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L&T Finance gains after Q4 PAT climbs 11% YoY to Rs 554 Crore

L&T Finance rallied after the company reported 10.53% jump in consolidated net profit to Rs 553.88 crore in Q4 FY24 from Rs 501.08 crore posted in Q4 FY23.

Total income rose 6.76% to Rs 3,677.32 crore in Q4 FY24 as compared with Rs 3,444.43 crore recorded in the same period last year.

Profit before tax rose 4.76% to Rs 694.02 crore in Q4 FY24 from Rs 662.44 crore recorded in the corresponding quarter previous year.

Net interest income improved by 14% to Rs 1,909 crore in Q4 FY24 from Rs 1,679 crore in Q4 FY23. Net interest margin plus fees & other income in Q4 FY24 was 11.25% as against 9.21% in Q4 FY23.

The company's the retail book witnessed a strong growth of 31% YoY to Rs 80,037 crore. While disbursements grew by 33% YoY to Rs 15,044 crore, both these factors led to improved retailisation of the total lending book to 94%.

Rural group loans & micro finance registered highest ever quarterly disbursements during Q4 FY24 at Rs 5,768 crore, recording a YoY growth of 31%. As for the book, it saw a growth of 32% YoY and stood at Rs 24,716 crore as against Rs 18,693 crore in Q4FY23.

Farmer finance disbursements during Q4 FY24 stood at Rs 1,530 crore, down 2% YoY. The book size grew 8% YoY and stood at Rs 13,892 crore as against Rs 12,819 crore in Q4 FY23. Strong business momentum maintained during the year despite a de-growth witnessed in the industry, stated by the company.

Two-Wheeler finance disbursements during Q4 FY24, disbursements stood at Rs 2,502 crore, a growth of 45% YoY as compared with Rs 1,727 crore in Q4 FY23. The book size grew 25% YoY at Rs 11,205 crore as against Rs 8,960 crore in Q4 FY23.

Growth in the business driven by geographic penetration, maintaining a strong focus on customer value proposition and building preferred dealer / original equipment manufacturer relationships to grow market share. Additionally, focus remains on continuously increasing the prime & electric vehicle segment owing to deepening and new tie-ups with leading industry players.

Personal loans witnessed disbursements to the tune of Rs 968 crore in Q4 FY24 as against Rs 1,322 crore in Q4 FY23. During the quarter, the book size grew by 18% to Rs 6,440 crore from Rs 5,471 crore in Q4 FY23.

During the quarter, Home loans and loans against property (LAP) disbursements witnessed growth of 70% to Rs 2,513 crore from Rs 1,478 crore in Q4 FY23. As for the book size, it saw a growth of 38% in Q4 FY24 to Rs 18,443 crore as against Rs 13,410 crore in Q4 FY23.

SME Loans registered robust growth with Q4 FY24 disbursements at Rs 1,213 crore as against Rs 667 crore in Q4 FY23. During the quarter, the book size reached at Rs 1,378 crore, primarily driven by strong growth in business volumes aided by geo-expansion, deepening channel partnerships and focus on providing superior value to our customers.

On full year basis, the company's net profit surged 42.92% to Rs 2,320.10 crore on 5.66% increase in total income to Rs 14055.12 crore in FY24 over FY23.

Meanwhile, the company's board has declared a final dividend of Rs 2.5 per share for the financial year 2023-24. The dividend will be credited within 30 days from the date of AGM.

Sudipta Roy, managing director and chief executive officer of L&T Finance Holdings, said, In the second year of our Lakshya 2026 strategic plan, we are happy to report a retailisation of 94% surpassing our goals well ahead of schedule. Our Net Profit for FY24 saw a healthy 43% YoY growth to Rs 2,320 crore, driven by a 31% YoY increase in our retail book and a 29% YoY rise in disbursements. Despite the challenging interest rate environment, our borrowing cost remained stable, and our portfolio credit metrics continued its improvement journey.

Looking ahead, our focus remains on exceeding the 95% retailisation target while maintaining a robust book growth of more than 25%. Our commitment to operational excellence, customer centricity, strong governance, and risk management, coupled with a digital first approach, will sustain our growth momentum towards building a value creating, customer-focused technology first financial services powerhouse.

L&T finance holdings offers financing for two-wheelers, consumer goods, homes, farm equipment, women entrepreneurs, rural groups, real estate, and infrastructure. It provides financing for small and medium enterprises through term loans and overdraft facilities.