

Press Release

January 20, 2025, Mumbai

L&T Finance Ltd. (LTF) records Consolidated Profit After Tax (PAT) at Rs. 2,007 Crore for 9MFY25, a growth of 14% over 9MFY24
Q3FY25 Consolidated PAT at Rs. 626 Crore

Strong Retail Franchise with a Retail Book of Rs. 92,224 Crore, up 23%

Year-on-Year (YoY)

Q3FY25 Retail Disbursements at Rs. 15,210 Crore, up 5% YoY

PLANET App crosses over 1.5 Crore downloads as of Q3FY25

Q3FY25 saw LTF host RAISE' 24, India's premier AI event in the Banking, Financial Services, and Insurance (BFSI) sector, the launch of Knowledgeable AI (KAI), its AI-based virtual home loan advisor, a partnership with Amazon Pay to transform consumer lending, and 'Project Cyclops' extended to Farm Equipment Finance

- **Key highlights for Q3FY25**
 - Retailisation at 97%
 - Retail book stood at Rs. 92,224 Crore, up from Rs. 74,759 Crore, reflecting a YoY growth of 23%
 - Robust consolidated asset quality:
 - Gross Stage 3 (GS3) stood at 3.23% in Q3FY25 vs 3.21% in Q3FY24
 - Net Stage 3 (NS3) stood at 0.97% in Q3FY25 vs 0.81% in Q3FY24
 - Credit cost before macro utilization at 2.91% vs 2.59% for Q2FY25; wherein an increase in slippages was witnessed owing to macro challenges in the Rural Business Finance (RBF) segment.
 - Proactive asset-liability management has limited the quarterly Weighted Average Cost of Borrowings (WACB) increase by 3 bps (QoQ) at 7.83% in Q3FY25
 - Secured assets growth led by Farmer Finance at 23% YoY and Home Loans & Loan Against Property at 24% YoY
- **Robust business model coupled with strong growth across diversified retail segments led to:**
 - Healthy credit calibrated growth in highest ever festive quarter retail disbursements at Rs. 15,210 Crore vs. Rs. 14,531 Crore, up 5 % YoY

Performance for Q3FY25 (Consolidated):

- PAT at Rs. 626 Crore vs. Rs. 640 Crore, down by 2% YoY
- Net Interest Margin + Fees & Other Income at 10.33% vs. 10.93%, down 60 bps YoY
- Consolidated book size at Rs. 95,120 Crore vs. Rs. 81,780 Crore, up 16% YoY
- Return on Equity (RoE) stood at 10.21% vs. 11.35%, down by 114 bps YoY

Performance for Q3FY25 (Consolidated):

The Board of LTF, one of the leading Non-Banking Financial Companies (NBFCs) in India today announced the financial results for the third quarter ended on December 31, 2024.

Commenting on the financial results, **Mr. Sudipta Roy, Managing Director & CEO of LTF** said, “Despite certain macro challenges within the microfinance sector, we have managed the situation effectively. We are hopeful that the environment will be much better over the next couple of quarters.

Our investments and efforts towards building a world class credit underwriting and monitoring infrastructure continued unabated. Apropos to the same, our next generation three-dimensional credit underwriting engine ‘Project Cyclops’ was extended to 100% of dealerships in Two-wheeler Finance and was also operationalized for the Farm Equipment Finance business.

In our pursuit of innovation within the lending landscape, LTF launched a strategic partnership with Amazon Pay to develop and offer cutting-edge credit solutions through the platform. We also extended PhonePe partnership to Personal Loans, delivering a seamless digital lending experience to our consumers.

Additionally, we have launched Knowledgeable AI (KAI), an AI-powered chatbot that revolutionizes the home loan experience. We were also delighted to host RAISE’ 24, India’s premier AI-themed event in the Banking, Financial Services, and Insurance (BFSI) sector focused on AI’s real-world applications. As we look ahead, we remain dedicated to driving innovation and enhancing our offerings to better serve our customers.”

Key Highlights:

Robust Retail Franchise:

The Company’s granular and deep pan-India Retail franchise is led by its strong distribution capabilities namely, its geographic presence in around 2,00,000 villages from around 2028 rural meeting centers/branches and over 185 branches across urban centers. The Company also leverages its around 2.5 Crore customer database to drive a credible cross-sell and up-sell franchise contributing 32% of the Company’s disbursements in value and 43% in count during Q3FY25. LTF has 45% Rural assets and 55% Urban assets.

Healthy retail disbursements and book for Q3FY25:

- **Rural Business Finance:**
 - Book size at Rs. 26,231 Crore vs. Rs. 23,110 Crore, up 14% YoY
 - Disbursements at Rs. 4,599 Crore vs. Rs. 5,476 Crore, down 16% YoY
 - A risk calibrated disbursement strategy was followed in the business owing to a challenging macro environment
- **Farmer Finance:**
 - Book size at Rs.15,075 Crore vs. Rs. 13,845 Crore, up 9% YoY
 - Disbursements at Rs. 2,495 Crore vs. Rs. 2,027 Crore, up 23% YoY
 - Growth in the segment aided by a better than average monsoon and festive season demand
- **Two-wheeler Finance:**
 - Book size at Rs. 12,676 Crore vs. Rs. 10,447 Crore, up 21% YoY
 - Disbursements at Rs. 2,414 Crore vs. Rs. 2,540 Crore, down 5% YoY
 - Calibrated disbursements owing to the strengthening of documentation and credit guardrails for sourcing of better-quality credit tested customer and shift towards prime customers
- **Personal Loans:**
 - Book size at Rs. 7,820 Crore vs. Rs. 6,427 Crore, up 22% YoY
 - Disbursements at Rs. 1,642 Crore vs. Rs. 847 Crore, up 94% YoY
 - Growth was aided by digital partnerships and tapping growth in prime segments
- **Housing Loans and Loans Against Property:**
 - Book size at Rs. 23,461 Crore vs. Rs. 16,654 Crore, up 41% YoY
 - Disbursements at Rs. 2,475 Crore vs. Rs. 1,998 Crore, up 24% YoY
 - Growth on the back of focus on distribution channels and partnerships. Maintained a

pristine secured portfolio performance

- **SME Finance:**
 - Book size at Rs. 5,817 Crore vs. Rs. 3,078 Crore, up 89% YoY
 - Disbursements at Rs. 1,249 Crore vs. Rs. 965 Crore, up 29% YoY

ESG and CSR initiatives

The Company has been at the forefront for its ESG & CSR initiatives.

LTF continued its progress and commitment towards sustainable growth.

- S&P Global 53/92nd percentile S&P DJSI Score FY24
- Sustainalytics rated - 16.1 Continued to be in the “Low Risk” category
- Green Power Emissions avoided (~1,586 tCO₂e)
- EV Financing Emissions avoided (~9,612 tCO₂e)
- EVs Financed (51,364)
- Potential Reduction of Scope 3 Emissions (servicing 86% customers through PLANET App)
- Convergence of Social Schemes Rs. 120 Crore; 1.25+ Lakh beneficiaries
- YOUth Drive for Safety (83,000+ youth outreached)

Under its CSR initiatives, LTF has undertaken the following:

- 2.30 Lakh+ rural women sensitized on digital and financial literacy through the cadre of trained 1,110 Digital Sakhis in the states of Karnataka, Kerala, West Bengal, Tamil Nadu, Uttar Pradesh, Bihar, and Rajasthan
- Capacity building trainings of 120 Water User Groups comprising of farmers completed in Maharashtra
- For mitigating devastating impacts of floods in worst affected 9 districts of Bihar, additional 13,000+ relief kits were distributed amongst affected families
- Third party census study completed for 2 Lakh+ plantations under Project Prakruti in Pavagada, Karnataka
- Under Information Education Campaign (IEC), 1000+ wall-paintings were completed in 700+ villages for creating awareness on Digital and Financial Literacy

About L&T Finance Ltd (LTF):

L&T Finance Ltd. (LTF) (<https://www.ltf.com>), formerly known as L&T Finance Holdings Ltd., (LTFH) is a leading Non-Banking Financial Company (NBFC), offering a range of financial products and services. 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 been certified as a Great Place To Work® and 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 around 2.5 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

