

TRANSCRIPT OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF L&T FINANCE LIMITED (FORMERLY KNOWN AS L&T FINANCE HOLDINGS LIMITED) HELD ON TUESDAY, JUNE 3, 2025 AT 10.30 A.M. (IST) THROUGH ELECTRONIC MODE (VIDEO CONFERENCE OR OTHER AUDIO-VISUAL MEANS) AND CONCLUDED AT 12:47 P.M. (IST).

Mr. S.N. Subrahmanyam, Chairman:

Dear Members, Good morning and a warm welcome to the Seventeenth 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 and SEBI. I thank you for taking time off to join us today.

I am attending the AGM from the registered office of the Company at Mumbai. My 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 and IT Strategy Committee of the Company;

Mr. Mathew's second tenure with the Company as an Independent Director is ending on June 30th this year. I would like to express, on behalf of the entire Board, our sincere gratitude for his invaluable service and commitment over the last 10 years as an Independent Director of the Company.

To be honest, on behalf of all of you, I would like to sincerely thank Mr. Mathew for the phenomenal service that he has done not only to L&T, but also to L&T Finance Limited as its Board Member. A fantastic person to have on the Board, very incisive, very thoughtful, not too much spoken, but relevantly spoken person and a great colleague to have and a great mentor and friend to have. We will miss him for sure and on behalf of the shareholders, on behalf of my colleagues in the Board, on behalf of entire L&T Finance Limited, all its staff members, stakeholders, I would like to thank him for the

great person that he has been, for the great Member of the Board that he has been and for the fantastic partner that he has been in the Board.

- Dr. R. Seetharaman, Independent Director and Chairman of the Audit Committee and Special Committee for Monitoring and Follow-up of Cases of Frauds of the Company.
- 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.
- Ms. Nishi Vasudeva, Independent Director and Chairperson of the Risk Management Committee of the Company is attending the AGM of the Company from Mumbai.

Along with the Directors, we also have the Members of the Group Executive Committee of your Company including Mrs. Apurva Rathod, Company Secretary and Mr. Sachinn Joshi, Chief Financial Officer 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, 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 be taken as read.

This year marks a significant milestone for your Company as it completes 30 glorious years of empowering aspirations. The financial arm of the Larsen & Toubro Group has

successfully transitioned into a customer-centric retail finance company over the years, financially uplifting people across rural and urban India and helping them achieve their dreams. The Annual Report captures the essence of your Company's 'Digital@ Core' philosophy and its unwavering commitment to deliver customer-oriented and technology driven innovative offerings in a responsible manner.

In 2024, the global economy has shown remarkable resilience in the face of an array of challenges such as geopolitical tensions, high inflation, climate events, and financial volatility. This adaptability has been instrumental in averting an economic downturn. The Indian economy has remained steady as well, duly supported by strong macroeconomic fundamentals, large domestic consumption, and consistent policy support to emerge as the fastest-growing major economy in the world.

In India, financial inclusion is pivotal to achieving the 'Viksit Bharat' goal by 2047 to ensure that growth is both broad-based and equitable. As the country progresses, demand for credit is expected to grow multifold, especially among the Micro, Small and Medium Enterprises (MSMEs) and the retail sector. Providing access to credit to cater to the diverse needs across geographies in the fastest and most efficient manner through transformational Artificial Intelligence and technology will be crucial in the financial inclusion of economically unserved and underserved people.

Thus, investments in the thriving AI and technology sectors are expected to play a key role in this digitisation drive. The finance minister in the Union Budget FY26 speech referred to sectors like Agriculture, MSME, Investment, and Exports as four powerful engines of the development journey. As these sectors drive India's growth story and more people gain access to formal lending systems, transforming the Indian financial services landscape, it gives me great pleasure to note that your Company is at the forefront of this transformation story.

Before we move to FY25 performance, it is important for me to take a pause and reflect on the progress on our Lakshya 2026 goals and strategic initiatives undertaken by your Company.

Your Company, with a view to effectuate the transformation from a wholesale dominated franchise to a technology-driven retail finance company, carried out a re-organisation of its

business verticals and exited non-lending businesses like wealth management and mutual fund business, coupled with a systematic accelerated reduction of the wholesale business.

To make this transformation seamless, another strategic initiative taken was the creation of a 'Single Lending Entity' by consolidating all lending businesses under one operating NBFC in FY24. This led to the creation of a simplified corporate structure which helped build robust execution structures.

Further, as part of its succession planning, your Company witnessed a smooth transition of leadership in FY24, with Mr. Sudipta Roy, having extensive experience in retail and digital lending, taking over as the Managing Director and Chief Executive Officer of your Company in January 2024. This aimed at accelerating your Company on the path of becoming a cutting-edge digital retail finance company.

Further, with an aim to quicken the decision-making process, localising problem-solving at the origin and significantly enhancing customer experience, a new structure of Regional Business Head was created within your Company. This role is entrusted with the ownership of regional P&L spanning across businesses and shouldering the responsibilities of delivery and growth, compliance and quality improvement, product promotion and marketing, and capability building.

Also, as a move towards enhancing its high-yield secured book exposure, your Company announced its entry into the gold loan business. This also aligns with your Company's Lakshya 2026 strategy, which focuses on tapping new geographies and growing its customer base while delivering value to its stakeholders.

Additionally, the gold loan business undertaking complements your Company's existing portfolio and allows it to capitalise on the significant overlap with its current customer base of Rural Group Loan and Micro Finance operations. I am confident that this will be a key driver of future profitability.

Regarding performance against Lakshya 2026 goals, your Company achieved the said goals at a retail level in FY24 and reoriented itself to converge at a consolidated level by FY26. The Lakshya goals being:

- >95%: Retailisation

- >25%: Retail Growth CAGR
- GS3 <3% and NS3 <1%: Asset Quality
- 2.8-3%: Return on Assets

Today, as we reflect on the milestones achieved against Lakshya 2026, your Company has achieved 97% retailisation at the end of FY25, while rapidly reducing the wholesale book. Your Company saw 19% Y-o-Y growth, while for the overall period from Q4FY22 - Q4FY25, your Company has actually grown at 28% compounded annual growth rate and the wholesale book was reduced to ~Rs. 2,500 crores at the end of FY25, a reduction of 53% Y-o-Y. On the asset quality side, our portfolio has shown resilience in a difficult credit environment, with consolidated GS3 and NS3 remaining stable at 3.29% and 0.97%, respectively, while achieving the highest-ever annual consolidated RoA of 2.44% in FY25.

The aforesaid performance was achieved by your Company despite a challenging operating environment and credit quality challenges in the microfinance sector during the year. Your Company has a robust business model, strengthened credit and risk guardrails, proactive on-ground measures and a relentless focus on restoring collection efficiency.

Let me now cover the highlights of FY25:

- Enhanced New Customer Acquisition and Farming of Good customers:

The focus has been on enhancing your Company's new customer acquisition funnel while harvesting its existing customer database of ~2.6 crores and increasing up-sell and cross-sell of products to its good customers. Your Company's rural franchise is among one of the highest in the NBFC sector, with ~1.7 crores rural customers and 90 lakh customers from urban areas.

The deep PAN India retail franchise is led by its distribution capabilities covering ~2 lakh villages from 2,000+ rural branches and over 200 urban branches. This extensive geographic presence is also supported by 13,000+ distribution touchpoints built over a decade.

- Extensive Use of Digital and Data Analytics:

Your Company remains committed to becoming one of the preeminent technology driven lenders in the country, with building technology infrastructure to drive variety, volume, velocity, and veracity. Towards this, the next-gen initiatives undertaken during the year were:

- Launched Project Cyclops, an in-house-developed AI-driven, next-gen digital credit engine determining the repayment capability and credit quality of potential customers using ML-based ensemble scorecards. With this, your Company is on the path to make its underwriting capabilities even more comprehensive and accurate, enabling it to make faster and more informed decisions at scale. This will result in improving the quality of customers being onboarded, thereby improving overall asset quality.
- Sealed partnerships with key fintechs like CRED and market leaders like Amazon Pay and PhonePe.
- Our customer-facing application - PLANET App, which was soft launched in March 2022 has emerged as a powerful digital channel for our customers. The app has already crossed 17 million downloads, which also comprises ~16 lakh downloads by our rural customers, which is really stunning.

- Recognised as a Great Place To Work®:

The certification reflects our dedication towards our employees and on creating a workplace culture that is built on credibility, respect, fairness, pride, and camaraderie. Your Company has also introduced a series of employee-friendly policies for better employee engagement.

- Significantly Ramped-Up Presence of Brand LTF:

Your Company successfully conducted marketing campaigns for its products, leading to a ramp-up of brand LTF and onboarded Jasprit Bumrah, the ace Indian cricketer, as the Brand Ambassador.

Your Company also conducted R.AI.SE, India's premier BFSI-focused AI conference showcasing practical use cases of AI in the financial services domain.

- ESG Focus:

Your Company's ESG journey started in 2018-19, and currently it has the best-in-class ESG ratings in the BFSI sector. Your Company has adopted the goal of achieving carbon neutrality by 2035 and is well on track to achieve the same. In FY25, your Company also maintained the status of being water surplus.

Your Company is among the 1st in the Indian NBFC sector to conduct a Double Materiality Assessment as well as becoming a signatory to the Partnership for Carbon Accounting Financials for measuring its environmental footprint.

Recognising the importance of diversity, the Company has also rolled out various programmes specifically designed to empower women, alongside significant policy changes that support a more inclusive environment. The efforts taken during the year have led to an uptick of women hirings by 4x in the field-level positions in the Rural Business Finance, with the overall women representation standing at 5.4% against 4.6% last year.

On the social front, your Company's flagship CSR programme, the 'Digital Sakhi' project, has created a cadre of over 2,000 Digital Sakhis who have benefitted more than 54 lakh individuals and helped upskill around 17,000 women entrepreneurs since its inception in 2017.

I am confident that by embracing innovation, we will continue to redefine the boundaries for growth while driving efficiency and productivity across all aspects of our businesses. Our ambitious goal is to emerge as a 'Bigger, Leaner, and Stronger' organisation. Our 'Can Do, Will Do, Will Get It Done' mindset encapsulates our unshakeable determination to deliver results and exceed expectations.

Finally, I wish to express our sincere appreciation to all our stakeholders and Board members for their steadfast support and belief in LTF. Your trust is fundamental to our success and inspires us every day. As we move forward, we remain deeply committed to generating value and achieving sustainable growth.

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

Ms. Apurva Rathod, Company Secretary:

Thank you so much, Sir.

- 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@ltfs.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, May 31, 2025 from 9:30 a.m. (IST) to Monday, June 2, 2025 until 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 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 to the Chairman.

Mr. S.N. Subrahmanyam, Chairman:

With the permission of the Members, I will now commence transacting the business contained in the Notice dated April 25, 2025 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, 2025 and the audited consolidated financial statements of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2025.

Resolution No. 2:

To declare a dividend of Rs. 2.75 per share on the equity shares of face value Rs.10 each.

Resolution No. 3:

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

Resolution No. 4:

To appoint Mr. Dhananjaya Tambe as an Independent Director of the Company with effect from July 1, 2025.

Resolution No. 5:

To appoint M/s. Alwyn Jay & Co., as the Secretarial Auditor of the Company.

The appointment of M/s. Alwyn Jay & Co, as the Secretarial Auditor of the Company is in accordance with the requirements of SEBI (LODR) Regulations, 2015.

Resolution No. 6:

To alter the Articles of Association of the Company.

The Company had entered into an Investment Agreement dated September 21, 2015 with Bain Capital in relation to the acquisition of shares. In view of the aforesaid, the Company vide postal ballot notice dated September 21, 2015 had amended its Articles of Association to reflect the terms of the Investment Agreement.

Further, the Investment Agreement same was terminated effective June 13, 2024 on account of sale of entire shareholding by Bain Capital. In light of the said termination, the provisions as per the above stated postal ballot notice are no longer applicable. It is therefore, proposed to modify the Articles of Association of the Company to delete the terms inserted basis the Investment Agreement.

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 Integrated Annual Report up to a maximum period of three minutes.

I'll now call out the name of each speaker and you may please ask your questions.

Speaker No. 1 is Mr. Sarvjeet Singh.

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Mr. Sarvjeet Singh:

Hello Chairman sir, can you hear my voice?

Mr. S.N. Subrahmanyam, Chairman:

Of course, sir. How are you? Good morning to you.

Mr. Sarvjeet Singh:

Can you hear my voice?

Mr. S.N. Subrahmanyam, Chairman:

Please continue, sir. Good morning.

Mr. Sarvjeet Singh:

Chairman sir, first of all, Good Morning to you, all the Board of Directors, all the staff of L&T Finance and my shareholders.

Chairman Sir, the way you presented the Company in your opening remarks gives us a clear vision that our Company has a bright future. Chairman Sir, I just want to say that currently our promoter holding is around ~51%. Since the government allows it to be up to 75%, are we planning any buyback or similar scheme to increase this? Please tell us a little about that.

Chairman Sir, I also want to say that looking at how our Company's share price is performing day by day, we are fully confident that your hard work will provide us with the best possible returns.

Finally, Chairman Sir, I'd like to request that every shareholder who connects with you all at the AGM should definitely receive a Company diary with your signature on the first page.

Thank you, Sir. Thank you so much for giving me a chance.

Mr. S.N. Subrahmanyam, Chairman:

Sarvjeet ji, Thank you very much. Very good questions as a shareholder. All shareholders will ask what you asked. We have declared a very good dividend this year, Rs. 2.75 per share. As you know, it's a finance company. We have to keep some money with ourselves. We keep on investing. That is the primary objective of the Company to multiply shareholders' wealth.

You've seen how much the share price has grown. Now, place your trust in the management and the Board of Directors. We are dedicated to our service. We are doing everything we can, and we are here to serve you.

We will consider a buyback or bonus when the timing is right and the Company has enough funds. Right now, the Company is doing well. Our balance sheet is strong, our profits are good, and our NPAs have significantly dropped with NS3 also at 0.97%. The Company is moving in the right direction. We are committed to doing what's best for our shareholders.

Thank you.

Speaker No. 2: Mr. Satish Jayantilal Shah

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Mr. Satish Jayantilal Shah:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Satish ji, How are you?

Mr. Satish Jayantilal Shah:

I am fine, first class. Good morning.

Mr. S.N. Subrahmanyam, Chairman:

Maja ma?

Mr. Satish Jayantilal Shah:

Ek dum maja ma.

Chairman Sir and other Directors, my name is Satish Shah. You explained about the Company very well in your speech, sir. We also received a good dividend, and the Company's performance was good this year. So, I would like to know what is the Company's dividend policy and I fully support all the resolutions you have put forward.

Thank you. Wish you all the best.

Mr. S.N. Subrahmanyam, Chairman:

You have seen that we have been paying dividends for about 5 years now, with a slight reduction only during the COVID period. Last year, we paid Rs. 2.50 per share, and this year it is Rs. 2.75 per share. Our dividend policy is truly for our shareholders, we are increasing it as much as we can.

You know, this isn't a company like L&T or L&T Mindtree where we can distribute as much dividend as we want. This is a finance company, and our job is to retain funds, invest them, increase profit, and ultimately grow shareholders value. We are giving as much dividend as we can, and we are doing everything possible. Please keep your trust in us; your investment will continue to grow. Have faith in that and continue as a shareholder.

Thank you.

Mr. Manjit Singh

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Mr. Manjit Singh:

Am I audible Sir?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Sir very clearly and loudly,

Mr. Manjit Singh:

Good morning Sir.

Mr. S.N. Subrahmanyam, Chairman:

Good morning to you.

Mr. Manjit Singh:

Management team, secretarial team, and my co-shareholders, I welcome you all.

The attention you're giving to reducing NPAs is evident from the new Board members you've introduced, specifically appointed for handling fraud cases. I hope and expect that this will certainly help in curbing our NPAs. If you could tell us more about how focusing on NPAs has helped reduce them, it would give us better insight into the Company. Also, similar to how things operate in Mumbai, here in the North Zone, there are many demolitions by local authorities and the MCD. Does this affect the financing we have provided to people in those areas? We connect our financed customers with insurance to prevent NPAs, but given the

increased activity of the 'yellow claw' (demolition drives) by local authorities in northern states, does our financing get impacted?

You also mentioned in your speech that we provide financing in rural areas. As the monsoon season approaches, does this affect our financing? Are the people we finance connected with insurance in those areas? Please tell us more about this.

Finally, the fact that we were able to conduct this AGM within ~60 days of March 31st book closing is remarkable. This means our balance sheet was prepared on time, and we conducted this AGM very smoothly and quickly. Your secretarial department certainly deserves praise for this. Many thanks to them for connecting us with you all.

I thank the management team, the secretarial team and thank you, Sir. Thank you.

Mr. S.N. Subrahmanyam, Chairman:

Manjit ji, you've proven to be an excellent shareholder; your questions were truly pleasant to hear.

You might have noticed that in FY21-22, our NPAs were ~1.98-2% and today, our NS3 stands at just ~0.97%. We faced significant challenges in the wholesale sector, specifically with loans given to infrastructure or real estate companies. We've now substantially reduced these. Currently, only about ~Rs. 3,000 crores remain in that segment, as we've successfully exited or liquidated many such loans. The Company is now safe and performing well. While we might face challenges from monsoon or weather conditions, we're now using AI, digital, Cyclops, and our PLANET app to thoroughly analyse every borrower. We gather extensive data, study their past loan repayment behaviour, and assess them from various angles before sanctioning loans. We put a lot of effort and attention into this process. Our Board and management committees meticulously analyse risks before any proposal moves forward. Therefore, I am confident that the Company is moving in the right direction. Our NPA is currently at 0.97%, and we are continuously striving to reduce it further. Please be assured that the management is fully dedicated to this. They have complete authority and responsibility to handle, manage, and improve the situation.

Regarding the problems in the microfinance sector, we have not been affected. We are managing well, thoroughly assessing every state, district, and village, and proceeding cautiously.

Thank you.

Ms. Lekha Satish Shah

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Ms. Lekha Satish Shah:

Hello am I audible Sir?

Mr. S.N. Subrahmanyam, Chairman:

Lekha ji, if you're not audible, who else would be? How are you?

Ms. Lekha Satish Shah:

I'm doing well, thank you so much. Respected Chairman Sir, Board of Directors, and my fellow members, good morning and regards to everyone here. Myself, Lekha Shah from Mumbai.

First of all, I'd like to express my appreciation to our Company Secretary, Apurva Ma'am, and especially Nagaraajan ji, for their efforts in making everything so much easier for us to understand through our annual report. I found the AGM notice to be full of knowledge, facts, and figures in place.

Thank you, Chairman Sir, for explaining everything so well about the Company. Congratulations on your excellent work, Sir. Chairman Sir, you've explained everything so clearly and answered everyone's questions, so what could I possibly ask you? I have no questions for you, Sir.

I wish you all the success. I hope the Company continues with video conference meetings in the future. I strongly and wholeheartedly support all the resolutions for today's meeting.

Thank you so much, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Lekha ji, thank you very, very much. Your good wishes are appreciated. Thank you.

Next speaker is Mr. Yusuf Yunus Rangwala

Moderator:

Speaker has not joined the meeting. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman:

Okay, the next speaker is Ms. Lily Pradhan.

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Ms. Lily Pradhan:

Am i audible?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Ms. Lily how are you? Good to hear your voice.

Ms. Lily Pradhan:

Good morning, I am fine Sir. Very good morning to all chairpersons and all viewers. Myself Lily Pradhan from Kolkata, attending the meeting through video conferencing. I am obliged that the management has given me a chance to speak at the AGM.

First of all, I would like to thank the Board of Directors, respected Chairman, respected MD, respected CFO, respected Company Secretary and the secretarial team for the wonderful arrangements and for allowing me to attend the AGM through video conferencing.

Please continue with video conferencing in future because people from any part of the world can participate and express their views. The Company Secretary and Nagaraajan Sir always coordinates with me and all shareholders very well. They are appreciative, personalized human beings. Overall, the investor services are very good.

Chairman Sir and MD Sir, I am really proud of you for your polite, decent, hardworking, and patient behavior. I hope that under your leadership, our Company will get better to better in the future. Go ahead, our good wishes are always with you.

I received email of the notice well in advance, also the annual report. The corporate theme is very good and knowledgeable. I wholeheartedly support all resolutions by e-voting. I'm very happy to know that the Company's performance is developing a lot, which is a sustainable growth nowadays. I have put some specific questions and requests given the present situation.

What is the aim and objective of future development in the country using AI technology? What is the current status of AI technology? what is the CSR activities on challenging persons, micro analysis of CSR activities? What is the cost-cutting measurement and management strategies? Please bifurcate both top-line and bottom-line growth. Appreciation and encouragement through a felicitation policy must be considered, and felicitation rewards should also be included. Chairman Sir, please consider the felicitation. As a woman speaker, I request to always support women's empowerment, which is most important and must be obliged by trusting their dignity and skill.

Nothing more. Thank you, thank you so much, with best regards, all the best.

Mr. S.N. Subrahmanyam, Chairman:

Ms. Lily, that's a very good question you've asked. This time, I'll ask our Managing Director and CEO, Mr. Sudipta Roy, to answer it.

Mr. Sudipta Roy, Managing Director and CEO:

Thank you, Mrs. Pradhan for asking the question. So, the first question which you asked was, what are we doing on the AI side, especially on application of AI across the country? Our majority application of AI is now on the credit risk side. And, as you are aware, as Chairman sir said during his speech, that during last year, we operationalized Project Cyclops, which is our new AI and machine learning based three-dimensional credit engine. This was initially, operationalized for the two-wheeler business and now has been operationalized both for the tractor business as well as for the SME business. And it will be progressively also operationalized for the personal loans and as well as the mortgage business over the course of the year. This sort of tool uses machine learning based scorecards. And the initial results, especially on the two-wheeler business has been very, very encouraging. Apart from this, we are also using what we call applicative AI to solve problems in the field. For example, we have something called the lifestyle index where, you know, looking at a video or looking at a picture of a particular dwelling, especially in the micro loan against property business, we are able to find out, the living standards of the people in that particular area or in that particular building. Also, we are using AI in a way to mark automatic attendance for our micro loans' customers. So, if you see, what we have put in our annual report, as well as in our analyst deck is that we are also building an automated portfolio management engine using AI and scorecards, which we call Nostradamus, which would be implemented in September of this year. Overall, there is a large focus on AI and AI related projects. Also, you know, on the customer service side, we have rolled out something called knowledgeable AI, which is probably the country's first Gen AI based expert engine for mortgages, which actually answers the customer's queries in a very, very seamless and a conversational format. Overall, there is a lot of focus from the organization in AI. In fact, I'd like to inform you that right now we have 3 AI PhDs working with us in the organization, and we filed our first AI patent last year. So, to an extent, you know, our focus on implementing AI for problem solution remains very, very strong, and you will see many more applications this year.

Mr. S.N. Subrahmanyam, Chairman:

Lily ji, we are doing a lot of work on cost cutting. Across the entire L&T Group, we've started a cost-cutting program called 'CORLT.' This program focuses on reducing costs and overheads across L&T broadly, and L&T Finance is also a part of it. They have been given a target of ~Rs. 150 crores. They are actively working on this, and hopefully, we should see results by the end of the year. And we do have rewards for performance. Just yesterday, we held a program where our best performers, good performers, and those who exceeded expectations were invited on stage. They received various rewards, recognition, and certificates, and were really appreciated. This program will continue, including efforts to encourage ladies and others within the Company. As a woman speaker, we highly respect that you are not only a woman but also a valued shareholder in L&T Finance. We require your good wishes, and we will take it forward like that. Thank you.

Mr. Kaushik Narendra Shahukar

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Mr. Kaushik Narendra Shahukar:

Yes, Am I audible?

Mr. S.N. Subrahmanyam, Chairman

Yes, Kaushik ji. How are you?

Mr. Kaushik Narendra Shahukar:

Very good Sir. Very great.

Mr. S.N. Subrahmanyam, Chairman:

Good morning. How are you, Sir?

Mr. Kaushik Narendra Shahukar:

Good morning to you. I am okay. Thank you very much. Good morning, Sir.

Good morning to respected Chairman, Executive Directors, and Key Management Personnel. It gives me immense pleasure to interact with you once again this year. I am also deeply grateful to our Company Secretary for granting me this opportunity. Coming to the agenda of the meeting, I would like to seek a clarification. Could the management provide insights on the Company's current strategy for improving asset quality and reducing NPA, especially in the light of recent economic conditions? Additionally, with the formation of a newly elected government in USA, I am keen to understand its anticipated impact on our Company, if any. Before concluding, I would like to share a thought that I believe connects well with L&T Finance journey "Foundations of trust are not built overnight. Foundations of trust are not built overnight. They are formed with consistent effort". Just like L&T Finance has built its legacy, one prudent decision at a time. I would also like to take this opportunity to once again request for your continuous support and association.

Lastly, I kindly request the management to consider organizing a branch visit or a CSR initiative visit for speaker shareholders. This would provide us the first-hand experience of impactful work that our Company is doing on the ground and allow us to celebrate the positive change that we created through our Company's CSR efforts. Additionally, I humbly request that the savings accrued from the conducting meetings in virtual mode could be utilized for the benefit of shareholders, speakers. For example, by distributing a box of sweets during festivals as a small gesture of appreciation and connection. Thank you all for your time and support. I look forward to interacting with you again next year. Thank you so much, sir.

Mr. S.N. Subrahmanyam, Chairman:

Kaushik Ji, thank you as usual.

Regarding the ongoing discussion about tariffs in the US, we currently have a committee within the Company assessing the potential impact on us. I believe there won't be any direct impact on L&T Finance. However, there could be indirect impacts. If oil prices fluctuate or economic issues arise, then there might be an effect. These are things we need to consider carefully. It's a very complex issue. I don't want to give you a simple answer and close the topic, especially given the depth of your question. We will keep you updated on developments as we move forward. So, we are studying it right now. We will get back to you.

On CSR visit, Mrs. Apurva, the Company Secretary who is also in charge of our corporate social responsibility activity has noted your request. If there is any CSR activity going on near the place of your residence, near the place where you stay, we will definitely ensure that you can come and take a look at it and celebrate our CSR efforts.

On the gifts part, we have a policy that is followed uniformly across the group and we will go by that policy and kindly accept it, sir.

Thank you very much.

Mr. Yash Pal Chopra.

Moderator:

We request the speaker to put your video on before speaking and unmute yourself.

Mr. Yash Pal Chopra:

Hello? yeah.

Mr. S.N. Subrahmanyam, Chairman:

Good morning, Mr. Yashpal Chopra. How are you?

Mr. Yash Pal Chopra:

Yeah. Sir, great, great, great, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Lovely seeing you.

Mr. Yash Pal Chopra:

First of all, I would like to wish you best of luck and lots of blessings from my side. Being a super senior citizen, I bless our Chairman, our MD, our CFO, our Company Secretary and I have a great, great regard for the Larsen & Toubro group and I am a shareholder of all the three companies. So, this is the most dedicated and the honest group in the corporate sector and that is why I am very much proud of being a shareholder of this group's company, Sir.

Sir, I am a shareholder of your Company since the pre-IPO broker conference, investor conference which was held in Delhi at the Hotel Lalit at Barakhamba Road. I was over there and I had raised a question and the status of that question I will ask just at the end. But I am associated with your Company since then. Sir, first of all, I would like to congratulate the entire management for the grand, grand performance of the Company. There has been all-round growth.

Mr. S.N. Subrahmanyam, Chairman:

It's cut off. The voice is cut off.

Mr. Yash Pal Chopra:

There has been all-round growth in revenue, PBT, PAT, ROC, EPS, EBITDA, as well as the dividend which is excellent, investor friendly dividend. So, I am very much proud of you, sir. The next congratulation for our CFO and Company Secretary for compiling such a big, big exhaustive balance sheet of more than 700 pages over there and such a detailed presentation in form of tabular, in form of photographs, in form of charts and everything has been made so clear. So, I will definitely like to say kudos to our Company Secretary and

our CFO for the grand, grand effort they have just taken over there. And all the things have been explained very well over there. Sir, as regards the performance of the Company that is excellent and the future of the Company is definitely better because of the demographic change in the Company that is on the rise and with that rise there is a change in the needs of the people, change in the thought of the people and with that there is a need for the funds and you are supplementing that aim of our Prime Minister, Prime Minister who wants to help those needy and wants to raise all those who are earlier going to those money lenders and all that.

So, you are doing a very, very noble cause by just providing loan in all the verticals, all type of verticals whether it is a house building loan, whether it is a vehicle loan, whether it is a personal loan, whether it is MSME loan. So, this is a very big thing that you are doing. This is not only professional but as well as the noble cause you are doing it Sir. Sir, now as regards the women empowerment, I am very, very happy that over here you are having two women directors out of seven. And even when I have seen the data of the women employees over there, it has increased from the last year to this year and I think that you are just very much on the same thought that a better chance should be given to the women over there. And now let me come to the queries, sir. You see that 11 years ago when in that pre-IPO meeting, I had seen your prospectus and I had seen there is all the 7 states in which your area of operation will be there. The same is there. There has been no addition to the area. But at that stage I asked how would you control NPA in Bihar? Because that is a state for which I am very much biased because of my experience of 1980. So, I don't know that how you are managing over there. So, I would like to find out the ratio of NPA among the states. What is the ratio of NPA from Bihar? That I would definitely like to find out, sir.

Sir, now the next query is that RBI is coming with so many rates cuts every year. I mean for last quarter and all that and now the rate cut may be announced tomorrow or day after. So, what will be the impact of the rate cut on the performance of the Company? Because in the banks those rates are reduced for this on both for deposit as well as for loaning. So, what shall be your policy on that rate cut and how much that will have impact on our revenue and all that thing?

The second thing is because now our Company is doing a lot to promote women empowerment. You have increased so many women in your working levels. Are there any complaints? How you deal with the complaints of women harassment? How many

complaints are pending with you and how you are going to settle it? Because that is a very important issue because we want to find out as to what is the status on that.

And the next point which I want to raise is that many companies have given fiduciary powers to the Company Secretary who has to deal with government organizations for what you call activities of submission and all that and they act as a bridge between the management and the shareholder. So, most of the companies where I am a shareholder, of almost around 500 companies and I am speaker in around 150 companies every year, so in many companies they have just given ample powers to the Company Secretary so that with that fiduciary power they can do their official job as well as they can make some relation with their shareholders also with their speakers also. So that also I want to find out.

Mr. S.N. Subrahmanyam, Chairman:

Okay, sir. I will answer now.

Mr. Yash Pal Chopra:

It's all over now.

Mr. S.N. Subrahmanyam, Chairman:

You're asking so much that I can't even remember it all now.

Mr. Yash Pal Chopra:

No, it's finished now. So, last of all, I would like to thank the corporate governance team under Madam Apurva. I will particularly say that Mr. Nagaraajan's role has been quite welcoming. I will pray to God for the Company's positivity because that positivity shall be the Company's strength, and the Company's strength shall be the strength of my investment. So, best of luck to you. Wishing you lots and lots of blessings. I am a super senior citizen, around 86 years old, wishing you all great positivity. Thank you.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, sir. We received so many blessings from a senior citizen like you today. I think there can be nothing better for us, right? It's really important that we have the blessings and that we got it from you, a very senior citizen who's been a shareholder of 3 L&T companies for such a long time is very unique. And we really take it to our heart and mind, and it's a really good day for us.

So, on the NPA in Bihar, Bihar is one of the best states for us. Because, sir, the people there speak Bhojpuri, and we conduct our business in that local language. So, people there like us, and the NPA there is hardly anything, sir. It's one of the best in our balance sheet.

Sir, as for the RBI regulations, they are constantly evolving. The RBI is quite friendly and generally treats us much like a bank. We are also one of the best-performing NBFCs. Interest rates will continue to fluctuate based on the economic situation. We have a very good Managing Director and an excellent Chief of Finance. They will manage it quite well, Sir. Be rest assured.

On women harassment, Sir, what I understand, we have zero cases pending for women harassment in the Company. If there's any issue of misappropriation or misbehavior with women, the Company takes very severe action. We also have a POSH committee to handle all these matters. So, be rest assured about it.

Regarding, Company secretary, Sir, she is more powerful than even me in this Company. She runs the huge Company Secretary functions and also the Corporate Social Responsibility function, and she's a very intelligent lady, very proactive with the shareholders, and extremely powerful. So, you can talk to her for any shareholder issues that you have, sir. Thank you.

Mr. Bharat Mulchand Shah.

Moderator:

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

Mr. S.N. Subrahmanyam, Chairman:

Mrs. Smita Bharat Shah

Moderator:

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

Mr. S.N. Subrahmanyam, Chairman:

Mr. Ramesh Shanker Golla

Moderator:

We request speaker to put your video on before speaking.

Mr. S.N. Subrahmanyam, Chairman:

Ramesh Ji.

Mr. Ramesh Shanker Golla:

Okay, okay, right, right. I was given the mic just now to speak, that's why it's late.

Mr. S.N. Subrahmanyam, Chairman:

No problem. We are waiting for you Ramesh Gulla ji. How are you?

Mr. Ramesh Shanker Golla:

Excellent, sir. Good morning and have a good day to all, especially Subrahmanyam sir, Sudipta Roy sir, our Company CFO, Company Secretary, and all my fellow shareholders. Sir, I just have a small question to ask.

Mr. S.N. Subrahmanyam, Chairman:

Feel free to ask a big question! Go ahead.

Mr. Ramesh Shanker Golla:

Sir, regarding the Polavaram project being built by the Andhra Pradesh government, it's a very large project. They are taking funds from the World Bank for it. Can't we provide that funding ourselves, sir? The central government also provides us with a lot of support.

Mr. S.N. Subrahmanyam, Chairman:

Ramesh ji, this Company isn't involved in wholesale loans. We don't provide financing for infrastructure projects. We are in retail finance. For example, we offer farmer loans, scooter loans, home loans, and microfinance loans. We don't give loans for projects, and that's precisely why we can't provide that funding. Otherwise, we would.

Mr. Ramesh Shanker Golla:

Okay. Sir, is there no hope of entering the banking sector in the future?

Mr. S.N. Subrahmanyam, Chairman:

The Company is doing well right now. Business is going on well; let it continue. You're getting dividends, your share price is increasing—what more do you need? All that talk about banking and going to America is fine. When the Company is doing well, let it continue.

Mr. Ramesh Shanker Golla:

Sir, we would also benefit from that, because if you were to demerge, we would also receive shares in the banking entity, wouldn't we, sir?

Mr. S.N. Subrahmanyam, Chairman:

You will get a good dividend from us, so why worry about anything else? Okay, thank you.

Mr. Ramesh Shanker Golla:

Sir, the reason I'm asking this question is that new, small banks are emerging all over the world. Sir, we already have a good brand image and a good name. Why can't we pursue that path, Sir? That's why I'm asking, Sir.

Mr. S.N. Subrahmanyam, Chairman:

That's a very intelligent question, Golla Ji. As and when an opportunity arises, we'll certainly look into it. Right now, the Reserve Bank has decided that L&T Finance and similar companies cannot obtain a banking license. When the Reserve Bank reopens that window and provides the opportunity again, we will definitely consider it at that time. We will certainly proceed with your permission, as shareholders, if we decide to pursue it.

Mr. Ramesh Shanker Golla:

Thank you, sir. You spoke very well; I'm very happy. Also, sir, please arrange a get-together for these speaker shareholders. Why? Because we haven't even seen you all for 5 years, sir.

Mr. S.N. Subrahmanyam, Chairman:

You're watching it on video right now! What could be better than that?

Mr. Ramesh Shanker Golla:

Sir, 'video' means you just see a small face, like a stamp. When we come to you in person, there's so much more interaction, sir. You know that too. Please arrange that get-together, Sir. We come to you, enjoy ourselves thoroughly, and then leave, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Alright, fine. I will tell the Company Secretary to think about it. Okay? Thank you very, very much.

Mr. Ramesh Shanker Golla:

Thank you, sir. one minute, sir. Why can't we have hybrid meetings in the future, sir?

Mr. S.N. Subrahmanyam, Chairman:

Okay, we can think about it. Right now, the guidelines allow us to hold virtual meetings, which we are doing. We can certainly consider hybrid meetings once the regulations change. Why not? Your ideas are so futuristic. Very good.

Mr. Ramesh Shanker Golla:

Sir, I'm speaking from Hyderabad. May God bless you, your family members, all the directors, and all our employees, sir.

Also, sir, I'd like to speak with our Company CS, sir.

Mr. S.N. Subrahmanyam, Chairman:

One minute, Apurva, he wants to speak to you.

Ms. Apurva Rathod, Company Secretary:

Yes, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Sure, go ahead and speak. There's only time to ask one question, nothing more.

Mr. Ramesh Shanker Golla:

Apurva ji, I was very happy to hear your name. For the past 15 days, I've been trying to connect with our secretary, but I didn't receive a call from your end. That's why Chairman Sir giving me this opportunity is a very happy occasion, Sir. There are very few people as good as you, Sir, and you are one of them. Have a good day. Good day to you, Sir. Thank

you so much for this opportunity, Sir. I accept all the resolutions, Sir. This is a very good asset company, Sir. Thank you very much.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Ramesh ji. Thank you very, very much. God bless you.

Mr. Ramesh Shanker Golla:

Thank you, Sir. Have a good day, sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you.

Next speaker is Mr. Bimal Kumar Agarwal.

Moderator:

We request speaker to put your video on before speaking and unmute yourself.

Mr. Bimal Kumar Agarwal:

Hello, can you hear me?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Bimal ji. How are you? Good morning to you.

Mr. Bimal Kumar Agarwal:

Fine, thank you. How about yourself?

Mr. S.N. Subrahmanyam, Chairman:

I'm all okay with your good wishes. Tell me, Sir.

Mr. Bimal Kumar Agarwal:

Thank you, thank you, Sir.

Mr. S.N. Subrahmanyam, Chairman:

We cannot see you. Why don't you switch on your video?

Mr. Bimal Kumar Agarwal:

No something is problem with this.

Mr. S.N. Subrahmanyam, Chairman:

Okay.

Mr. Bimal Kumar Agarwal:

First of all, I'll thank the Company Secretary and her team and thank you madam. That day you spoke to me regarding the AGM if I will be joining. I told yes, thank you, ma'am. Sir, why we don't you split our share to Rs. 2 or Rs. 5 per share and what are the attrition rate of our employees? That's all from me and regarding the visit for CSR activity arrange for all the people who has joined the meeting, not only for speaker shareholders because they are speakers that doesn't mean that all are supporting you. All the shareholders are supporting you who has joined you. That's all from me. Thank you very much. Please continue video conference always because now the Corona Virus has started again. In Singapore, in India also there is some Corona Virus issue. Please continue your video conference. Thank you very much.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Bimal ji. Regarding the share split, buyback, or bonus options, the Company has strong foundations. Therefore, the Company will definitely perform well for its shareholders. Our Company's attrition rate is ~20%. This is because in the rural areas, where many employees join and leave for various other reasons. But that's a good healthy ratio right now. We will take it forward like that. On the CSR activity since a specific query was raised by a shareholder, I responded to him, but definitely we will look at if there's a CSR activity nearby where you reside, sir. I will request the Company Secretary to organize a visit to nearby localities, so that you can celebrate along with the people who are doing the social responsibility work there.

Thank you very much.

Mr. Asok Subrahmanyam.

Moderator:

Speaker, put your video on before speaking. Please unmute yourself.

Mr. S.N. Subrahmanyam, Chairman

Mr. Asok. Mr. Asok, are you connected?

Moderator:

Technical issue with the speaker. We could call upon the next speaker.

Mr. S.N. Subrahmanyam, Chairman

Okay. Mr. Santosh Kumar Saraf.

Moderator:

We request speaker to put your video on before speaking and unmute yourself.

Mr. Santosh Kumar Saraf:

Hello.

Mr. S.N. Subrahmanyam, Chairman

Yes, Santosh *ji*, how are you?

Mr. Santosh Kumar Saraf:

Yes sir, I am fine, *Namaskar*.

Mr. S.N. Subrahmanyam, Chairman

Very good. *Namaskar*. Good morning to you. Long time. How are you? All okay with your health, everything?

Mr. Santosh Kumar Saraf:

Sir, as I am 76 years, I'll need to maintain my health. Otherwise, I won't be able to attend your meetings.

Mr. S.N. Subrahmanyam, Chairman:

Very good. Very lovely meeting you. Pleased to hear you, Sir, please.

Mr. Santosh Kumar Saraf:

Respected Chairman, members of the Board of Directors present, officers, and employees, I, Santosh Kumar Saraf from Kolkata, greet you all with '*Ram Ram*.' I hope you are all in good health at this time. I express my gratitude to the 36,000 employees whose hard work has resulted in our Company performing so well, and also thanks to their efforts that we are receiving such a good dividend today, sir. Many people have asked quite a few questions, so I won't take up too much time; I just have two to four small questions. Sir, you provide loans for two-wheelers, so why don't you offer car loans? Please share your thoughts on

this, Sir. Sir, you do a lot of work on ESG, what is your ESG rating? If you've had it rated by a reputed agency, please tell us the rating score, sir.

My second question, Sir, is about the tax section. I've read through 3 pages concerning tax, where penalties have been imposed. What's the reason for this, Sir? Why are there so many disputes related to GST and other taxes? Please consider this, because when these appear across three or four pages in the balance sheet, it also affects the Company's reputation.

Sir, we are a finance company, and our work involves financing various sectors. In this sector, female employees are very important, Sir. However, you only have ~5% female employees, Sir. Why don't you increase this number? I've seen many finance companies where female employees make up ~25-30% of the workforce, Sir. Please do consider this seriously, Sir. Sir, please also increase the number of disabled employees. You only have 7 male employees. It would be good to have some female employees as well.

Finally, Sir, I want to know about the women harassment cases. Last year there was only one case. This year, it has increased 10 cases. What is the reason for this, sir? It should have been zero this year instead of 10, even though you mentioned the % increased by only 1%. But the cases have increased 10 times, sir, and many cases are still unresolved. What is the reason for this, sir? Please explain.

I don't have much to add, but I support Lekha Madam's request from Mumbai that we continue to hold VC meetings in the future. This allows shareholders like us, who are not locally based, to express our feelings for you and employees. Often, we miss the chance to praise good work, but VC meetings give us the opportunity to appreciate it. I hope you will continue to arrange VC meetings in the future. Once again, wishing you all the best for financial year 2025-26, I conclude my statement. *Jai Hind. Ram Ram.*

Mr. S.N. Subrahmanyam, Chairman:

Santosh ji, *Ram Ram.* Thank you very much. Lovely questions. I will request Sudipta Roy, the MD and CEO to answer your questions, please.

Mr. Sudipta Roy, Managing Director and CEO:

Santosh ji, Good Morning.

I'd like to answer your first question. We've been in the two-wheeler business for a long time, and we hold a market leadership position in it. As you might know, we are the 3rd largest lender in the country for two-wheeler business. Now, if you look at the car loan sector, it's very competitive. All the big banks are there, and the market is quite crowded. The yield differential in that segment is also quite low. That's why we've strategically decided to stay in the two-wheeler business, where the yield differentials are quite high, interest rates are higher, and where we can maintain a strong presence. If a strategic decision is made later to enter the car loan business, we will certainly inform you all. As of now, we want to focus solely on the two-wheeler business.

You asked about female employees, and I want to share that this year, we've made significant efforts to increase our diversity quotient and the number of female employees. Most of our Company's employees are in sales, and naturally, fewer women tend to work in field sales roles. However, we've made a conscious effort this year. For example, in our microloans business, the count of our female employees has almost increased by 4 times this year. If you visit our head office, you'll see that our diversity quotient is quite high there; almost 50% of our employees, actually more than 50%, are female. We are making every conscious effort to increase these numbers further across the Company.

Regarding your question about GST, I will ask my colleague, Mr. Sachinn Joshi, our Chief Financial Officer, to answer it.

Mr. Sachinn Joshi, Chief Financial Officer:

Santosh ji, *Namaskar*.

Sir, regarding your GST query, since we are in the retail business, we file returns in every state. These are normal litigations related to differences in input tax credit claims. Because we file returns state-wise, there are minor differences, and we appeal them. All these issues are resolved in our favor, so there's no need to worry, Thank you.

Mr. Sudipta Roy, Managing Director and CEO:

Thank you, Sachinn.

You asked about our ESG rating. Our Company has a very high ESG rating; in fact, it's the highest among banks and NBFCs in the financial services sector. Specifically, our CDP rating is A-, and our MSCI rating is A. We focus significantly on the ESG area. As you know, Apurva ma'am, our Company Secretary, handles ESG, and she and her team have put in a lot of effort over the last couple of years to achieve such good ratings.

And last but not least, regarding your question about women harassment cases, we currently have Nil outstanding complaints. We have a POSH committee in place. All complaints we receive, especially anonymous ones or those formally registered, are taken very seriously. Our POSH committee meets on a fixed schedule or on a case-by-case basis. We have launched a company-wide DEI (Diversity, Equity, and Inclusion) and anti-sexual harassment campaign over the last 3 months. We are a very focused and women-friendly workforce. Last year, we also introduced several HR policies to encourage more women to join our workforce and gradually improve the diversity quotient of our team.

Thank you so much.

Mr. S.N. Subrahmanyam, Chairman:

Thank you.

Mr. Hiranand Kotwani.

Moderator:

We request speaker to put your video on before speaking and unmute yourself.

Mr. Hiranand Kotwani:

Yes, Sir. *Namaste. Namaste* to all.

Mr. S.N. Subrahmanyam, Chairman:

Namaste, Sir. Good morning to you. How are you?

Mr. Hiranand Kotwani:

Nice to meet you. Certainly, it is a great pleasure to join you in this meeting. I will not waste time. Unnecessary questions will not be asked. Coming to the point, gentlemen, what is our source of borrowing? At how much rate we have borrowed? From where? Our foreign exchange outflow is there, but no incoming foreign exchange. What is the reason? There is no foreign exchange coming to our organization, only going. What is the reason? You are managing 36,521 employees. How you tackle the health issue? Training program, even at higher level. Because we still need training at every level. Even shareholders are, this is a not a forum to discuss, but they should be trained. The senior citizen asking three-minute question repeating. So many people just repeating. No productive questions asked. So why are you doing alteration of article association. What is the relevance of that? When article association certainly change/ alter, there is so many other verticals, other directory we have to move in. Can you elaborate why we change the article association and how it will be beneficial in the future? There are so many questions, but I will just come here. I will ask one, two, three points, but certainly I want the training program on health issues in the organization. How you reduce the employee engagement ratio or improve employment engagement ratio. Actually, should be low. When you are attracting people, your name is there. How you are going to enhance your goodwill and conduct?

Thank you.

Mr. S.N. Subrahmanyam, Chairman:

Sir, I'll request Sudipta to answer your questions.

Mr. Sudipta Roy, Managing Director and CEO:

Thank you, Sir, for your questions.

We obviously borrow from multiple sources. Our main borrowing sources are banks, which have two components: normal bank borrowings and PSL borrowings. The PSL borrowings are for our PSL assets. As you know, we provide a lot of loans in rural areas, especially for tractor lending, some microfinance funding, and a bit of SME funding, all of which fall under the priority sector category. PSL loans come at a slightly lower rate. Overall, we maintain a diversified borrowing profile to avoid concentration risk on any particular borrowing instrument. We do commercial paper, external commercial borrowings, NCDs, and bank borrowings (both PSL and non-PSL). If you look at our weighted average cost of borrowing for the last year, especially in the last quarter, it was ~7.83%. Thanks to the excellent work by our treasury team, you may have noticed that over the last 24 to 30 months, the repo rate increased by ~250 basis points, but our cost of borrowing only went up by ~35 basis points (from roughly 7.45% to about 7.85%). As the Reserve Bank of India (RBI) has now begun a downward rate cycle, we expect these lower borrowing costs to start being transmitted to us by banks in the second half of this year.

So, regarding your question on foreign exchange, why we do not have foreign exchange earning? Because we have external commercial borrowings. So, we sometimes repay obviously, some part of our external commercial borrowing loans are in foreign exchange and we have a lot of IT spends of which some of the providers are international in nature, especially cloud costs and some of the IT costs. Those payments are obviously done in foreign exchange. So that is the component of our foreign exchange payments, mostly, the large components of our foreign exchange payments.

Mr. S.N. Subrahmanyam, Chairman:

So, on the training, it's a very good point that you have mentioned. There's enormous effort of training that goes on within the Company. Nearly 6-7 days are spent on training in a year by all employees. We'll continue with that. Shareholders training is a very good question that you asked.

When the meeting starts, I do tell shareholders, 'Esteemed shareholders, please restrict questions to under three minutes and don't repeat questions'. Some of you listen, some of you don't, but you are shareholders, so we have to listen to you, so we take it forward.

So, the Article of Association was altered earlier, Sir, because Bain wanted to invest in us. They came onto our Board, so we had to make special provision for that and Bain decided

to sell the holdings and exit. We had to alter the association because we do not have any other PE investor investing in us, and that is why the alteration had to be done. It was for no other purpose. There's no effect on the any other part of the Company because of that. Thank you very much, Sir.

Mr. K Bharat Raj.

Moderator:

Request speaker to put your video on before speaking and unmute yourself.

Mr. K Bharat Raj:

Very Good Morning, Mr. Chairman Subrahmanyam.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Mr. Bharat Raj. How are you? Good morning to you. Can I see your face?

Mr. K Bharat Raj:

Sir, I am joining through mobile. So, if I switch on the video there will be a problem. So that's the reason.

Mr. S.N. Subrahmanyam, Chairman:

Okay, okay, okay. No, we can hear you loud and clear. Please go ahead.

Mr. K Bharat Raj:

Yeah. Very Good Morning, Mr. Sudipta Roy and entire Board of Directors and my KMPs. I am Bharat Raj attending from Hyderabad. Subrahmanyam sir, we met at Mindtree takeover program meeting in Bangalore, Sir. I hope, If you see my face, you can recognize me. But I am very happy, Sir, under your leadership, my company is going wonderfully, Sir. All three companies are going wonderfully, taking the legacy of Mr. Naik, our ex-chairman. Under

your leadership, you are doing the performance wonderfully, Sir. Thank you very much. Sir, thanks my Company for the awards and dividend payout, Sir.

Sir, what is the dividend ratio, Sir? Can we expect more dividend in this financial year e.g. interim dividend? Please let me know Sir. Sir, regarding the women employment, there is only 5%, Sir. Can we make it 10%? Please let me know Sir. Sir, regarding the loan, Sir, why are not you getting in the consumer loan, sir? Why are not so aggressive in consumer because the consumer business is doing wonderful, sir. Please let me know, Sir. Chairman Sir, my request is next year, you plan for hybrid AGM so that who want to attend VC, they can, who want to meet you personally, they will come, Sir. So, hybrid meeting is wonderful, sir. Please look into the hybrid meeting, Sir. I thank my secretarial department for sending timely the annual report and the link. My best wishes to you. All the best for coming years. Take care, Sir. I hope next year we will meet physically, Sir. Thank you very much for giving this opportunity. Take care. I am Bharat Raj signing off from Hyderabad.

Mr. S.N. Subrahmanyam, Chairman:

Bharat Raj ji, Thank you very much. Dividend, as you have seen, as the Company's performance improves, we have been giving more and more dividend. Last year we gave Rs. 2.5 per share. This year we have given Rs. 2.75 per share. As of the moment, we have not thought about any interim dividend, but all depends on the Company's performance, economic performance, how the world is going to be as we go forward. At the moment, we are very positive about what is the economic situation in India, but we will take a call as a situation arises.

On women employment, sir, what we are trying to say is in the rural areas where there is predominantly the sales force, we find it difficult to attract ladies to come and be sales people because they have to travel in the rural areas and scooter or bus or whatever it is to go meet individual in individual *bastis* and villages, various other ladies to disburse our loan. So, ladies are little reluctant about it. And second, these loans are disbursed very early in the morning or collection is done sometimes late in the evening it is not safe for ladies. So, we have brought in ~5% ladies which is good right now. We will see how to improve it. But in the offices, Sir, we are nearly ~35-40% ladies working, which is a good step. But the Company's bulk of the workforce is in the sales area. Therefore, you see the overall percentage low, but rest assured we give equal opportunities. We don't look at whether it's

a man, woman or what the type of person is. We look at the kind of potential they got. We look at the talent that that they got and that's how L&T's recruitment takes place.

On hybrid, sir, this is to do with regulations. At the moment, we are preferring video because most of the shareholders are preferring video meetings, but it's a very good idea. We will keep it in mind and if the situation allows us to have hybrid and the situation warrants it, we will definitely do that. Thank you very much, sir. Lovely speaking to you.

Next speaker is Mrs. Swaran Lata.

Moderator:

Request speaker to put your video on before speaking and unmute yourself.

Mrs. Swaran Lata:

Hello. Am I audible, sir?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Mrs. Swaran Lata. Lovely hearing your voice. How are you?

Mrs. Swaran Lata:

Fine, Sir, fine. How are you, Sir?

Mr. S.N. Subrahmanyam, Chairman:

All fine. Can't you put your video on?

Mrs. Swaran Lata:

No, Sir. Due to some technical issues, the video cannot be on.

Mr. S.N. Subrahmanyam, Chairman:

But your voice is so lovely. Please go ahead.

Mrs. Swaran Lata:

Thank you, Sir. Good morning, Chairman Sir and Board of Directors and the fellow shareholders attending this meeting at this platform. I am joining this meeting from Delhi. Sir, most of the queries has already been covered by the earlier speakers in the meeting and you replied very well about the dividend and the split of the shares. But Sir, '*yeh dil maange more*'. So, the share value is already increasing in the market, but we are the allottees of the shares. So as per the time lapse, our value is not so much high as compared to other equities in the market. So, what are the steps taken by the management to increase the value in the market and also for giving us interim dividend during this financial year 2025-26?

I have one more small question. Does the Company offer any privilege or rebate to shareholders when they take a loan? For example, if someone wants to take a small loan, an auto loan, or a home loan, is there a cutoff, like if you own 100 shares, you get a certain privilege? If there is any such scheme, please tell us about it.

Overall, in the end, I would like to thank the Company Secretary and as well as the investor cell for providing me a copy of the annual report on just a single call. And thank you and all the best. Good day, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Questions are good. Some of the dividend part I have answered earlier. The Company declared Rs. 2.5 per share last year. This year the Company declared Rs. 2.75 as dividend. The dividend, etc. depends on the performance of the Company. You have an excellent management. They nearly manage ~10 billion dollars right now. And therefore, they're managing it quite well. And if the economy grows and the Company continues to grow, we will continue to look at higher dividends or any other form of return to the shareholders. At the end of the day, the money that we are using is shareholders' money. We are very conscious about it. So, people like you are high on our mind. Whatever we can do to improve

your wealth, we will do. Now, the share price depends on many factors, so it is not in our control. We can only perform as management. Management is performing. The performance continues, we will be good. Hopefully, the share price should go up. Now, on shareholders' privileges, as a policy, we do not have any special privileges for shareholders. This means that we are treating some people differently and other people differently. But if you are taking any specific loan or anything from the Company, do keep the Company Secretary informed. The Company will ensure that subject to necessary due diligence and risk profiling, your loans are processed even faster than other people. That much we can really help. Thank you very much, sir.

Mr. Srikanth Jhawar.

Moderator:

Request speaker to put your video on before speaking and unmute yourself.

Mr. Srikanth Jhawar:

Sir, can you hear my voice, Sir?

S.N. Subrahmanyam, Chairman:

Yes, Sir, very good. How are you? And where are you speaking from?

Mr. Srikanth Jhawar:

Sir, I am speaking from Hyderabad.

S.N. Subrahmanyam, Chairman:

Very nice speaking to you. Please tell me, can you show video, or are you speaking from a mobile?

Mr. Srikanth Jhawar:

I am speaking from my mobile, Sir.

S.N. Subrahmanyam, Chairman:

Great. Talk now. Speak

Mr. Srikanth Jhawar:

Respected Chairman, all Board of Directors, a *namaskar* to everyone first. This is our first AGM of 2025, and it's happening so quickly after the auditing. I'd like to thank our Secretarial Department, Apurva Madam and Iyer Sir, for sending us the balance sheet on time after we requested it. It had arrived within two days, so I thank the Company Secretary Department. Our dividend has improved since last time, Sir, which is very good news for small shareholders. It's a matter of great joy. Could you please tell us how many branches we plan to open this year? Also, many private finance companies are doing extensive digital advertising on YouTube, Facebook, and Instagram. How has this impacted us, and how do we plan to use these digital platforms going forward? Please also share information about who our Company's brand ambassador will be, sir. And please continue holding video conference meetings, sir. Wishing you all happy festive seasons in the coming year. Many thanks to our Secretarial Department and the Chairman, Directors. Thank you.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir. We are continuing to open branches. Currently, we have around 2,200-2,300 rural branches, and we will keep expanding them. Now, with our regional heads in position, we will continue to expand even faster to grow the Company's business. Regarding digital advertisement, we are also advertising significantly these days. You can find our jingle song digitally. Jasprit Bumrah, who is our country's, and arguably the world's, best fast bowler, has become our brand ambassador. Many advertisements are running on digital media. If you look closely, we are now advertising as much as or even more than others. This is great for the Company's brand, its image, and for expanding our business. Thank you.

The next speaker is Mr. Ashok P Jangid.

Moderator:

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

S.N. Subrahmanyam, Chairman:

Mr. Manoj Kumar Gupta

Moderator:

We request speaker to put your video on before speaking and unmute yourself.

Mr. Manoj Kumar Gupta:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Manoj ji, how are you?

Mr. Manoj Kumar Gupta:

I'm fine, how are you?

Mr. S.N. Subrahmanyam, Chairman:

I am fine, Sir. If you are good, I am also good. You are the shareholder, so if you are good, I am also good. How are you? Where are you speaking from?

Mr. Manoj Kumar Gupta:

I am speaking from city of joy, Kolkata.

Mr. S.N. Subrahmanyam, Chairman:

Oh wow! Go ahead, sir. Please ask a joyful question and give us a joyful message too.

Mr. Manoj Kumar Gupta:

Respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from my residence city of joy, Kolkata. I feel proud to be a shareholder of L&T Finance. First of all, I thank your Company Secretary and their team for their excellent services and services to the small shareholders like me to help to join the meeting. And I also endorse the previous speaker's view that keep the VC meeting. The credit goes to our beloved Prime Minister *Shri* Narendra Modi for his digitalization and computerization. So that you are in Mumbai and we are in Kolkata, we can see you by face on video and we can talk to you. After the COVID-19 he has started to allow the corporate sector to hold the meeting through VC. So, keep continuing in future Sir.

Sir, it deeply saddens me to see my balance sheet showing 10 cases of sexual harassment in a company like L&T, especially under your leadership – a company known for being highly professional globally. It causes me great pain when such incidents are found in a reputable corporation, particularly today when our Prime Minister's vision is 'ladies first.' We recently saw in 'Operation Sindoor' how a Colonel and an Air Squadron Leader were put forward to release the press statement. You also have an initiative to increase women's empowerment, with currently 5% female employees and future ambitions to raise this number. However, please look into how this is being handled under your leadership to ensure it doesn't repeat in the future. When a woman leaves her home to work in a workplace, she does so with the understanding and expectation of being safe. If such incidents occur, it is not right under your leadership. Therefore, please ensure that this does not recur in the future. The balance sheet, which goes to all shareholders, whether in India or abroad, should be neat and clean, without any such remarks. These remarks send a wrong message to investors, especially Foreign Institutional Investors, making them question a company like L&T. And for CSR, you are doing a noble job, Sir. You're doing good work in CSR, but please do something for fast-growing diseases like cancer, liver, heart, and kidney. Support them either by providing infrastructure to NGOs or hospitals, or by directly supporting some patients. Also, Sir, for children whose parents, being the single

earning member, have died for any reason, kindly support their education under the CSR policy. If the child is talented and wants to get an education, please support them in pursuing it. So, Sir, how will you reduce NPAs? NPAs are the biggest challenge. Sir, what is your average NPA today? And what is the average rate of interest today? The market is suggesting that after the RBI announces its policy in two days, home and auto loans will become cheaper. What impact will that have? The RBI might reduce the repo rate by 0.25% or 0.50%. If home and vehicle loans become cheaper after their board meeting in two days, what impact will that have on us? And sir, regarding the ongoing war, you mentioned that we are managing \$10 billion, which is nearly ~ Rs. 83,000 crores in Indian currency. How do you manage that, and how do you recover NPAs? Have you filed any FIRs against defaulters? And what steps have you taken against defaulters to recover your money, Sir?

I strongly support all the resolutions with the hope that the Company will improve. I don't attend the meeting to receive gifts, gift cards, or even a large dividend. Dividend is earned money, but be conservative because I belong to the land of Swami Vivekananda, a son of the soil, Bengal. Swamiji says to 'work more, earn more, save more, and pay more'. So, that policy should be followed. I believe our MD also belongs to Bengal, so he will also follow Swami Vivekananda's policy: earn, save, and pay. With this, I thank the Company Secretary and her team again for their excellent services, Sir. It would be my pleasure to meet you, sir. I tried to meet you in March when I was in Mumbai at the L&T House, Ballard Estate. The receptionist told me that the Chairman do not meet investors, which surprised me, Sir.

With this, I strongly support you, and I pray to God for your healthy and prosperous long life so that you may lead the L&T Group to new heights under your leadership. Thank you, sir

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Manoj ji from the city of joy. Hope you have read the book by Dominique Lapierre. I'm sure you have. It describes Kolkata and it is all its glory and beauty. It is a beautiful city, no doubt. You are right, our MD is also from Bengal and he is also a devotee of Swami Vivekananda. If he is not, we will make him. Okay.

So, on the sexual harassment case, you should appreciate what the Company is doing. We do employ a lot of female employees. And even if there is a small misdemeanor, we report it. But as such, if you see, there's been no major sexual harassment cases during the year

and we are extremely severe on such cases. The person concerned, after an inquiry, can even be terminated from the Company. It is a very clearly stated policy. And therefore, we are intolerant about it. We won't tolerate it and rest assured that adequate measures have been taken to protect female employees. We are fully conscious that they leave home and come to work. Many of the ladies are ambitious, aspirational, as anybody else. And therefore, it is our solemn duty to take care of them and bring them up in their career and protect them and we will take every measure necessary to do that. So, be rest assured about it.

So, on CSR, as such, beyond L&T Finance, L&T group also does a lot of CSR activities. We also run medical centers where we have put dialysis machines for kidney, etc. we have nothing in Kolkata, but we have it in Mumbai and in Chennai. We will expand it as and when we see the opportunities as we have sufficient money to expand and we'll take care of it. So, we also provide various medical equipment's including cancer and heart equipment's to various hospitals in many parts of the city where we operate. I don't have the real details of Kolkata, but Apurva can check up with the CSR department and send you details of where we have sent equipments in the city of Kolkata also.

So, our NPA is one of the lowest in the industry at ~0.97%, which is for NS3 and it's an industry benchmark. We will continue to lay emphasis on it. The \$10 billion dollars, ~Rs. 85,000 crores are managed extremely well by Sudipta and his team. And a lot of emphasis is given; lot of new software and artificial intelligence and other methods have been introduced to ensure that our loans are one of the best and are of gold standards. We'll continue to lay emphasis on this. So, our borrowing cost of interest is ~7.8% this year. But on the rate of interest that we give it to others, it depends on the market. I don't want to comment on it. You can contact the Company website or the salesperson near you and you can for yourself appropriately understand what is the rate of interest for the various kind of products that we have.

War impacts are there at the moment, we don't see any particular impact. Obviously, if the country has been at war, there would have been an expenditure towards it. It will show on the financials, balance sheet of the Company, the budget. And if there is any impact, we will have to mull it over at that time. At the moment, I don't have any details about it.

So, we do file FIRs if there are serious issues of people not giving back our loan. But this is a matter of detail and these are routine things. And to a large extent, when the NPA is less than 0.97%, you can imagine that a very efficient mechanism is in place to collect the dues wherever it is due and we will continue to pursue that.

Thank you, sir.

Ms. Sainee Chetan Mehta.

Moderator:

We request speaker to put your video on before speaking and unmute yourself.

Ms. Sainee Chetan Mehta:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Hello. How are you?

Ms. Sainee Chetan Mehta:

Yes, I'm good, Sir. How are you?

Mr. S.N. Subrahmanyam, Chairman:

I'm all fine. Thank you very much. Where are you speaking from, if I can ask?

Ms. Sainee Chetan Mehta:

Yeah, I'm speaking from Mumbai.

Mr. S.N. Subrahmanyam, Chairman:

Very nice of you. Please continue.

Ms. Sainee Chetan Mehta:

Yeah. So firstly, I would like to thank the CS team, then Company Secretary and Nagaraajan sir who have shown a great help and support for me in joining this AGM. So, I just have two questions. First one is what are the steps taken by the Company for increasing.

Mr. S.N. Subrahmanyam, Chairman:

Sainee ji, your voice got cut off. You have to repeat the question. Hello. Hello, Sainee ji.

Ms. Sainee Chetan Mehta:

Hello, yeah.

Mr. S.N. Subrahmanyam, Chairman:

Sainee ji, your voice got cut off. Can you repeat the question?

Ms. Sainee Chetan Mehta:

Sure. So, the first one is what are the.

Mr. S.N. Subrahmanyam, Chairman:

Hello. Sainee ji, can you hear me?

Ms. Sainee Chetan Mehta:

Hello.

Mr. S.N. Subrahmanyam, Chairman:

Can I suggest you come near some window or balcony and speak?

Ms. Sainee Chetan Mehta:

Yeah, sure.

Mr. S.N. Subrahmanyam, Chairman:

Yeah, that would be better because your network is very weak wherever you are.

Can you now?

Ms. Sainee Chetan Mehta:

Hello.

Mr.S.N. Subrahmanyam, Chairman:

Yeah, we can hear you now. Please go ahead.

Ms. Sainee Chetan Mehta:

Yeah, sure. So, the first one is what are the steps taken by the Company for.....

Mr. S.N. Subrahmanyam, Chairman:

I think we can get back to the speaker. Can you go to the next speaker?

Mrs. Celestine Elizabeth Mascarenhas.

Moderator:

We request speaker to put your video on before speaking.

Mr. S.N. Subrahmanyam, Chairman:

Yes, Celestine Elizabeth Mascarenhas. How are you, madam?

Ms. Celestine Elizabeth Mascarenhas:

Yes, I'm fine. Can you hear me?

Mr.S.N. Subrahmanyam, Chairman:

Of course. If you are there on the phone, we have to hear you. How are you?

Ms. Celestine Elizabeth Mascarenhas:

This is the first time that it had happened, I was 11 number, but I don't know what happened. I could not somehow login, you know, but better late than never. So, I am happy I atleast could log in now.

Mr. S.N. Subrahmanyam, Chairman:

You always had to be number 1, why even 11? Next time, we will ensure that.

Ms. Celestine Elizabeth Mascarenhas:

Last time I was at 11 number, so this time was supposed to be 1.

Mr. S.N. Subrahmanyam, Chairman:

Next time you will be number 1. You are one of the best speakers. You are one of the best shareholders and best speaker.

Ms. Celestine Elizabeth Mascarenhas:

Everybody is talking so I am very happy if I am later only because from what everybody said I could form my ideas after that but I was at 1, I had to provide my original ideas. So, I have to do some homework. I consider L&T as a big God which will definitely solve all our power problems.

Moving forward to formal part, Chairman Sir. Mr. S.N. Subrahmanyam, Managing Director and Chief Executive Officer, Mr. Sudipta Roy and other members of the Board and my dear fellow shareholders. I am Ms. C Mascarenhas speaking from Mumbai. I thank the Company Secretary and his team for sending me the annual report and also registering me as a speaker and for giving me this platform to speak. The team provided physical copy of annual report as I am now 70 years plus. I just cannot look much on the computers. So, they were very good enough to send me a physical copy which was very informative and there are so many factors which I will read later on. It is full of information and also self-explanatory, adhering to all the norms of corporate governance. Our Company's performance is good. Dividend is Rs. 2.75 per share which is very good and market capitalization will increase as time goes by.

I have few queries as I do not want to speak on other things because many have spoken before me. My main itching question is what are the challenges faced by our Company indirectly due to geopolitical problems and Trump's tariff policy which keeps on changing every now and then. So, I feel, how our borrowers will be affected from this and our Company must make studies on which formats of industries to we lend as there are some which are very susceptible and some may not affect, I don't know? Considering we have such a big Board of Directors and they will definitely study and invest accordingly.

Now, my second question is that what is the average cost of our borrowings which we take from banks and etc. and what is an average lending rate which we give to our borrowers? Further, do we have gold loan? and if yes, then what is the total book size of loans?

We have ~2,200 rural branches so we have a lot of rural borrowers and I want to know that what is an average age of rural borrowers and whether they belong to younger population, older population or middle age population. Further to this, whether any insurances are taken

by them as they face rough weather and this need some kind of insurance and so how it is managed?

My last and final question is about future road map for the next 5 years. How much will be the CAPEX requirement and how our Company will upgrade the branches and I would like to suggest that the Company can provide right issue as the share prices are not high. So, Company can accommodate some funds and we do not have to go and buy shares of the Company from the secondary market. I would like to know here with this question only, which vertical will grow faster with respect to borrowings and give us more return in future? I am ending here and I support every resolution and I wish you, your team and staff very good health because I sincerely believe that health is wealth. If there is no health, then your wealth will get eroded. Thank you very much for hearing me patiently and giving me second chance to speak. Thank you once again. God bless you and our Company and may it grow from strength to strength. Thank you so much.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Mrs. Celestine Elizabeth. The questions that you asked are remarkably fantastic. It seems that you have studied from Harvard Business School as your questions are detailed. Further, to answer your questions, the challenges regarding geopolitical, Trump's tariffs, etc. are disturbing. As I told earlier, the L&T group and the Company has in place various committees which studies it. There is an impact that is happening every day due to various changes that are occurring and there is not only one country, multiple countries, multiple industries, multiple services, many supply chain logistics are getting affected. To give you a prompt answer that we know everything is not correct. As everything is not known by us. Some things are known, yet there are many things which remain unknown too. We will figure out how it will work out. We are studying it and we will form a proper conclusion in some point of time. At the moment, the Company's business is moving normally.

Madam, we don't give any loan to industries as the Company has moved away from wholesale loans to purely retail loan company and does not offer any loans to any industries or real estate or infrastructure or such projects. We are not there in that business. The Company has totally moved away from such businesses. Our cost of borrowing as mentioned is about 7.8% and further expect it to be around same level if the economic policy

as decided by Reserve Bank of India changes the repo rate or it may go up or come down, but at the moment it is about 7.8%.

Further, to answer your question on future road map. As you are aware, the Company's 5-years strategic plan of "Lakshya 2026-2031" Plan. The management of the Company is working on the plan and the bottoms-up approach for L&T and each vertical of the Company works on it and then the management studies it. They observe from different angles, including competition, kind of business, geographies, that the Company needs to be in and further that it will be brought to the executive committee and later on to the Board of the Company. This will be done during the end of the year and the Company's future looks good. We want to double ourselves from about 85,000-90,000 crores AUM to 2 lakh crore AUM by 2031. However, the management will decide how they want to approach and we will appraise about this plan. Further, at the moment, the biggest vertical that is growing faster is the microfinance business and we are emphasizing on growth of tractor loans and MSME loans, personal loans, housing loans and LAP. We will push all the businesses forward according to the strategic and the future plan and accordingly the Company will decide which business can grow much better along with proper risk and due diligence as we need to be careful about it hence whichever area provides us sufficient growth avenues with the possibility of growth taking into account all the risk profile and ensuring that NPAs, which don't increase beyond certain level that are defined for the business and then we will continue to grow that business. On the question of lending rate, gold loans and rural branches. I will request Mr. Sudipta Roy, the Managing director and CEO to answer your question.

Mr. Sudipta Roy, Managing Director and CEO:

Thank you, Sir.

Our average borrowing rates as we have said to some of our other shareholders as well, at the end of last quarter is about 7.83% and NIMs and fees currently range between 10 to 10.5 and overall weighted average yield is around 15%. Further, the average age of rural borrowers would be between 25 to 30 years old roughly, which is more of younger cohort of rural borrowers to which the Company lends. We do offer insurance to our rural borrowers and insurance is of two forms, wherein one is obviously the credit shield. For an example, if a rural borrower has witnessed suddenly an unforeseen incident, then the outstanding of

the rural borrower is covered by the insurance company and we also offer them credit linked health insurance in case they fall ill then some part of their liabilities are discharged by the insurance company. We are also evaluating to introduce flood linked insurance which the Company will be able to introduce during this year as this is another large sort of event that impacts rural borrowers in our experience. Thank you, Sir.

Further, on the gold loan part, right now we are in the process of acquiring and integrating into the Company the gold loans business of Paul Merchants Finance Private Limited which we are acquiring on a slump sale basis. As part of that deal, about 130 branches, 800 employees and an estimated book size of about Rs. 1,300 crores will transition into L&T Finance. We expect to complete this deal and integration in the middle of June 2025 and starting the gold loan business from the month of July 2025.

Mr. S.N. Subrahmanyam, Chairman:

Thank you

Mr. Jaydip Bakshi

Moderator:

We request speaker to put the video on before speaking and unmute yourself.

Mr. Jaydip Bakshi:

Good noon, Chairman, MD and other Key Managerial Persons. Myself, Jaydip Bakshi connecting from the city of Kolkata.

Mr. S.N. Subrahmanyam, Chairman:

Good afternoon, Sir. How are you?

Mr. Jaydip Bakshi:

Yes, fine, Sir. Everybody keeping fine, sir?

Mr. S.N. Subrahmanyam, Chairman:

All well, Sir. Good to see you.

Mr. Jaydip Bakshi:

Convey my thanks to our Company Secretary, Apurva Madam and Nagaraajan ji for making this WhatsApp group and also maintaining investor friendly relations with the shareholders and also for sending the detailed annual report. Congrats once again for overcoming three decades of existence through different business verticals and turning our Company into a technology driven Retail Finance Company and consolidation of business made under one operating NBFC. What are our future thoughts regarding our Company and also the future outlook because of this current worldwide scenario? What are the new opportunities for the Company? Sir, we have an existing customer base of 2.6 crores. What are the steps towards data security? Congrats once again, for the dividend resolution passed and also for the awards which the Company has received. What are your thoughts regarding the debt reduction policy? and Sir, congrats once again for undergoing digital transformation with the help of the in-house engineering for seamless customer experience. To continue on page 66 of the annual report, the implementation of PAG, the product approval group will streamline the work post and also it includes the efficiency. Kindly share some thoughts regarding this. Nothing to add more, Sir. I have supported all the resolutions and wishing that the Company grows with trust and confidence of all the stakeholders and whoever are associated with our organization. Thank you, Sir, for giving me an opportunity.

Mr. S.N. Subrahmanyam, Chairman:

Jaideep ji, we have talked about the future outlook with previous speaker which has been explained and he is also from Kolkata, city of joy. I hope you listened that as I told him in a short manner.

We are embarking on our next 5 years strategic plan called Lakshya 2026- 2031. So, L&T Finance led by Mr. Sudipta Roy is working on it. It comes to bottom up through their individual verticals from the management and then Sudipta looks at it from an overall point of view with an executive management and then brings it before the Board of Directors. As such the Company is doing well. It is now purely a Retail Finance Company. We would like

to grow the retail finance portfolio to double from ~90,000 crores to about 2 lakh crores by the end of 2031. I think it is immensely possible and feasible looking into how positive our economy is and how well India placed is. It is better to wait for the outcome of the strategic plan before we expand on it.

So, on the 2.6 crore customers of the Company and the data of customers is well protected. We have very good IT team within the Company which is led by a very able IT officer. We have data protection, cyber security and other software's available to protect the data. At same time the Company use the data towards studying AI, ML and form a data lake to study all the data. There is no debt reduction policy in the Company, Sir. Our Company has an equity and it borrows money to lend money to earn interest out of it. There is no particular thought process to reduce the debt, but we are always looking at the cost of funds. If there is a better source of fund available, we will replace one debt to the other to get better sources of fund to enhance our business value and improve our NIMs and that will be the idea. We extensively use artificial intelligence across the business. There is an excellent person who has joined us from the Valley from United States who understands AI very well and who is implementing various AI tools, enhancing risk profiling, due diligence and the business profile of the Company and we make use of all technology and talent available to improve our methods for doing the business.

On page 66, I will request the Company Secretary to get back to you on that, Sir. Thank you.

Mr. Dinesh Gopaldas Bhatia

Moderator:

We request speaker to put the video on before speaking and unmute yourself.

Mr. S.N. Subrahmanyam, Chairman:

Dinesh ji.

Mr. Dinesh Gopaldas Bhatia:

Hello, can you listen to me Sir?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Dinesh ji, how are you? Where are you speaking from? Your voice sounds good. Good afternoon to you.

Mr. Dinesh Gopaldas Bhatia:

I am speaking from Mumbai. You have already mentioned my name is Bhatia. First, I want to thank you and your entire team for the efforts you are making to advance the Company by making some changes and that is a very good thing and because of that we can see that our share price which was Rs.10, is now quoting at ~Rs. 174. Three months ago, on January 1, 2025 or January 3, 2025 was Rs. 143, which has now increased by 30%, showing us that you are trying to move the Company forward by making some changes and for that thank you and congratulations.

Secondly, I see that your secretarial department is also taking good care of the shareholders, just like you. They also refresh us and this is also a very good thing. We liked that they informed us that our speaker number is 24, so if we ever need to drink water or go somewhere in our house we can go and we don't have to wait for a full hour. There was just one thing we felt, you know can say speaker number along with the speaker's name. That way we would know that our number is after two or three speakers. Otherwise, all your activities are excellent.

I don't have a specific question to ask, I just need some information regarding our cash and cash equivalents in the balance sheet are quite substantial, so why don't we utilize them? As the bank balance with the bank in current account is Rs. 2,527 crores, which was Rs. 1,768 crores last year. We also see that the bank deposits are also around Rs. 7,936 crores. Last year it was Rs. 10.82 crores. So, why don't you reduce borrowing a bit despite keeping so much in the bank, so that the borrowing cost decreases? Even though our business is finance, and it is good that we borrow and lend that money at a higher interest rate, but we feel that if there is so much money, why should not we slightly reduce the borrowing cost.

Secondly, I see that everything is good. You all are working well on projects. But I also agree with my friend Bimal Agrawal, who just spoke previously, on one thing that our share's lowest price in the year was Rs.129, and the highest was Rs.194. It has never gone below Rs.100 this year. So, why don't the Company split the share? Every shareholder expects some benefit from the Company, more and more. We are fine and our holding is a minor holding, but if you do this split, I believe there will be no reflection on our balance sheet. It will not reflect on our finance cost or any aspect of EPS. So, if possible, you should make it a Rs. 2 per share or Rs. 5 per share, which would be like act as mini-bonus and it will have no reflection on the Company's finances and the benefit will be that with a slightly lower cost, trading volume of the Company on stock exchanges will increase. So, I guarantee that if you make Rs. 5 per share, then next year our price will remain the same.

Mr. S.N. Subrahmanyam, Chairman:

Understood. So, have you finished?

Mr. Dinesh Gopaldas Bhatia:

Otherwise, I am happy with everything. Our Company's work is very good, and your sentiment towards shareholders also seems good to us. That's all, I don't want to say much more. Thank you everyone. Thank you for giving me the opportunity to speak here, and regarding this hybrid meeting, what my friend Mr. Kotwani and many others said, I also say that if you conduct hybrid meetings, we get an opportunity to meet you once a year. We get a chance to meet you personally, and those who are abroad or outside Bombay will also get a chance to speak. It will be both video and physical, so it will be very good. This is my suggestion, in the next meeting looking for opportunity to meet you, but now the meeting you have arranged is good. Thank you. I support every resolution. Thank you, all the best.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Sir. On the question of cash in hand, will request our Chief Financial Officer to answer you, Sir. His name is Sachinn.

Mr. Sachinn Joshi:

Good afternoon, Sir. Bhatia *ji*, you talked about cash equivalents, bank balances, and fixed deposits. Actually, as of March 31, 2025, we had raised money through some specific external commercial borrowings and besides that Sudipta *ji* had mentioned earlier that we raise PSL loans. These are for specific purposes, so we have to keep them in fixed deposits until disbursement. So, these balances are high because sanctions and disbursements from banks happened in the last one or two weeks. Additionally, we also adhere to RBI guidelines regarding the liquidity coverage ratio, so we have to keep some money in fixed deposits for that reason the balance is higher in the bank. Thank you.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, sir.

Next speaker is Mr. Nachiappan

Moderator:

We request speaker to put the video on before speaking and unmute yourself.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Nachiappan?

Mr. Nachiappan:

Yes, able to hear.

Mr. S.N. Subrahmanyam, Chairman:

How are you? Are you well?

Mr. Nachiappan:

Okay, Sir. How are you, Sir?

Mr. S.N. Subrahmanyam, Chairman:

All well, my dear friend. Good to see you. Good to hear your voice. Where are you speaking from?

Mr. Nachiappan:

Okay, thank you, Sir. I am calling from a remote village in Tamil Nadu near to Tiruchirappalli.

I am very happy to participate in the 17th AGM of our Company. Thanks for the handsome dividend of Rs. 2.75 per share. Hope we will get more dividend next year. I have a few questions regarding External Commercial Borrowings (ECB), if constitutes only 8% of the total borrowings during the reporting period, better than last year but ECB is a low-cost fund even taking into account the inherent exchange rate risk. Why we should not go more of ECB instead of bank borrowings? Next question, Ministry of Corporate Affairs, ROC Mumbai, issued an order under Section 206 Sub-section 4 of the Companies Act, 2013. This section deals with the power to call for information, inspect books, and conduct inquiries. What is this all about? This is mentioned in the secretarial audit report for the reporting period. My next question is that there was a default of Rs. 116 crores by Tikona Infotech on our Company in the month of May 2025, and CIRP was initiated by our Company. What is the status now? Is there any other CIRP pending before Honorable NCLT? If so, what is the amount involved and expected haircut? My last question regarding loans overdue by 90 days and which remain unpaid including interest thereon, are amounting to Rs. 3,217 crores. Is it not high risk? What's the management's comment on this? That's all from my end. Thanks for the opportunity given, and take care. Thank you, Sir.

Mr. S.N. Subrahmanyam, Chairman:

Thank you, Mr. Nachiappan. I will request Sudipta Roy and Sachinn to answer the question.

The main thing is the Registrar of Companies requested for information, and it was given. Queries were pertaining to IPO and certain disclosures in the Boards' report. I will answer in short form on some of the queries raised and the details can be sent to you.

Mr. Sudipta Roy, Managing Director and CEO:

So, ECB question will be answered by Mr. Sachinn Joshi, our CFO.

Mr. Sachinn Joshi, Chief Financial Officer:

Nachiappan Sir, with regard to ECBs, yes you are right that ECB was at 8%, during the year as most of the borrowings domestically were much cheaper. As you can see, our overall cost of borrowing has gone up only by about 37 basis points and that shows very clearly that we had some pockets of opportunity in the last quarter and that's the reason we borrowed money through the ECBs in the month of February and March. We are actually working on getting our international ratings in place, which will help us borrow more from the foreign markets. Talking on the default of Tikona and few other transactions, these are transactions which are part of our wholesale book, which we have actually already brought down. We are no longer in the business of wholesale. So, there are certain transactions which are in NCLT in various stages of resolution, and we will keep informing the shareholders as and when progress is made. Nothing to worry about it.

Mr. S.N. Subrahmanyam, Chairman:

Yes Sir, Thank you.

Mr. Rajesh Gopalakrishnan

Moderator:

We request speaker to put the video on before speaking and unmute yourself.

Mr. S.N. Subrahmanyam, Chairman:

Mr. Rajesh? Hello, Rajesh. How are you Sir, we cannot hear you. Sir, you are not audible. Please close the video and only talk. Close the video. You have still not audible, Sir. Rajesh, can you hear us? Computer check whether you have put it on.

Moderator:

Technical issue with the speaker. We can call back those investors who have not attended earlier.

Mr. S.N. Subrahmanyam, Chairman:

If they are there in the queue.

Moderator:

Yes Sir. They are available.

Mr. Asok Subrahmanyam

We request speaker to put your video on before speaking and unmute yourself

Mr. Asok Subrahmanyam:

Am I audible and am I visible?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Mr. Asok. How are you?

Mr. Asok Subrahmanyam:

Fine. *Namaskaram* SNS. I call you SNS.

Mr. S.N. Subrahmanyam, Chairman:

Yes Sir, you can call me that way. It's lovely to meet you.

Mr. Asok Subrahmanyam:

Yeah. *Namaskaram, Namaskara*. That is the way I my daughter used to call you. She was working very closely with you in L&T.

Mr. S.N. Subrahmanyam, Chairman:

What was her name?

Mr. Asok Subrahmanyam:

Akshara.

Mr. S.N. Subrahmanyam, Chairman:

Okay. Very lovely girl, brilliant girl.

Mr. Asok Subrahmanyam:

Unfortunately, she has to leave.

Mr. S.N. Subrahmanyam, Chairman:

Brilliant girls find their way.

Mr. Asok Subrahmanyam:

You helped her in moving her to LTTS and now she is in US. Then she changed the job. She was not happy with the way she was treated over there. I will speak to you later on that. This is not the forum.

Mr. S.N. Subrahmanyam, Chairman:

Okay.

Mr. Asok Subrahmanyam:

Anyways. Thank you very much and first of all I place my congratulations to the entire Board, employees, shareholders and all the stakeholders for an excellent performance and I will also thank the secretarial department for giving me an opportunity to speak. I have been with you as a shareholder since IPO and my entire family are shareholders of L&T and as I said as a speaker shareholder, I am not asking anything. I have already offered you services of my daughter. Now again I will tell you what all I have offered to you. Last year I have increased my holding on L&T finance by 73%. That shows my trust on the management. So, which has been suitably rewarded and I compliment the entire team who has worked on this annual report. It is one of the fabulous reports which I have come across specifically the presentation of principle wise and progress which is well appreciated. This is a lovely document which I will be preserving for ages to come. Now I will give a brief introduction about me in the interest of time so that I can be of use to you in the entire group of L&T. I am basically an engineer and there is a commonality between you and me Sir i.e. both of us you use "H" in our name, Subrahmanyam, which is a rare thing. I am a graduate in mechanical engineering and I have completed 37 years of working in an oil industry as a safety professional. I have recently superannuated a year back. Now I have skilled my caliber with the course on CSR leadership done by XLRI, under the guidance of Tata Steel Foundation. I can be of any help to you, I am speaking from Coimbatore. I will be obliged to apply. I understand that India has got a population of 50 to 60 millions people in the 60 to 70 years' age span who have very good potential and can give you the guidance or support system you want. I don't need or looking for any pay package or anything. I look forward to serve you in whatever way you can compensate me.

I look at the page 319 of the annual report, I find that the permanent women employees are on a continuous decline from 36.2% to 23.6%. Page number 319 the configuration is okay and the pictorial chart in the bottom of the graph is also okay. Secondly, on the page number 312 the details of the waste generated by the Company. I don't know how it is going from 46.61 metric tons to 266.08 metric tons in over two years. It was a quite surprise to me. How it has increased? Further, the second portion is that even the energy consumption in

terms of the total energy consumed from non-renewable energy sources are on a declining trend. I am bringing this point. I have spent more than two to three hours in going through this annual report and so that it will be useful for the organization. Even the water intensity used per turnover and the physical output they are also on an uptrend. This could be the reason between the nations for future trade of war as everybody knows. Secondly, I would like to ask about the Company strategy towards internal carbon pricing and does the organisation look into it? Under the *Atmanirbhar* and defense program, whether we have this on our portfolio or whether any SME is working? whether we will be able to contribute towards this? These are all the few questions. One small suggestion, I would like to put it that I would like to be involved in your CSR in whichever capacity I can do, so that that I can give my expertise to the Company and one more suggestion is that whatever details of CSR projects you are covered in the annual report, for that you can think of give QR code so that interested people can scan it and know about the details. Further, if I can be of any help in giving you any kind of proposal or an impact program by working closely with your team, I am available for you. All the best. I would also like to meet you in person whenever you can come to Chennai or any place you can tell I will meet you. Thank you very much. Thanks for the opportunity.

Mr. S.N. Subrahmanyam, Chairman:

Okay, Asok ji, Nice to speak with you and good to see that in one way or the other you are involved with L&T. I will try to answer your question on women employment the 33% to 31% pertains to the turnover rate of the women employees. Frankly, it has come down, which is good and we are able to retain more lady employees. On this waste generated, I have not gone through the details. So let me understand it. I will give you a detailed reply back through the Company Secretary. On energy and water intensity increase, as the Company has grown quite well during the last two or three years. As a result, the intensity of water usage and electricity usage has gone up because the Company has opened up new branch offices, new rural offices, etc. and the Company report everything openly, transparently but we are tracking it and we track it per employee, etc. and it would have come down. Further, for internal carbon pricing L&T Finance per se does not do anything, but L&T group, does internal carbon pricing and is in process of creating a data bank to claim some credit out of it. At the moment, due to the huge factories and complexes, etc. we have. it is still neutral but we are working on it. On defense portfolio, the Company is definitely giving loans to SME, MSME loans but I need to confirm whether the Company is giving specifically to any

defense companies, but that is an open book subject for us regarding the performance of the Company, subject to its balance sheet being proper and fit for purpose from a loan point of view, will definitely take a look at it.

On CSR involvement, it is a very good idea for the QR code. Ms. Apurva, the Company Secretary has noted that down and we will try to affix it in the ensuing annual report so that you can scan it and get more details. Kindly send your CV to Ms. Apurva. You are a very learned and very experienced person, If there is an opportunity to utilize your services, definitely we will do that. Good luck to you. All the very best, sir. Nice to speak to you.

Moderator:

Speaker Number 21, Ms. Sainee Chetan Mehta

We request speaker to put your video on before speaking and unmute yourself.

Ms. Sainee Chetan Mehta:

Hello. Am I audible?

Mr. S.N. Subrahmanyam, Chairman:

Yes, Ms. Sainee Mehta. How are you?

Ms. Sainee Chetan Mehta:

I am good.

Mr. S.N. Subrahmanyam, Chairman:

Yeah, we missed you earlier. I think you were in some dark network spot. We could not hear you. Now you are very clearly audible. Please go ahead before it goes off again.

Ms. Sainee Chetan Mehta:

Sure, sure. I will start asking my questions. So, there are two questions. What are the steps taken by the Company for increasing productivity of the employees apart from Saturday working culture? And secondly, what are the steps taken for employee welfare and work-life balance?

Mr. S.N. Subrahmanyam, Chairman:

Two deadly questions you have asked. One is opposite of the other. On one hand you are talking about productivity and on the other side about work-life balance. I don't know how to answer it now. I like to think of an answer. I ask my fellows to work more and you are talking about work-life balance which is difficult to manage.

But you know, I think on a serious note, I think the Company has taken various measures to look at productivity of employees. We monitor other than 9 to 5 shift working hours which seems okay but the number of people contacted, number of loans given, the amount of loan with interest taken back, various measures are there to measure the productivity. These are constantly being monitored. There is also a software in the offices to check the computer timing related to what time you enter, how much time you have taken for a break and all those kinds of things. Hence, the productivity is well measured in the Company and well looked into. Now with the introduction of AI etc., we are also trying to see how to enhance the common works and common things that are being done and how to put it into common usage accordingly less use of manpower can be ensured for doing same or more amount of work. On employee welfare, there are numerous measures the Company has marked towards employee welfare. This can be enumerated in a very detailed manner. So, I will request Ms. Apurva to send you a detailed note on that. Okay, thank you very much.

Moderator:

Speaker No. 26 Mr. Rajesh Gopalakrishnan

We request speaker to put your video on before speaking and unmute yourself.

Mr. S.N. Subrahmanyam, Chairman:

Hello, hello. Mr. Rajesh ji, can you hear us now?

Moderator:

Still there is a technical issue with the speaker.

Mr. S.N. Subrahmanyam, Chairman:

Yeah, I think so.

Moderator:

We have completed with the list of speakers.

Mr. S.N. Subrahmanyam, Chairman:

Thank you.

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 who would like to cast their vote. We are grateful to all our members and directors who have participated in the AGM through the video conferencing facility.

I now declare the meeting as closed.

Thank you, *Jai hind*.