

February 7, 2025

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

BSE Limited

Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: LTF

Security Code No.: 533519

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

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) regarding acquisition of the gold loan business of Paul Merchants Finance Private Limited by the Company via slump sale on a going concern basis for a lumpsum consideration

Pursuant to Regulation 30 of the Listing Regulations read with Schedule III and other applicable regulations, if any, we wish to inform you that as authorised, the Committee of Directors has, at its Meeting held today i.e. February 7, 2025, approved the proposal for acquiring the gold loan business (“**Gold Loan Business Undertaking**”) of Paul Merchants Finance Private Limited (“**Seller**”) by way of slump sale on a going concern basis for a lumpsum consideration (“**Business Transfer**”), through execution of the business transfer agreement (“**BTA**”) and other ancillary documents (as applicable) between, *inter alia*, the Company and the Seller in this regard (“**Proposed Transaction**”).

The BTA has been executed today i.e., February 7, 2025.

The completion of the Business Transfer is subject to fulfilment of conditions precedents stipulated in the BTA, and such other approvals / consents as may be required.

The details and disclosures as required under the Listing Regulations read with SEBI master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are given in **Annexure A**. Further, a press release and a presentation containing the details of the Proposed Transaction are also enclosed as **Annexure B**.

The Meeting of the Committee of Directors commenced at 3:00 p.m. and concluded at 3:45 p.m.

This intimation is also being made available on the Company’s website at www.ltfs.com/investors.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Limited**
(formerly known as L&T Finance Holdings Limited)

Apurva Rathod
Company Secretary and Compliance Officer
Encl: As above

L&T Finance Limited
(formerly known as L&T Finance Holdings Limited)

Registered Office

Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

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Annexure A

Sr. No.	Particulars	Details
Schedule III, Para A, Part A (5)		
1.	Name(s) of parties with whom the agreement is entered	(i) L&T Finance Limited (“ Company ”); (ii) Paul Merchants Finance Private Limited (“ Seller ”); (iii) Paul Merchants Limited, the holding company of the Seller; (iv) Mr. Sat Paul Bansal; and (v) Mr. Rajneesh Bansal.
2.	Purpose of entering into the agreement	Execution of the business transfer agreement (“ BTA ”) is to record the terms and conditions in relation to acquisition of the gold loan business of the Seller by the Company (“ Gold Loan Business Undertaking ”), as a going concern on a slump sale basis for a lumpsum consideration.
3.	Shareholding, if any, in the entity with whom the agreement is executed	Nil
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The BTA records the process and manner of completion of the Proposed Transaction and contains details including: (i) The details of assets, liabilities, contracts, employees and other aspects of the Gold Loan Business Undertaking to be taken over/acquired by the Company from the Seller pursuant to the Proposed Transaction; (ii) Conditions precedent to the completion of the Proposed Transaction including RBI approval having been obtained by the Company in respect of increase in branches of the Company pursuant to the acquisition of the Gold Loan Business Undertaking and consents having been obtained from the counterparties to the Seller’s contracts in relation to the Gold Loan Business Undertaking for

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Sr. No.	Particulars	Details
		<p>assignment / novation in favour of the Company;</p> <p>(iii) Actions to be taken on completion date including execution of deed of assignment for assigning underlying loans and gold pledged with the Seller in respect of the gold loans to the Company and payment of consideration by the Company to the Seller; and</p> <p>(iv) Certain non-compete and non-solicit restrictions on the parties after the closing of the Proposed Transaction.</p>
5.	Whether the said parties are related to the promoter/ promoter group/ group companies in any manner. If yes, nature of relationship	None of the parties are related to the promoter / promoter group / group companies of the Company.
6.	Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arm's length"	The parties to the BTA are not related parties of the Company.
7.	In case of issuance of shares to the party, details of issue price, class of shares issued	Not applicable. No shares are proposed to be issued pursuant to the Proposed Transaction.
8.	Any other disclosure related to such agreements viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreement, etc.	-
9.	<p>In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):</p> <p>(a) name of parties to the agreement;</p> <p>(b) nature of the agreement;</p> <p>(c) date of execution of the agreement; and</p> <p>(d) details of amendment and impact thereof or reasons of termination and impact thereof.</p>	-
Schedule III, Para A, Part B (3)		

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Sr. No.	Particulars	Details
10.	Product launch: (a) name of the product; (b) date of launch; (c) category of the product; (d) whether caters to domestic/ international market; (e) name of the countries in which the product is launched (in case of international).	(a) Loan against the security/collateral of gold jewellery (b) Upon completion of the acquisition of the Gold Loan Business Undertaking. (c) Lending product (d) Domestic market (e) N.A.

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Annexure B**L&T Finance Ltd. marks its entry into gold loan business**

Announces proposed acquisition of gold loan business undertaking of Paul Merchants Finance Pvt. Ltd., a wholly owned subsidiary of Paul Merchants Ltd.

- The gold loan business will be an excellent strategic addition to the Company's portfolio of secured retail products
- The proposed acquisition provides access to high quality customer franchise of over 98,000 customers, 700 employees, and 130 branches spread across 11 states
- The business transfer is expected to close by the second quarter of the financial year 2025-26

Mumbai, February 07, 2025: L&T Finance Limited (LTF), a leading Non-Banking Financial Company (NBFC), has announced its entry into the gold loan business through the proposed acquisition of Paul Merchants Finance Pvt. Ltd.'s (PMFL) gold loan business undertaking. The gold loan franchise will be an addition to LTF's portfolio of secured loan products.

The proposed acquisition includes a fully operational network and security center for 24/7 remote monitoring of all gold loan branches, strategically located in less penetrated markets like Chandigarh, Punjab, Haryana, Delhi, Rajasthan, Gujarat, Madhya Pradesh, and Uttarakhand. It also brings approximately 700 employees and 130 branches.

This is an all-cash deal with a lumpsum consideration of Rs. 537 crore along with certain adjustments to be done till closing, on a slump sale basis. The agreement is subject to necessary approvals and the fulfilment of all conditions precedent to closing. The business transfer is expected to close by the second quarter of the financial year 2025-26.

Speaking on this occasion, **Mr. Sudipta Roy, Managing Director & CEO of LTF** said, "We are committed to delivering sustainable growth and attractive returns, and this proposed acquisition is a significant step in that direction. The gold loan business undertaking will fill the gap of a secured high yield product in our portfolio in both rural and urban. This aligns with our Lakshya 2026 strategy, which focuses on growing our customer base. It accelerates our gold loan business time-to-scale by 36 months, providing approximately Rs.1,000 crore in assets under management and over 98,000 active customers in an easily integrable business profile."

Mr. Roy added, "Also, gold loan business undertaking complements our existing portfolio and allows us to capitalize on the significant overlap with our current customer base of Rural Group Loan and Micro Finance operations. We are confident that this will be a key driver of future profitability. It also supports our long-term strategy without any dilution in Earnings Per Share."

PMFL's Chairman and Managing Director, Mr. Sat Paul Bansal, speaking about the transaction said, "Over the past three to four years, our gold loan business undertaking has experienced remarkable growth, achieving a CAGR of over 35%. As we reached a critical scale, it became evident that sustaining this momentum required the backing of a larger balance sheet. In this regard, I am proud that our gold loan business undertaking will move to LTF, which I firmly believe is the right strategic partner and I have full confidence that LTF team will not only nurture this undertaking but also integrate and scale it as a significant part of their broader operations. I look forward to witnessing its continued growth under LTF's dynamic stewardship."

Mr. Bansal also said, “I sincerely appreciate the efforts of PMFL team, LTF team and PwC Corporate Finance team (acted as an exclusive financial advisor) in working towards the successful finalization of this transaction.”

About L&T Finance Ltd. (LTF):

L&T Finance Ltd. (LTF) (<https://www.ltf.com>), formerly known as L&T Finance Holdings Ltd., 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 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 approximately 2.5 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.



L&T Finance - Entry into Gold loan business

7 February, 2025



L&T Finance Limited (formerly known as L&T Finance Holdings Limited) (the “Company”) offers a range of financial products and services under the L&T Finance (LTF) brand.

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Disclaimer clause of RBI: The Company has a valid certificate of registration dated August 02, 2024 issued by the RBI under section 45 IA of the RBI Act (pursuant to the conversion from NBFC-CIC to NBFC-ICC). However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company, or for the correctness of any of the statements or representations made or opinions expressed by the Company, and for repayment of deposits/ discharge of liabilities by the Company.

- L&T Finance's long-term strategy is to have a diversified retail franchise delivering sustainable growth and RoA. This is being achieved through an optimal mix of secured and unsecured products in the rural and urban ecosystems that we operate in
- In-line with our 5-Pillar strategy of enhancing customer acquisition, we continuously endeavour to expand our existing product offerings in a synergistic and contiguous manner
- Through the course of Lakshya 2026, we have organically built contiguous products namely Micro Loan Against Property, Agri-allied Finance in our rural ecosystem and Personal Loans through cross-sell and big tech partnerships and SME in the urban ecosystem

- However, our philosophy towards growth through inorganic means has been guided by three considerations namely:
 - Addressing a critical capability gap
 - An easily integrable business model and people profile and
 - Available at attractive valuations
- In this regard, we have identified one such opportunity in the gold loans space that fits into our philosophy of inorganic growth. Our entry into this segment is marked through proposed purchase of the gold loans business undertaking of Paul Merchants Finance Pvt. Ltd. (PMFPL) for a lumpsum consideration of ₹ 537 Cr with closing adjustments, on a slump sale basis
- Subject to necessary approvals expected to be received by Q2FY26, the final consideration is estimated to be in the range of ₹ ~650 to ₹ ~700 Cr

- LTF has one of the largest rural franchises in the country with ~1.6 Cr rural customer database who have a cumulative outstanding of ₹15,000+ Cr* of gold loans, making it a natural contiguous cross-sell product extension of our business
- Our rural workforce of over 20,000 feet-on-street will provide an immediate force multiplier on active generation of gold loan leads in our existing customer set, which is a significant strength compared to equivalent competition
- Gold loans business will fill the gap of a secured high yield product in our portfolio, both rural and urban
- All new Micro LAP branches (80+) created over the last 12 months have the capacity to undertake gold loan business

- LTF's Business Transfer Agreement (BTA) for the proposed acquisition of gold loan business undertaking of Paul Merchants Finance Pvt. Ltd. (wholly owned subsidiary of Paul Merchants Ltd.) gives the following benefits:
 - The proposed acquisition provides LTF a unique opportunity to cut time-to-scale by 36 months and to inherit a high quality profitable attractive RoA profile gold loan franchise at an attractive consideration
 - The proposed acquisition provides an easily integrable profile for LTF (₹ ~1,000 Cr of loan book, estimated Sept-24 net worth ₹ 337 Cr, ~98,000 active customers, ~700 employees, ~130 branches)
 - The proposed acquisition comes with a full-fledged network operations and security centre for 24x7 remote monitoring of all gold loan branches. Branches are concentrated in non-traditional less penetrated gold loan geographies viz. Chandigarh, Punjab, Haryana, Delhi, Rajasthan, Gujarat, Madhya Pradesh, Uttarakhand etc.
 - The proposed acquisition supports LTF's long term strategy without any EPS dilution
 - The business transfer is expected to close by Q2FY26 (subject to necessary approvals and fulfillment of closing conditions)

Thank You