

**Press Release**

Tuesday, January 23, 2024, Mumbai

**L&T Finance Holdings Ltd. (LTFH) records Profit After Tax (PAT) of Rs. 640 Crore (Consolidated) for the third quarter of the financial year 2023-24, up 41% Year-on-Year (YoY)**

*Transitions into a Retail NBFC with a retail Book Size of ~Rs. 75,000 Crore;  
PLANET app crosses 76 lakh downloads till date*

- **Achieved Lakshya 2026 goals two years ahead of time with:**
  - Retailisation at 91% vs. Lakshya 2026 target of >80%
  - Retail Book growth at 31% YoY vs. targeted growth rate of 25%
  - Retail Asset Quality with Gross Stage 3 (GS3) at 2.95% and Net Stage 3 (NS3) at 0.64% as against a target of GS3: <3% and NS3: <1%, respectively
- **Achieved highest ever quarterly Retail Disbursement at Rs. 14,531 Crore, up 25% YoY**
- **Completed the merger of L&T Finance Ltd., L&T Infra Credit Ltd. and L&T Mutual Fund Trustee Ltd. with L&T Finance Holdings Ltd. in Q3FY24, thereby creating a 'Single Lending Entity'**

L&T Finance Holdings Ltd. (LTFH), one of the leading Non-Banking Financial Companies (NBFCs), has posted a Consolidated PAT of Rs. 640 Crore for the third quarter ended December 31, 2023, recording a growth of 41% YoY.

The Company has also achieved a Retail loan portfolio mix of 91% of the total loan book, which is above the 80% Retailisation target set under the Lakshya 2026 goal. The Company has achieved the Lakshya 2026 goals two years ahead of time.

The Company's customer facing application - PLANET app, which was soft launched in the fourth quarter of the financial year 2021-2022, has emerged as a powerful digital channel for its customers and has crossed 76 lakh downloads to date.

The quarterly Retail disbursements stood at Rs.14,531 Crore for the third quarter ended December 31, 2023, recording a growth of 25% YoY. This quarterly disbursement is the highest ever by LTFH in Retail finance since inception and has been driven by strong growth across all Retail segments. The Retail book now stands at Rs. 74,759 Crore, up 31% when compared with the quarter ending December 31, 2022.

Commenting on the financial results, **Mr. Sudipta Roy, who takes over as Managing Director and Chief Executive Officer of L&T Finance Holdings Ltd. on January 24, 2024** said, "It gives me immense pleasure to announce that we have achieved all our 'Lakshya 2026' goals two years in advance. With Retailisation at 91%, we have transitioned to a Retail NBFC straddling the Rural and Urban ecosystem. Going forward, our key focus will be on making Lakshya goals sustainable by ensuring that our performance is consistent and predictable.

To achieve this, we have concentrated our attention on executing strategy basis 5 key pillars, namely enhanced customer acquisition through funnel creation and contiguous/new products, sharpening credit underwriting by moving from a mono-axis underwriting to multi-axis underwriting i.e., Credit

Bureau plus Account Aggregator and Orthogonal Signals, creating futuristic digital architecture, heightening brand visibility through increased share of voice, and capability building by ramping up tech talent.”

### Key Highlights:

#### A. Robust Retail Franchise

The Company’s granular and deep pan India Retail franchise is led by its marquee distribution capabilities namely, its geographic presence in around 2,00,000 villages from 1,700 plus rural meeting centers/branches and over 150 branches across urban centers, servicing over 93 lakh active customers. This extensive geographic presence is also supported by over 10,000 channel relationships built over a decade. The Company also leverages its 2.2 Crore plus customer database to drive a credible cross-sell and up-sell franchise, with up-sell contributing 33% of the Company’s disbursements in the third quarter ended December 31, 2023.

#### B. Healthy Retail disbursements and book

The Retail Book now stands at 91% of the total loan book with strong Retail disbursement of Rs. 14,531 Crore (up 25% YoY) and Retail book at Rs. 74,759 Crore (up 31% YoY).

- **Rural Group Loans & Micro Finance** registered healthy quarterly disbursements during the third quarter ended December 31, 2023, at Rs. 5,476 Crore, recording a YoY growth of 28%. This growth was aided by a strong disbursal run rate of over Rs. 1,800 Crore during the quarter, coupled with a strong focus on strengthening customer retention with a substantial share of vintage borrowers. As for the book, it saw a growth of 32% YoY and stood at Rs. 23,110 Crore vs. Rs. 17,485 Crore in the third quarter ended December 31, 2022.
- **Farmer Finance** disbursements during the third quarter ended December 31, 2023, stood at Rs. 2,027 Crore while witnessing a 32% growth on a Quarter-on-Quarter (QoQ) basis. The business growth was driven by proactive portfolio management using digital and data analytics. The segment also saw enhanced customer retention through upselling of Kisan Suidha (comprising 18% of total disbursements), which is a top-up and refinance product. The book size grew 11% YoY and stood at Rs. 13,845 Crore vs. Rs. 12,447 Crore in the quarter ended December 31, 2022.
- **Two-Wheeler Finance** disbursements during the third quarter ended December 31, 2023, registered highest ever quarterly disbursements at Rs. 2,540 Crore, a YoY growth of 18% vs. Rs. 2,146 Crore in the quarter ended December 31, 2022. The Company continues to focus on analytics-driven dealer relationships while building a robust network of dealerships through new initiatives. During the quarter LTFH financed nearly 11,000 Electric Vehicles (EV). The growth for the segment was additionally driven by continued focus on increasing the Prime & EV segment in Two-Wheeler with owing to deepening and new tie ups with leading industry players. The book size grew 20% YoY at Rs. 10,447 Crore vs. Rs. 8,716 Crore in the quarter ended December 31, 2022.
- **Personal Loans** witnessed disbursements to the tune of Rs. 847 Crore in the quarter ended December 31, 2023, vs. Rs. 1,228 Crore in the quarter ended December 31, 2022. During the quarter, the book size grew by 36% to Rs 6,427 Crore vs. Rs. 4,719 Crore in the quarter ended December 31, 2022. This calibrated growth is driven by a well thought out strategy as policies and strategies applicable to this product are currently being revamped. Going forward, with relevant risk guardrails in place, the Company envisages growth by leveraging on new partnerships and scaling up of the online acquisition channel.

- **Home Loans & Loans Against Property (LAP)** disbursements showed sustained growth momentum in the third quarter ended December 31, 2023, and witnessed growth of 67% to Rs. 1,998 Crore vs. Rs. 1,199 Crore in the third quarter ended December 31, 2022. As for the book size, it saw a growth of 33% in the third quarter ended December 31, 2023, to Rs. 16,654 Crore vs. Rs. 12,513 Crore in the quarter ended December 31, 2022.
- **SME Loans** registered robust growth with the third quarter ended December 31, 2023, disbursements at Rs. 965 Crore vs. Rs. 538 Crore in the third quarter ended December 31, 2022. During the quarter, the book size reached the milestone of over Rs. 3,000 Crore, primarily driven by increased geographical presence and expansion of channel ecosystem through digital initiatives.
- **Collection Efficiency:** Maintained superior and industry best collection efficiency across Retail businesses through enhanced on-ground efforts, digital initiatives, and data analytics-based resource allocation.

#### About L&T Finance Holdings (LTFH):

L&T Finance Holdings Ltd. (LTFH) (<https://www.lfhs.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.

