

L&T Finance Holdings Ltd. achieves 75% retail loan portfolio ahead of time in its goal towards Lakshya 2026

- **Profit After Tax (PAT) of Rs. 1,623 crore (Consolidated) in Financial Year ended March 31, 2023 (FY23), up 52% Year-on-Year (YoY)**
- **Retail portfolio mix now stands at 75% of the total loan book**
- **Highest annual retail disbursements at Rs. 42,065 crore, driven by strong growth across all retail segment**
- **Accelerated reduction in wholesale book by 54% YoY to Rs. 19,840 crore**
- **PLANET app crosses 3 million downloads; Powering up with digital technology towards becoming a Fintech@Scale**

April 28, 2023, Mumbai: L&T Finance Holdings Ltd. (LTFH), one of the leading Non-Banking Financial Companies (NBFCs), is scaling up on its journey towards becoming a customer-focused, top class, digitally enabled retail NBFC. By the end of FY23, the company achieved a retail loan portfolio mix of 75 percent of the total loan book, which is almost nearing the greater than 80% retailisation goal of Lakshya 2026.

The annual retail disbursements stood at Rs. 42,065 crore for the financial year ended March 31, 2023, recording a growth of 69 percent YoY. The retail book now stands at Rs. 61,053 crore, up 35 percent when compared with March 31, 2022. During the year, the wholesale book was brought down by 54 percent to Rs. 19,840 crore.

Consolidated PAT for FY23 stood at Rs. 1,623 crore, recording a growth of 52 percent YoY and consolidated PAT for the fourth quarter ended March 31, 2023 is at Rs. 501 crore, up 46 percent YoY.

Commenting on the financial results, **Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings Ltd.** said, "FY23 marks the first year of our four-year strategic plan - Lakshya 2026 and we are happy to announce that our retailisation now stands at 75%, which is almost nearing the greater than 80% retailisation goal of Lakshya envisaged for FY26. This achievement has been on account of a strong YoY growth of 35% in retail book with best-in-class asset quality and a decisive 54% reduction in the wholesale book. The strategic initiatives that were undertaken during the year have helped the company in accelerating the fulfillment of the plan. Going forward, we will sustain our momentum towards creating a customer-focused and sustainable Fintech@Scale. The company will continue to offer retail products which encircle the entire customer ecosystem, creating a bespoke cross-sell and up-sell franchise and optimum distribution strategy."

During the year ended March 31, 2023, LTFH witnessed strong growth across all retail segments.

Rural Business Finance recorded disbursements of Rs. 16,910 crore during the year, a growth of 70 percent YoY. The growth was due to the deepening and strengthening of geographical presence and expanding the product suite through focused strategic initiatives.

The company has a market leadership position in tractor finance segment in the country. Farmer Finance witnessed disbursements of Rs. 6,450 crore during the year ending March 31, 2023, recording a growth of 25 percent YoY. It also recorded the highest ever fourth quarter disbursements and achieved an important milestone of financing more than 1 lakh new tractors in a fiscal year. The growth is attributed to the strengthening of top original equipment manufacturer partnerships which helped in

increasing the market share. Tailor-made products like Kisan Suvidha scheme and refinancing helped enhance customer retention even further.

Urban Finance disbursements grew by 72 percent YoY to Rs. 16,727 crore during the year ending March 31, 2023. In FY23, the Home Loans / Loan Against Property business crossed the Rs. 500 crore monthly disbursements milestone. Two-Wheeler Finance saw the highest ever fourth quarter disbursements at Rs. 1,727 crore with a 25% increase YoY. The company also witnessed an increase in the customer funnel through strengthened partnerships with e-aggregators and prospects in Consumer Loans business.

SME Finance disbursements crossed the Rs. 1,000 crore milestone during the fiscal year ending March 31, 2023. The geographical footprint increased to 20 locations from 2 locations during the pilot phase in FY22. Adoption of digital technology will be the encompassing theme for channel expansion of this business.

The company's customer facing application - PLANET app, which was soft launched in the fourth quarter of FY22, is a key component towards building autonomous journeys. It is built on the foundation of reimagining customer engagement by creating an augmented Direct 2 Customer (D2C) channel. The app serves as a geo-agnostic sourcing, collections and servicing channel with customer-centric features. The app also provides multiple other features like farm advisory, education courses, utility payments, income expense tracker, etc. In FY23, this channel did collections of more than Rs. 240 crore and serviced more than over 45 lakh requests. The app has reached out to more than 2.8 lakh rural customers and has already crossed 3 million downloads till date. Also, till date the app has done a business in excess of Rs. 1,600 crore (including website).

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Limited (LTFH) (<https://www.lfhs.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services through its subsidiary L&T Finance Ltd. (LTF) 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 is focused on women 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 a database of over 2 crore customers, which is being leveraged to cross-sell, up-sell as well as identify new customers.