all that about? How such deficiencies in compliances are occurring and whether any corrective actions were taken? My next question is that two years ago L&T finance had invested Rs. 537 Cr in debt securities of Dewan Housing Finance Corporation Limited which underwent CIRP, that is Corporate Insolvency Resolution Process under IBC and later on taken over by Piramal Capital and Housing Finance Limited. How much we could able to realize out of Rs. 537 Cr? My next question is are there any borrowers who are undergoing CIRP under insolvency and Bankruptcy Code as on date? If so, what is the count and what is the value of such borrowings?

And the next question is that our cost of capital is 7.82% whereas the Company has invested in certain government securities which are yielding return as low as 5.22%. What is the reason for that? My next question is what is the value of loan written-off during the reporting period? What is the current level of NPA and what steps are being taken to manage and reduce them? My last question is, what are the key risks facing the Company? And how they are being tackled? Thanks for the opportunity given and thanks for the excellent support given by Madam Apurva Rathod and Mr. Nagaraajan Iyer. Thanks once again and take care. Thank you, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Nachiappan. The Company's growth strategy I've tried to explain when the previous shareholders had asked, but to completely clarify to you as you are aware, the

Company has become a fully focused retail finance company both on the rural side as well as on the urban side. On the rural side, we are in Micro Loans, Farm Loans, Tractor loans and maybe some Two Wheeler loans and on the urban side, we are on SME loans, Personal Loans, Housing Loan, Loan Against Property. That is the present part, as of course, as any good company, we need to go on this path in a rock solid manner and as is the case of any growth oriented company, it needs to be within the ambit of what is the focus of the Company and decide upon what else it needs to do for the future to grow the Company. So, at the moment what we are doing, Sir, one is to enhance geographical presence in these present areas. Two, we're trying to farm, we are trying to see and third we're trying to grow the existing markets. So that is the present strategy. Now the next year beginning at April' 2026, we embark on our strategic plan, which looks at how the Company will be in next 5 years. Internally, we have said in the next two or three years the Company should try to achieve an AUM that is asset under management, which is presently about Rs. 85,000 Cr to about Rs. 2,00,000 Cr. But the strategic plan may come out with a higher ambition. So let us wait for that strategic plan exercise to be done bottom up for the Company, so that everybody involved in the Company, including the people working at the middle management, the senior management, the Board, everybody's committed towards it and then we'll announce it to you maybe next year or next to next year, what is the correct growth plan of the Company and maybe in the next AGM, some thought process or idea could be given. But be rest assured, the Company is on a good wicket, with good leader, a sound management, very very learned and empowered Board and we will do whatever is required to enhance shareholder value and grow this Company.

It is unfortunate that when you are in a very very highly regulated environment, whatever precautions we take as an organization, sometimes there are small infringements and there are multiples of rules and regulations. We read the rules and regulations and understand it in one particular way, and sometimes when RBI inspectors come to scrutinize us, they understand it in a slightly different way. Now, even these small infringements are not pardoned and the only way is penalisation. There's a way of life and there was some infringement in certain things that RBI observed. We can appeal it, but other way is to pay the fine and keep going ahead, and that's what we have done. There's nothing much to worry about. We have taken necessary actions to correct it and we will continue to take course correction to keep this Company a very highly governed and ethical way forward following all rules and regulations. Be rest assured about it. Now on the Dewan housing loan, I request my colleague Mr. Sudipta Roy to answer you please.

Mr. Sudipta Roy, Managing Director and CEO:

Yeah, Sir. Mr. Sachinn Joshi, our Chief Financial Officer will take that question.

Mr. Sachinn Joshi, Chief Financial Officer:

Hello, this is Sachinn Joshi here. To the specific question on Rs. 537 Cr carrying value, this was sold to ARC for Rs. 315 Cr. We have so far recovered Rs. 90 Cr against this. One more question I would like to respond to, which is regarding the investment in assets which have a return much below the cost of borrowing that we have. As per the RBI requirement, we have to maintain certain liquidity and the liquidity coverage is taken care of through investment in government securities, treasury bills. This is temporary in nature and this depends on the asset liability management that we do on an ongoing basis and as and when required we should be in a position to liquidate this and have monies available to do business.

Mr. S.N. Subrahmanyam, Chairman:

I believe that , the loans written off last year is about Rs. 1,009 Cr. The book is near perfect. All the bad assets that we had, have moved away and the Company is on a very very sound track to grow its business and multiply its value to the shareholders and therefore be rest assured that the book is nearly cleaned up in the finance business. You can never say 100% cleaned up but it is near cleaned up and as we look at it, the NPAs are very negligible and it is a very robust book that you have and the good Company that you have. The risks , as mentioned, are multiple in nature that exists in any business environment today in the finance business, it is the economic growth, it is inflation, it is the political situation in some other states, it is the economic situation and the macro political developments. We have multiple consultants and agencies advising us, we take feedback from our ground, from our own people. We have a very good Board Risk Management Committee headed by a very senior Director looking into it and therefore, we'll try our best to analyze and forecast and discuss the risks involved and take appropriate actions as required to whatever extent we can. We are doing our best as it is reflected from the very negligible NPAs and the robust AUM and the performance of the Company. So, we will see the best way forward. Thank you very much.

Mr. Vinod Agrawal

Moderator:

We request speaker to put your video on before speaking.

Mr. Vinod Agrawal:

I am putting my video on. I've done my audio. Good morning, Sir. Respected Chairman Mr. Subrahmanyam, MD Sudipta Roy, CFO Sachinn Joshi and CS Ms. Apurva Rathod. Good morning and regards to everyone. Sir, I have gone through your annual report. Last year we had an interesting interest income Rs. 12,900 Cr and the finance cost was Rs. 5,377 Cr, that means the net interest income was about Rs. 7,500 Cr which is very good Sir. Now I'm coming into the basic question, Sir, you have been targeting Rs. 2,00,000 Cr in the next few years, from Rs. 80,000 Cr to about Rs. 2,00,000 Cr would be the retail book. Are we likely to do, 'buy now pay later' model for consumer goods finances that other people do at the retail stores for the equipment finance companies? We have got Micro Finance Loans and Two Wheeler loans. My basic query was how we will be able to do the credit scores for these people. I'm pleased with the performance of the Company and it has been reflected in the share price. Our Net NPA is less than 1, which is at 0.79 which is good and the retail book is Rs. 80,000 Cr plus. We have reduced our wholesale book on the real estate and infrastructure, which is also very good Sir. I wish the Company all the best for future. Sir, I am signing off from Mumbai Sir. My only query was about the 'buy now and pay later' model for consumer goods.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Sir. So, the AUM of Rs. 2,00,000 Cr is an objective set for the short term and as I had mentioned, we'll do a strategic plan that is the next 5 year plan and sometime next year we'll get back to you on what is the plan and how we are going to go about it which is our Lakshya plan. Now, we have no plans to do any buy now pay later. It is buy now and pay now only and we will continue with that philosophy because we are an extremely conservative Company and that is why the shareholders are getting rewarded and let us continue to be like that Sir. We do not have any mutual fund business. We have sold out our mutual fund business. The Company is purely into retail finance business now. On the digital side, many, many things are being attempted by the Company, which includes customer image capturing, advanced

AI, AI based geospatial intelligence, AI based machine learning model, face recognitions and many, many other things are being practiced, including teaming up with many KYC companies to understand the customer's personal finance and his way of credit, etc. So, we will continue to lay huge emphasis on this. All these modern methods are being used to enhance the way we identify and support a customer from our credit enhancement point of view and that will be the way forward. So, to extent possible, we see that it's on a good wicket as we see it. Thank you very much, Sir.

Mr. Sarvjeet Singh.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Manjit Singh.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Hiranand Kotwani.

Moderator:

We request speaker to put your video on before speaking.

Mr. Hiranand Kotwani:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Kotwani Sir, How are you?

Mr. Hiranand Kotwani:

Fine Sir. Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Audible, very loud and clear. Please go ahead, Sir. Please go ahead. Yeah.

Mr. Hiranand Kotwani:

Thank you, Sir. Thank you. It is a great pleasure to join you. Sir, you have narrated all these things but certainly if you can take the question, generally same questions asked regarding growth and regarding all these things. I have some few questions; our foreign exchange outgoings are ~Rs. 70 Cr, but no income from foreign exchange. What type of expenditures are these? RBI had put us some penalty. Why didn't we appeal? There are a few type of complaints that you mentioned. Because for every organization, in particularly in finance where transparency is a must, your goodwill is very high. So, our transparency regarding, various cases regarding sexual harassment, regulatory, some irregularity on the part of employee while distributing the loan, please narrate on that. If the Company has received any complaint, how you are going to tackle, that mechanism in leakages and all these things, certainly this Company has done well.

The work which the Company has done is very much appreciative as last year I had criticised. I had reservation on the payment of remuneration to Mr. Dubhashi, where the Company was not able to perform but you paid Rs. 26 Cr to him. How much is the remuneration of the current Managing Director on a yearly basis. I won't ask much questions, but would like to know at what price did the Mudit Cements Private Limited was sold off. Your borrowing is also good ~Rs.76,000 Cr with loan book ~Rs.80,000 Cr, the mutual growth is new so it will decide how the NPA would be controlled. While the Company is going digital, but how would you control NPA is the main question, please elaborate on that.

Mr. S.N. Subrahmanyam, Chairman:

Kotwani *Sahab* very, very good questions. I will request my colleague Mr. Sudipta to answer your questions.

Mr. Sudipta Roy, Managing Director and CEO:

Good morning Kotwani *Sahab*. I think one of the questions which you had regarding foreign exchange payments, that is towards some of our IT vendor payments which are typically done in U.S. dollars. So, that is the component of the foreign exchange payments that we have done. In terms of your question on risk management as well as the control of NPA, we are investing very heavily on making sure that our digital credit risk engines are very very strong for whatever/whichever customer comes in. You have to understand that most of the customers that we underwrite these days are of retail in nature, of which we have bureau tracks available or we have their liability tracks available through their contact relatable framework. We analyze the Bureau stacks, the CRED Bureau stacks, as well as the liabilities data which is available from the Company as well as some alternate data that we get, through arrangements with some Fintech and try to do a holistic underwriting on the customer. We make sure that we calculate the aggregate debt burden of the customer as well as the fixed obligations to income ratio before we lend to any customer whether be it a rural customer or an urban customer. As I said, we have very sound risk management policies where we not only holistically underwrite the customer from his ability to pay but also from his willingness to pay as well. We have also a very strong risk control unit to tackle any fraud on ground which might not might be credit related risk, but mostly fraud related risk. So overall through all this we are trying to make sure that our risk costs continually sort of projects down. And as you would have noticed from the sort of the results that we have declared as of Q4FY24, our NS3 is about at 0.7 levels, which is again one of the lowest levels that we have reported in the last couple of quarters. But it is our continuous effort to bring the cost, the risk cost down even much, much more. With regard to Mudit Cements, I will request our Chief Financial Officer, Mr. Sachinn Joshi to take that question.

Mr. Sachinn Joshi, Chief Financial Officer:

Thank you, Sudipta. Good morning, Mr. Kotwani, with regards to Mudit Cements, this was actually a company which held only one property. This was acquired as part of the security

which was provided to us as a collateral. This property has been sold off for a value of Rs. 26 Cr and we had an overall gain of about Rs. 6 Cr on this transaction.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir. Mr. Bimal Kumar Aggarwal.

Moderator:

We request speaker to put the video on before speaking.

Mr. Bimal Kumar Aggarwal:

Hello, can you hear me?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Agarwal ji, please say.

Mr. Bimal Kumar Aggarwal:

Good morning to everyone. First of all, I thank the Company Secretary, management, the staff and the shareholders. Also, first of all, Sir, you should have taken all the questions first and given all the answers at last. It would become irritating for the shareholders who are at the end to wait for so long. You don't give answers to one on one shareholder, we have to wait for hours, it becomes irritating for other shareholders and I have already supported all the resolutions. I will come to the question. The Company has performed exceptionally well during FY24 and reported good operational performance. Please provide insight into the management strategy to achieve revenue growth and margin improvement and I have already supported all the resolution and also tell me what we are doing for the global warming. That's all from me. Thank you very much.

Mr. S.N. Subrahmanyam, Chairman:

Thank you for your suggestions and we'll keep it in mind.

Our next speaker, Mr. Yousuf Younis Rangwala.

Moderator:

Please we request speaker to put the video on before speaking.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Yousuf Younis Rangwala.

Go to the next otherwise. Mr. Srikanth Jhawar.

Moderator:

We request speaker to put the video on before speaking.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Srikanth Jhawar.

Mr. Srikanth Jhawar:

Sir, am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Yes yes, you are, good morning to you.

Mr. Srikanth Jawar:

Respected Chairman and all Broad of Directors, thank you for registering me as the speaker. I would request you to keep these meetings in video conferencing only. I would like to apologize to Mr. Nagaraajan Iyer Sir, who was calling me but I was not able to respond.

Sir, please elaborate on the Rs. 150,000 Cr borrowings which was approved through postal ballot in January or February, and Sir as you had mentioned that there were 1,000+ branches, please tell me how many are in rural area and how many branches are proposed to be opened this financial year. I would request you to explore marketing platforms like Youtube, Facebook and Instagram. I am very confident in the L&T group in terms of wealth creation for shareholders. Thank you and happy Diwali and hope that you continue this video conference meetings.

Mr. S.N. Subrahmanyam, Chairman:

Yes Sir, we would also like to continue with the video conference. All your suggestions have been taken into consideration and we will act accordingly. On the borrowings, they were all for the regular business purpose as the debt to equity is hardly 1:4, so the Company can do the regular borrowings.

Rural branches, is nearly about 1,700 branches and these are small leased offices to help the local sales and people to have a place of L&T Finance. We will continue to expand it as the business volume grows depending on the number of people there, number of areas that we are operating in. Thank you for your suggestion on digital platform YouTube or social media. We will increase our presence wherever required and we are at a good position in terms of that but if it is required, we will increase, to enhance the reach of L&T Finance, to enhance the brand of L&T Finance and to enhance customers. We will do that. It's a very good suggestion from your side and we will take it forward, Sir.

Thank you very much.

Mr. Kaushik Narendra Sahukar.

Moderator:

We request speaker to put your video on before speaking.

Mr. Kaushik Narendra Sahukar:

Respected Sir and all guests. Good morning to all. I hope I am audible Sir.

Mr. S.N. Subrahmanyam, Chairman:

Audible and visible, Sir, please go ahead. Very nice to see you.

Mr. Kaushik Narendra Sahukar:

Yes, Sir. Very good, Sir. It is an honor to stand before this gathering today. I extend my heartfelt gratitude to the Board of the Company for granting the opportunity. So, the part of this important event, my only concern with respect to our Company is, I note the absence of significant corporate action such as bonus, splits, merger, demerger aimed at enhancing shareholders wealth. Are there any plans for such initiative in near future? Before I conclude, I want to express my sincere gratitude to entire secretarial team, including Mr. Nagranjaan Iyer and team for connecting with me and granting an opportunity to be part of such a memorable event. Sir, will Jio pose any competition to us, if yes, how? Finally, I propose utilization of the substantial saving from the virtual mode of this meeting for the benefit of speaker shareholders. This would involve arranging small get together, maybe one day trip for shareholders or distributing tokens of appreciation such as sweets or small gift to our esteem speaker shareholder during festivals. Furthermore, I would greatly appreciate your assistance in facilitating interaction with the auditor for potential engagement in professional endeavor and given our professional affiliation. I'm confident that such a collaboration would prove mutually beneficial for both parties involved. Thank you for all your attention.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Mr. Kaushik Narendra.

We don't have any plans for mergers, acquisitions at the moment. Most of L&T group is grown organically. L&T Finance is also grown like that and at the moment the idea is to concentrate on retalisation of the Company and that will be the main focus. There will be other companies that will enter the market. Free competition has to be faced. We are pretty confident about what we are, where we are, how we are and where we need to go and we will continue on our path. On gifts to shareholders, we have given a good dividend. The share price as such has gone up. These can be considered as gifts, if you don't mind and we'll continue to profess the right way to give a gift is to enhance the shareholder value and we will continue to do that Sir.

Thank. You very much.

Mr. Satish Jayantilal Shah

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Dileep kumar Jain.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Kirti Jayantilal Shah.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Swaran Lata.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Aspi Bamanshaw Bhesania.

Moderator:

Speaker is not available. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Bharat Mulchand Shah.

Moderator:

We request speaker to put the video on before speaking.

Mr. Bharat Mulchand Shah:

Sir.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Sir, we are here. We are able to hear you slightly. Please come closer to the mic and speak.

Mr. Bharat Mulchand Shah:

Hello, Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Good morning, Sir. Good morning.

Mr. Bharat Mulchand Shah:

Respected Chairman Sir ji, MD Sudipta Roy Sir, Shankar Raman Sir, and other respected directors, myself Bharat Shah, I am a shareholder of L&T since the issue time. I have no query Sir; the Company is working properly and the share price is also moving upwards. I congratulate you Sir. Sir, the dividend is still very less, and I hope it increases in the future and please think about issuing bonuses too. I giving my best wishes to you Sir on CSR activities. Sir I congratulate to you on the awards and Sir do tell us about the 5 years future program. I also want to congratulate the Company Secretary, Apurva Rathod and her assistant Mr. Nagaraajan ji and all the team members on their hard work and respect for the shareholders and constant response to all queries of the shareholders. I would also request you to keep the AGM in physical mode so that we can meet on a yearly basis. Although government had introduced VC mode of meeting during the pandemic situations, but you can keep the meeting in hybrid mode so that shareholders residing far can also get a chance. I also hope you to keep a get together for speaker shareholders after Diwali so that we can meet you for 5-10 minutes as meeting through VC is not possible.

Mr. S.N. Subrahmanyam, Chairman:

Sir, your opinions have been noted and taken seriously and we'll be doing as much we can from our end.

Mr. Bharat Mulchand Shah:

Sir, I support all the resolutions. Thank you very much. Jai Hind Sir. God bless you Sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, thank you, enjoy!

Mr. Om Prakash Kejriwal.

Mr. Bharat Mulchand Shah (Ms. Smita Shah):

Hello Sir.

Mr. S.N. Subrahmanyam, Chairman:

Hello, Lata ji.

Moderator:

Sir Ms. Smita Shah is there.

Mr. Bharat Mulchand Shah (Ms. Smita Shah):

Yes, Sir Smita shah here.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Smita ji, how are you?

Mr. Bharat Mulchand Shah (Ms. Smita Shah):

I am fine Sir, how are you?

Mr. S.N. Subrahmanyam, Chairman:

If you are fine then we are fine.

Mr. Bharat Mulchand Shah (Ms. Smita Shah):

Sir, we want to meet you face to face, now we are meeting you through this video only, but face to face meeting will make it much better.

Respected Chairman Sir, Shri S N Subrahmanyam ji, MD & CEO Sudipta ji and our recognized Shri Shankar Raman ji and all other directors present, greetings from my behalf. Very good morning and good day.

Sir, I want to congratulate all the employees on the star awards, long service awards and the trust which you have obtained from them Sir. The Company has its name recognized in the finance sector and along with great performance, the Company is growing. Along with all the reputed Board of Directors of the Company, the hard work performed by the MD Sir, is all because of your leadership and all our employees. With the blessings of Shri Ganesh ji, I give my greetings to you Sir on great performance of the Company. Secondly, the activities done for the employees to motivate them and the activities done for the women employees is very great and I am happy for that. Sir, I want to know the total number of women employees in our Company and facilities provided to them. I want to thank you for increasing the dividend from Rs. 2 to Rs. 2.5 this year. Sir, you have my full support and I am supporting all the resolutions and lastly, I would like to tell you that balance sheet is very good, excellent and attractive with full of information and bulky. Sir, please tell me the cost of this. We have also received the physical copies of the annual report. I would like to thank the secretarial team, Ms. Apurva Rathod, and Nagaraajan ji for the follow ups done along with excellent investor services which provided an opportunity to speak with you today. You have my best wishes and I Hope we meet in person. Stay healthy and keep smiling.

Mr. S.N. Subrahmanyam, Chairman:

Thank you Smita ji. Lovely to hear your voice, hearing your voice motivates us and your blessings will always motivate us. Thank you very very much.

Total women employees in the Company are ~1,400. Women are very strong powerful women and they are pushing the Company towards achieving greater results and all your other suggestions we have noted and we will take it forward. The advice provided for dividend is taken into consideration and it is better to keep the money within the Company as a finance

company as such, it helps to grow the Company even faster but whatever we can, we will do to make the shareholders happy. Please be rest assured about that.

Mr. Om Prakash Kejriwal.

Moderator:

We request speaker to put your video on before speaking.

Mr. Om Prakash Kejriwal:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Yes, *ji* Sir, Good Morning to you.

Mr. Om Prakash Kejriwal:

Just a minute Sir.

Mr. S.N. Subrahmanyam, Chairman:

We can hear you.

Mr. Om Prakash Kejriwal:

One minute One minute... Am I audible and visible?

Mr. S.N. Subrahmanyam, Chairman:

You are audible and visible also.

Mr. Om Prakash Kejriwal:

Thank you thank you Sir, Good morning, Sir ji.

Mr. S.N. Subrahmanyam, Chairman:

Good morning, Sir

Mr. Om Prakash Kejriwal:

Good morning, Sir and good morning everybody attending this AGM. Myself Om Prakash Kejriwal your equity shareholder from Kolkata. Thank you, Sir ji for providing me the platform to speak something before you. Thanks to our Secretary Apurva Madam and thanks to Nagaraajan ji for helping me in registering as a speaker shareholder. Both are a very helping nature employees, thank you. Sir ji this is my first AGM, due to virtual though I am your very old shareholder. It is just an opportunity for me to join this AGM by sitting in Kolkata. If possible, please follow this virtual AGM next year too so that more and more investor, more and more shareholders can join our AGM from different parts of the world and express their views. Sir ji what a performance, what a mind-blowing results. I congratulate all the Board of Directors and all employees for providing these excellent results. On equity of Rs. 2,489 Cr, our revenue is Rs.14,055 Cr and reserves are Rs. 20,949 Cr and net profit is Rs. 2,326 Cr on consolidated basis, it means EPS is Rs. 930, previous year it was Rs. 6.54 and dividend is Rs. 2.50 per share and previous year it was Rs. 2, very good performance Sir ji, once again many congratulations to all of you. Sir ji India is growing and so is our Company, L&T is growing, L&T group is growing. Sir ji I have few questions, are there any plans to exit? Is L&T planning to exit our Company i.e. L&T Finance Limited because some time back you people have sold our mutual fund business. Sir ji for Micro Finance business, please apply Bandhan bank type style to enter into Micro Finance business because they are doing it in very profitable way. For Property Finance business, any plans to enter any agreement with promoters and developers of the properties, like HDFC Limited, they were doing very good in entering in agreement with the promoters. At last Sir ji please maintain your smile and be cheerful. We are already with you as a long time investor. Thank you. Thank you, Sir ji.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Kejriwal *ji* you're dressed in a very handsome kurta and that is pretty attractive and we liked it very much and thank you very much for taking the efforts all the way from Kolkata to join virtually. We would like to continue this virtuality because more and more shareholders get the opportunity to participate. But it also depends on the regulations and guidelines that we get as to whether we can continue with the virtuality or we need to have physical meeting but even if that is there, we will try to do it in hybrid mode Sir, be rest assured and we'll always give an opportunity to great shareholders like you who have been right from the beginning to always give your views and air your thought process on how we perform. As I am categorically stating in front of you that we have no plans to exit L&T finance at all. At the moment, the Company is doing well. It has become a total retail finance company and that is what it is and that's where it will be, and we will do whatever we can from L&T side to keep the Company moving forward. At the moment, L&T finance is a self - sustained company it does not need any backing from L&T. It has got its good balance sheet, it's got a very good P&L account and it's capable of standing on its own feet from a small kid, to a boy, it has become a teenager and now slowly gearing to be a man and it will continue to take that forward in its own way. The promoters and the real estate is part of the normal business process. When we give loans, home loans or loan against properties we do tie up with promoters or major companies to see on how our loans can be distributed in a better way on the retail side and we will continue to apply our minds to deal with the good promoters so that adds to our name the people involved in buying their houses, which is one time life savings, feel comfortable and good about it. Thank you very much.

Mr. Dinesh Gopaldas Bhatia.

Moderator:

We request speaker to put the video on before speaking.

Mr. Dinesh Gopaldas Bhatia:

Sir, Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Yes ji, Good Morning, how are you?

Mr. Dinesh Gopaldas Bhatia:

Good morning, Sir, I am fine. I am switching my video on, just a minute Sir, but the video is not starting.

Mr. S.N. Subrahmanyam, Chairman:

Your voice is great and audible enough to start.

Mr. Dinesh Gopaldas Bhatia

Chairman ji, firstly I would like to congratulate entire team for their great work as the same is getting reflected on our share price on BSE and NSE. The share price which was at Rs. 10 as face value has been increased to Rs. 181-182 which is 18 times. Secondly, I would also like to highlight that you have sold off those units which are not profitable and increased our finance which is a good thing. We can also see that the share price as compared to the last year's price which was ~Rs. 85-86 ...sorry, the share price was between ~Rs. 114-120, but this year the share price has increased to ~Rs. 180-186 which shows the progress and efforts of the team and every new and unique ways to move the Company forward. I am with you in this and the services provided by the secretarial team by providing reminders to join the meeting is a very good initiative. There were 5 AGMs at 11 a.m. today, but I have joined the AGM of this Company. As you have seen, many of the speakers have not joined because of this. I have joined this meeting specially because of the reminders given by secretarial team and the progress which this Company is making. I saw that our turnover revenue is Rs. 13,574.43 Cr and our profit is Rs. 2,286 Cr. One of the good things is that we are getting Rs. 9.20 profit on Rs. 10 per share. I wanted to one know one thing that in December, we had revenue of Rs. 3,533 Cr as compared to March revenue which was Rs. 3,369 Cr, which has increased, but the net profit has reduced which was at Rs. 544.48 Cr in March as compared to Rs. 635 Cr in December, which raised some queries. Although, I have no questions for you due to the efforts put in by you on decreasing the NPA, even though the Company is an NBFC. I congratulate the entire team and secretarial team. Thank you and all the best.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir, your kind words have motivated the entire management team and whoever is listening, and our performance is also based on your kind words.

To answer your question, yes you are very right, you are very lovely in observing that small decrease in net profit, it is because we've been more conservative in the organisation and as you can see now the balance sheet is very clean, very good and robust and we want to take it forward as such and this year's performance will be as good as one can imagine. So, be rest assured about it. But your words are really ringing a bell in our head. Whatever you have spoken is through your heart, which makes us feel good and we will do our best to satisfy the shareholders. Thank you very very much.

One last question Ms. Lekha Satish Shah. Are you available now?

Moderator:

Chairman Sir, Mr. Aspi Bhesania, speaker number 20 is available.

Mr. S.N. Subrahmanyam, Chairman:

Okay, Mr. Aspi Bamanshaw Bhesania.

Moderator:

We request speaker to put the video on before speaking.

Mr. Aspi Bamanshaw Bhesania:

Sir, can you see me and hear me?

Mr. S.N. Subrahmanyam, Chairman:

We can hear you Sir, but we cannot see you... But we can see you also now Sir, please go ahead.

Mr. Aspi Bamanshaw Bhesania:

Thank you for giving me an opportunity. At the outset, I'll congratulate the management on very good result for the year but as mentioned by my predecessor, the Q4 profits were slightly down. I hope Q4 results are not repeated and the whole year profit is repeated in the next year. Then secondly, I would request you to please mention the speaker number so that we know when we enter in between otherwise one has to just sit for their names to be called. In Asian Paints, they've done a very good job by not only having the meeting at 11:00 o'clock but also, they have created a Whatsapp group where we can just keep on watching which speaker number is going on and when our turn will come. So, I request you to do something like that, either mention the speaker number or make a Whatsapp group. Sir, thank you very much and all the best for the future.

Mr. S.N. Subrahmanyam, Chairman:

Yes Sir, very good suggestion. We'll see how to implement it next time. Thank you very much. Any other speaker left?

Moderator:

Next speaker is speaker number 2, Ms. Lekha Satish Shah.

Mr. S.N. Subrahmanyam, Chairman:

Yes ji, Ms. Lekha Satish Shah, we were missing you.

Moderator:

We request speaker to put the video on before speaking.

Ms. Lekha Satish Shah:

Hello, am I audible Sir. Hello? Sorry, I missed you.

Mr. S.N. Subrahmanyam, Chairman:

Yes, we were missing you, madam.

Ms. Lekha Satish Shah:

Hello?

Mr. S.N. Subrahmanyam, Chairman:

We are able to hear you.

Ms. Lekha Satish Shah:

Sorry, I'm extremely sorry 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'm very much thankful to our Company Secretary Apurva ma'am specially Nagaraajan *ji* for sending the AGM notice well in time which is full of knowledge, facts and figures are in place. I'm also thankful to our Company Secretary and Nagaraajan *ji* for the best performance and always providing outstanding support for all my doubts. Once again thank you so much Nagaraajan *ji*. Thank you, Chairman Sir, for explaining as well. Congratulation for the excellent work Sir. Sir I prayed to God that he always showers its blessings upon you. Chairman Sir, I hope that the Company will continue video conferencing meetings in future. Sir, I have no questions to ask to you since you have explained everything so well. I strongly support and congratulations first for today's meeting. Thank you so much Sir.

Mr. S.N. Subrahmanyam, Chairman:

Lekha *ji*, no L&T AGM is complete without your presence or your voice, you will come and honor us with your presence and ask and say what you had to say, makes us very, very happy and I feel very delighted. Thank you very very much.

Moderator:

Speaker number 19, Ms. Swaran Lata.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Swaran Lata

Moderator:

We request speaker to put the video on before speaking.

Ms. Swaran Lata:

Hello, Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Lata *ji*, you are not only audible but reverberating in our ears. Please tell us how are you?

Ms. Swaran Lata:

Ok, Ok. Thank you very much Chairman Sir. Sir I got disconnected when my name was called, I guess I missed it because of that, I just wanted to say that since already the time has been long for the meeting and all previous shareholders have already raised a lot of queries, it clears all my questions. I don't have any query. Our Company is doing very well so I want to congratulate you and I want to thank you and the whole staff for their hard work. Also, I would like to thank the secretarial department and our Company Secretary. She has given us reminders and even sent the link on e-mail as well as mobile phone to join this AGM and also sent the Annual Report to me on request. So, I just want to say thank you to the whole team and the management and the Board of Directors for your hard work and I hope you will keep conducting the AGM on video conferencing that allows us to interact with you from anywhere in India, anywhere in the world. Thank you, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Madam and good wishes to you, the very best. Thank you.

Moderator:

Speaker number 13 Mr. Yusuf Rangwala.

We request speaker to put the video on before speaking.

Mr. Yusuf Yunus Rangwala:

Sir vanakam Sir, Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Haan ji Sir vanakam Sir.

Mr. Yusuf Yunus Rangwala:

Yes sir *vanakam Sir*. Sir I have no words to speak about the Company, it is very delightful sir. As you mentioned earlier, that the CSR department is handled by the Company Secretary, also the overall Board is also very good. Sir, you have announced Rs. 2.50 as dividend over face value of Rs. 10. Also Mr. Nagaraajan had called me for attending this meeting, which shows how this Company has been maintaining investor services. Sir my humble request, to conduct the next AGM in the first week of June as there were 4 meetings today and I had to leave all the meetings.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir, thank you, thank you so very much.

Moderator:

Chairman Sir, we are done with the speaker shareholders.

Mr. S.N. Subrahmanyam, Chairman:

Okay

So, thank you everybody. The e-voting facility will remain open for 15 minutes from the end of the AGM to enable those members who have not casted their votes and would like to cast their votes. We are grateful to all our members and directors who have participated through the video conferencing facility.

I now declare the meeting as closed.

Dear shareholders, my colleagues thank you very, very much including our esteemed Board members.

Thank you very much for participating. Thank you, Namaskar, *Jai hind*.