

December 4, 2023

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai - 400051

BSE Limited

Corporate Relations Department,
1st Floor, New Trading Ring,
P.J. Towers, Dalal Street,
Mumbai – 400001

Symbol: L&TH

Security Code: 533519

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

Sub: Press Release

Dear Sir / Ma'am,

Further to our letter dated December 4, 2023, please find enclosed a press release in relation to the scheme of amalgamation by way of merger by absorption of L&T Finance Limited, L&T Infra Credit Limited and L&T Mutual Fund Trustee Limited with the Company under Sections 230 to 232 read with Section 52 of the Companies Act, 2013, and other applicable regulatory requirements.

We request you to take the aforesaid on records.

Thanking you.

Yours faithfully,

For **L&T Finance Holdings Limited**

Apurva Rathod
Company Secretary and Compliance Officer

Encl: as above

L&T Finance Holdings Ltd. (LTFH) completes the merger of its subsidiaries (L&T Finance Ltd., L&T Infra Credit Ltd. and L&T Mutual Fund Trustee Ltd.) with itself

Merger is effective December 4, 2023; Merger will create a 'Single Lending Entity'

- *The merger comes into effect on December 4, 2023 and the process was completed post requisite shareholders', creditors' and regulatory/statutory approvals*
- *The merger will lead to creation of a simplified 'Single Lending Entity'; thus, housing all lending businesses under one operating Non-Banking Financial Company (NBFC)*

Mumbai, December 4, 2023: L&T Finance Holdings Ltd. (LTFH) the equity listed holding company, today announced the successful completion of the merger of its subsidiaries, L&T Finance Limited (LTF), L&T Infra Credit Limited (LTICL) and L&T Mutual Fund Trustee Limited with itself. LTFH is a leading NBFC and offers a range of financial products and services under the L&T Finance brand. LTFH was the holding company while LTF and LTICL were high value debt listed entities and the operating entities. With this merger, all the lending businesses will be housed under one single entity i.e., LTFH, with it becoming the equity listed operating lending entity.

The respective Boards of the said companies had approved the proposed merger in January 2023 and the process was completed post requisite approvals from shareholders, creditors, and regulatory/ statutory authorities - Reserve Bank of India (RBI), National Company Law Tribunal (NCLT), Securities and Exchange Board of India (SEBI), and Stock Exchanges.

The key benefits of the merger include:

- **Enhanced governance and controls** – A single entity structure will help enhance governance and controls owing to simplification of corporate structure and elimination of duplication of various processes at multiple subsidiaries
- **Astute Liability management** – Liquidity management for a single entity would bring in treasury and operational efficiency in terms of cost incurred for managing liquidity at multiple entities (subsidiaries) vis – a- vis that of one entity; thus, helping in astute liability management
- **Ability to provide enhanced return to shareholders** – LTFH will become an operating lending entity from a holding company (Core Investment Company) thus generating direct profits from the lending businesses which will increase its ability to provide enhanced returns to its shareholders
- **Seamless compliance and adherence to RBI Scale Based Regulations** – LTF was categorized as NBFC – Upper Layer under the extant RBI regulations, which mandates listing on the stock exchanges within three years from the date of such categorization. This would have led to two entities being equity listed within L&T Finance. The merger avoids creation of two equity listed entities while ensuring seamless compliance with the RBI Scale Based Regulations with respect to listing
- **Operational efficiency:** A single entity structure will facilitate operational efficiencies in terms of better utilisation of management bandwidth, consolidation of systems & controls and reduction in administrative cost / expenses

Commenting on the merger, **Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH** said “It gives me immense pleasure to announce that the merger has been completed before the envisaged time with all the necessary approvals in place. This merger is amongst the key strategic initiatives undertaken by us in line with the ‘Right Structure’ strategy that our Company has been implementing over the last seven years; with the number of NBFCs reducing from 8 to 1. The decision to merge two lending entities with the same NBFC – Investment & Credit Company registrations and one non-operating entity with LTFH was taken after carefully considering market dynamics, internal synergies, and a vision for sustained growth. With the merger, we believe we will be able to unlock newer avenues for growth, innovation, and long-term success. All these benefits would lead to superior governance that would create sustainable value for all stakeholders.”

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Ltd. (LTFH) (<https://www.ltfs.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services under the L&T Finance brand. Headquartered in Mumbai, the company has been rated AAA — the highest credit rating for NBFCs — by four leading rating agencies. It has also received leadership scores and ratings by global and national Environmental, Social, and Governance (ESG) rating providers for its sustainability performance. The Company has also won many prestigious awards for its flagship CSR project – “Digital Sakhi”- which focuses on women’s empowerment and digital and financial inclusion. Under Right to Win, being in the ‘right businesses’ has helped the Company become one of the leading financiers in key Retail products. The Company is focused on creating a top-class, digitally-enabled Retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust Retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the Company’s strategic roadmap - Lakshya 2026. The Company has over 2.2 crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

