

October 20, 2022

**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,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

**Symbol: L&TFH**

**Security Code No.: 533519**

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

**Sub: Submission of investor / analyst presentation**

Dear Sir / Madam,

With reference to our letter dated October 17, 2022 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the presentation to be made to the investor(s) / analyst(s).

Further, as per Regulation 46 of the Listing Regulations, the said presentation would also be available on website of the Company i.e., [www.ltfs.com/investors.html](http://www.ltfs.com/investors.html).

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

**Apurva Rathod**  
**Company Secretary and Compliance Officer**

Encl: As above



**AIM. INNOVATE. CREATE.**

**Strategy & Results Update – Q2FY23**



***L&T Financial Services***

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**Risk Factors and Disclaimers pertaining to L&T Mutual Fund: Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

# Agenda

**A**

**Journey towards Lakshya 2026**

**B**

**Q2FY23 in Perspective**

**C**

**Financial Update**

# LTFS - Lakshya 2026

AIM. **INNOVATE.** CREATE.

*To be a top class 'digitally enabled' retail finance company moving from 'product-focused' to 'customer-focused' approach*



# Lakshya 2026 Goals

Retailisation



>80%

Retail growth



>25% CAGR

Asset Quality



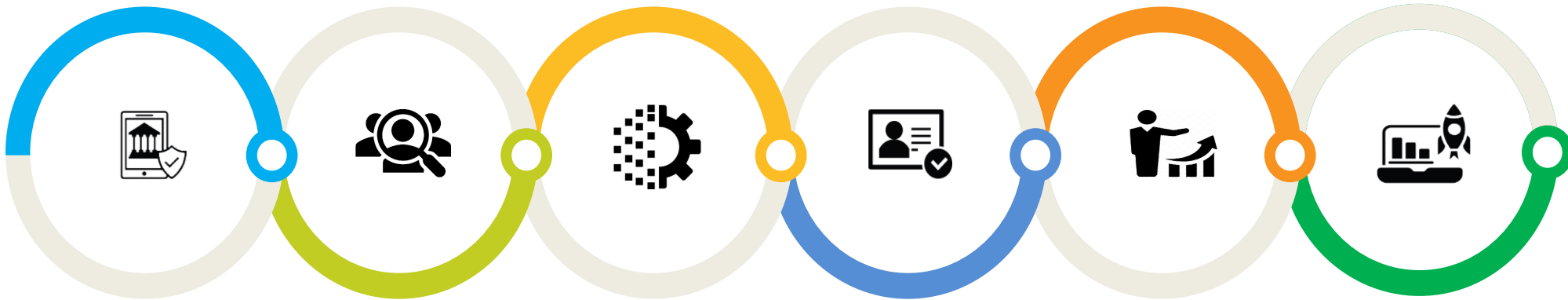
GS3 <3%  
NS3 <1%

RoA



2.8% - 3%

# LTFS – What do we aspire for?



**TOP NOTCH  
RETAIL NBFC**

**CATERING TO THE  
RURAL, URBAN MASS  
AFFLUENT, ASPIRER &  
SME SEGMENT**

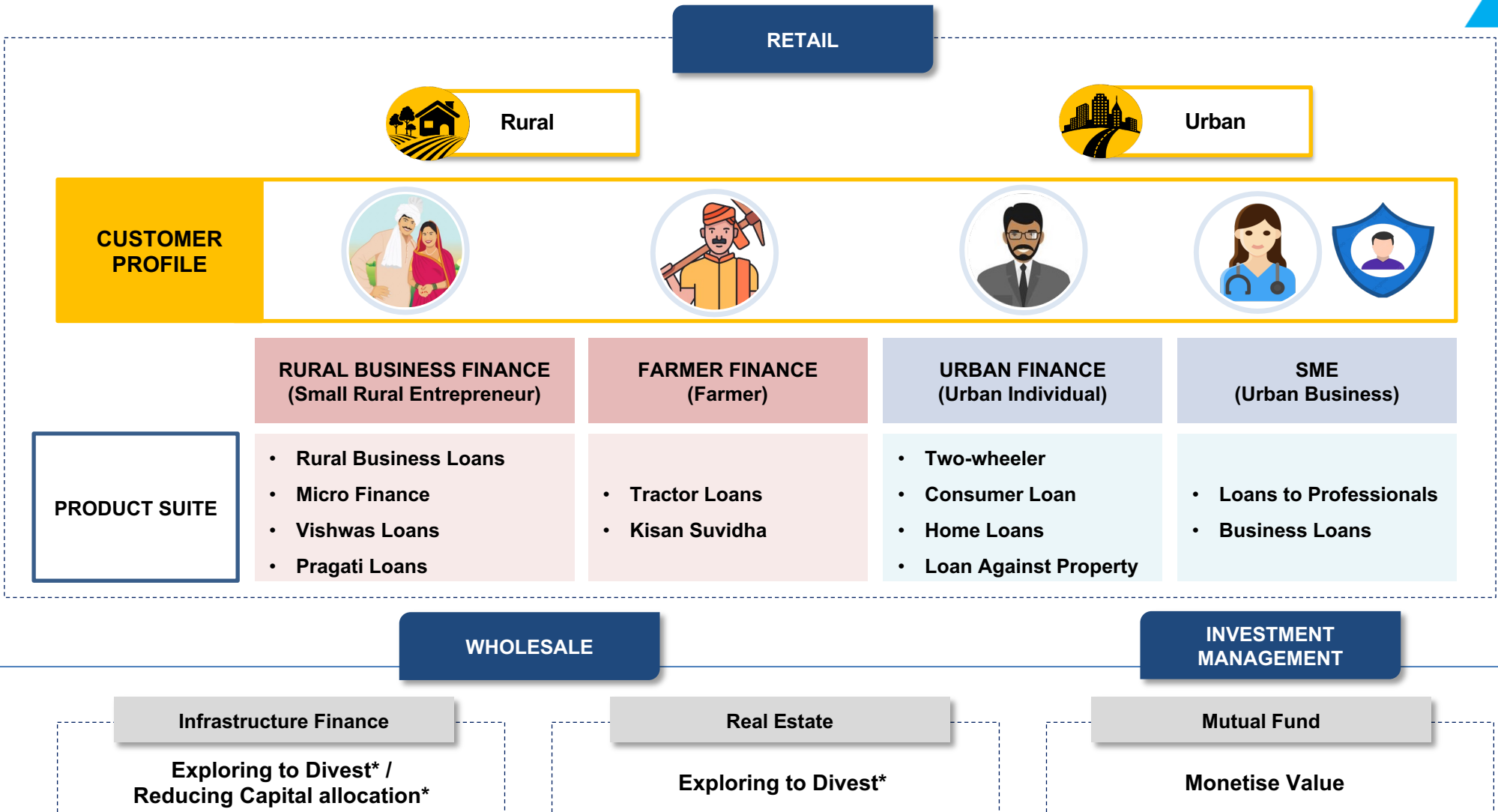
**USING DIGITAL &  
DATA ANALYTICS**

**TO  
CREATE A  
CREDITWORTHY POOL  
OF CUSTOMERS**

**FOR RETENTION,  
UPSELL &  
CROSS-SELL**

**DELIVERING  
TOP CLASS  
SUSTAINABLE  
ROA**

# Organisation structure realigned to “customer focus”



7 Rural Business Loans & Micro Finance both were part of erstwhile Micro Loans; the split has been made following RBI circular on MFIs  
\*subject to necessary approvals and required disclosures



# Path to becoming a top class digitally enabled retail finance company

1 Sustained profit and growth engine



2

Demonstrable strength in risk management



3

Creating Fintech @ Scale



4

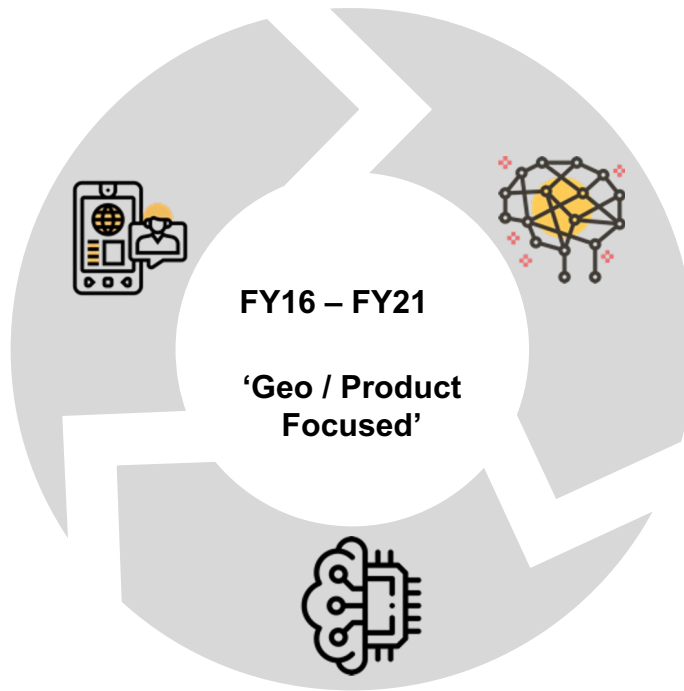
Sustainable future growth through ESG



# Creating a Fintech@Scale

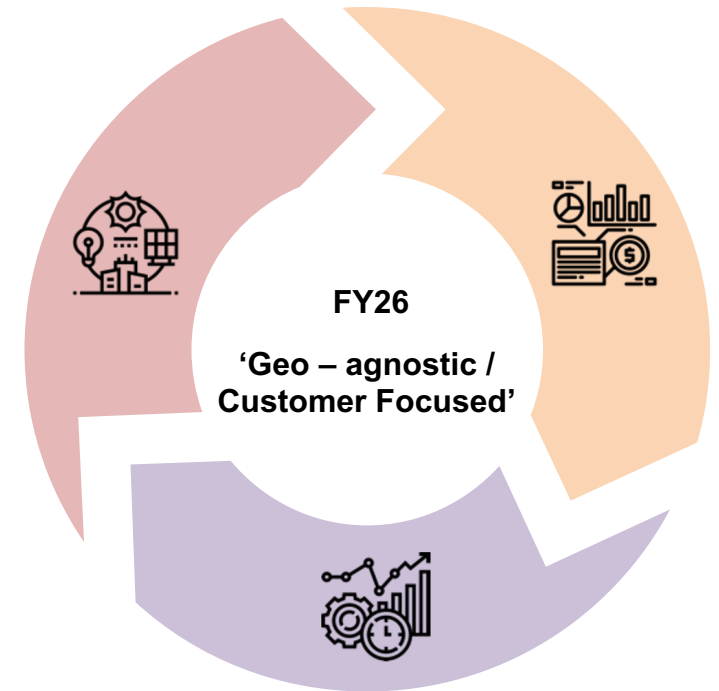
Business Strategy

Digital Strategy



Efficiency improvement

Portfolio quality management



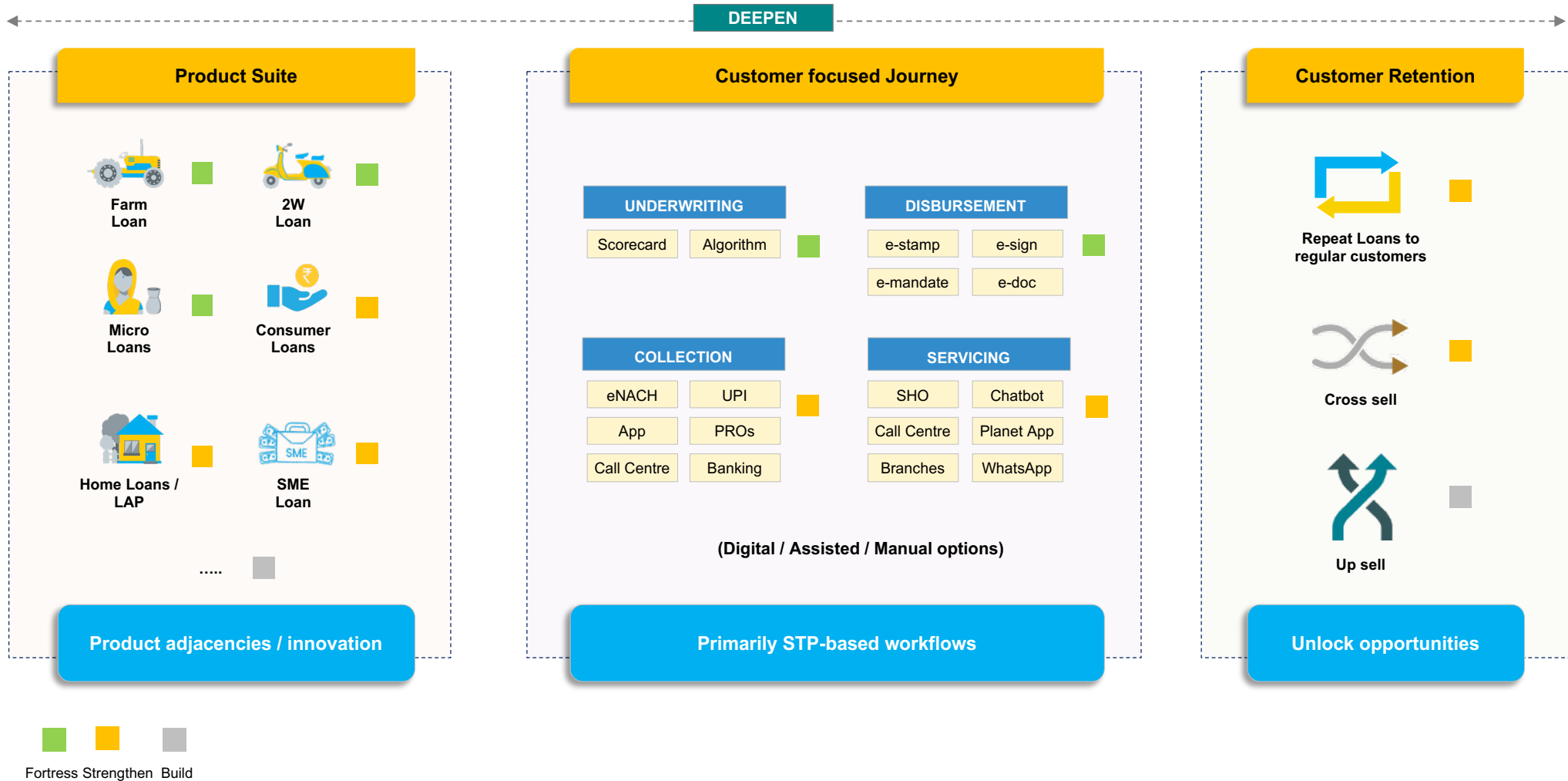
Reimagining customer engagement

Best in class risk mitigation



# Creating a Fintech@Scale

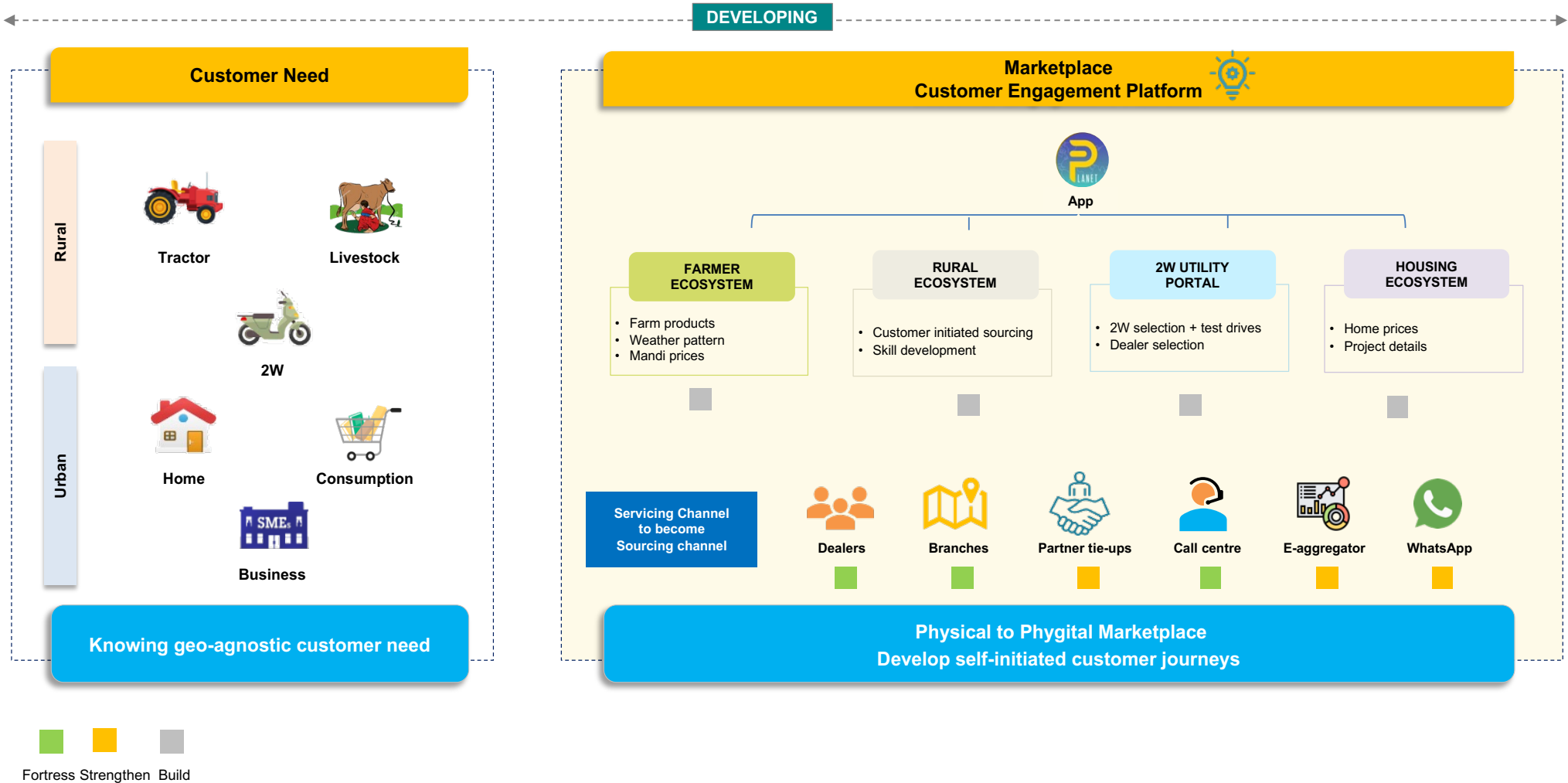
Architecture: Phase 1 – Built Digital & Data Analytics Capabilities



Built on the foundation of product leadership and process excellence

# Creating a Fintech@Scale

## Architecture: Phase 2 – Building Omni-channel Customer Ecosystem

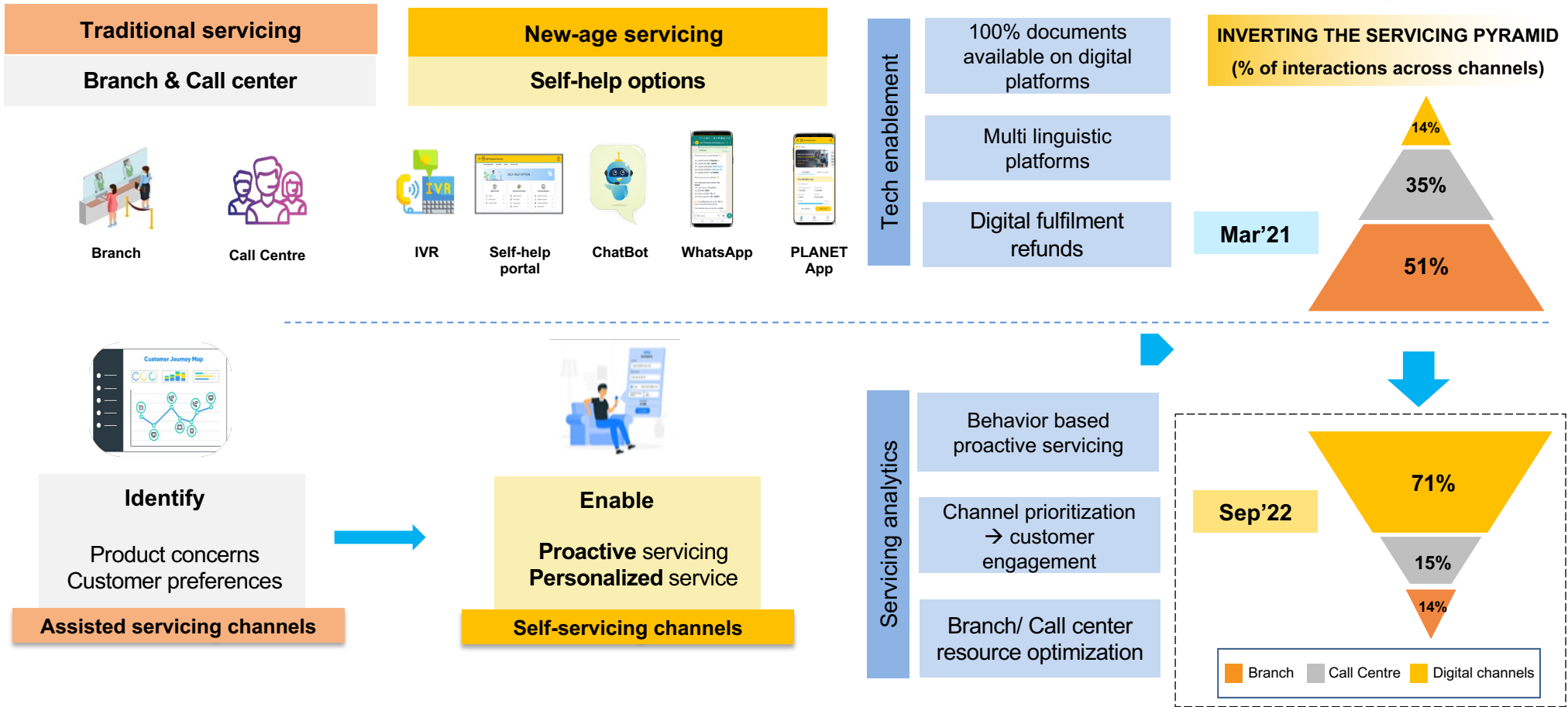


■ Fortress ■ Strengthen ■ Build

**Making financing an invisible and seamless proposition in the entire customer engagement journey**

# Creating a Fintech@Scale

Q2 update: Reimagining Customer Engagement - Inverting the servicing pyramid



Technology enabled servicing solutions to complement geo-expansion strategy

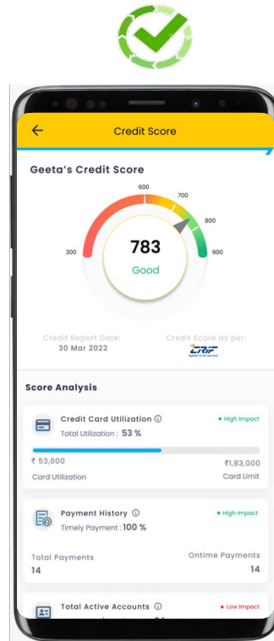
# Creating a Fintech@Scale

Q2 update: Reimagining Customer Engagement - PLANET App

Enroute to establishing a geo-agnostic sourcing & servicing channel

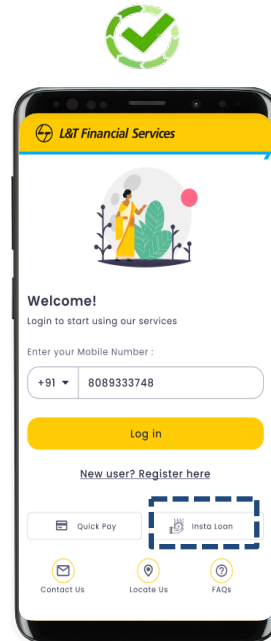


7 lac+ Downloads



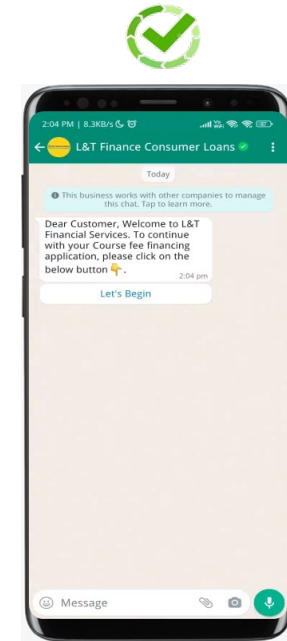
Credit score card

Launched Q1FY23



Insta loan for Consumer loan

Launched Q2FY23



WhatsApp platform for Consumer loan

Launched Q1FY23

Building capabilities to enhance customer experience and increase retention



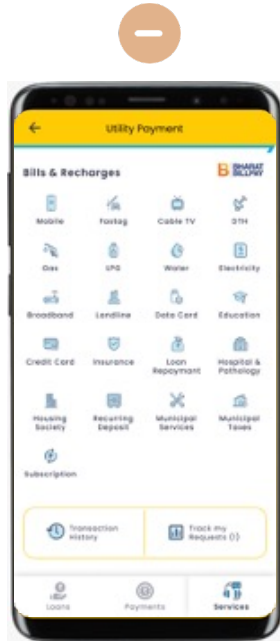
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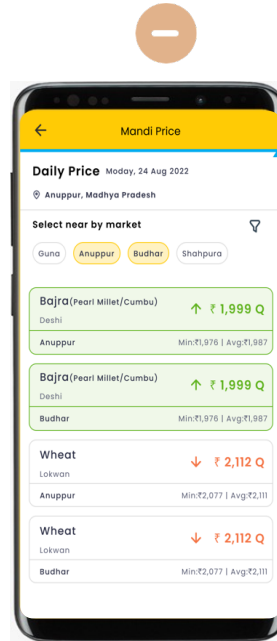


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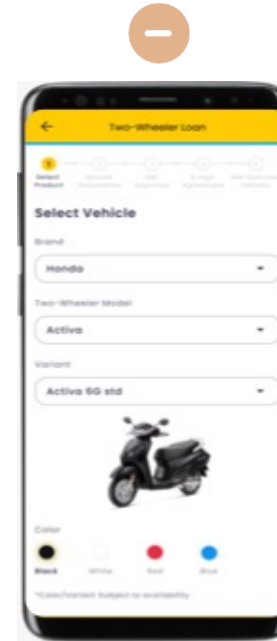
Utility payments

In-progress



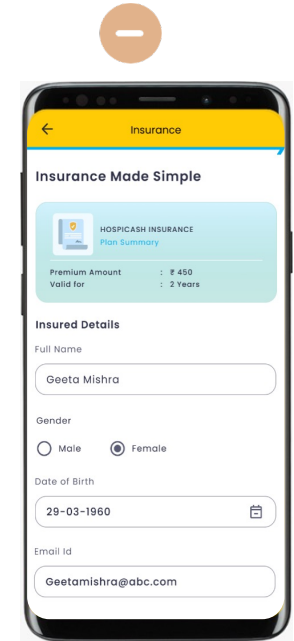
Mandi Price for Farm customer

In-progress



Planet app for 2W loan journey

In-progress



Insurance

In-progress

Building capabilities to enhance customer experience and increase retention



Completed



In Progress

# Agenda

**A**

**Journey towards Lakshya 2026**

**B**

**Q2FY23 in Perspective**

**C**

**Financial Update**



# Q2FY23 Synopsis (1/4)

## Business & Financial Updates

**Strong business momentum; increasing retailisation in-line with Lakshya 2026 strategy**

**Leading to sustainable higher margins**

- **Retail mix at 58% of overall portfolio** (up YoY from 47% in Q2FY22 and QoQ from 54% in Q1FY23)
  - **Highest ever quarterly retail disbursement (Rs. 10,238 Cr), up 84% YoY and 15% QoQ**
  - **Retail:** Continued strong business momentum across all products:
    - Rural Business Finance witnessed highest ever quarterly disbursements of Rs. 4,418 Cr through various strategic initiatives
    - Achieved highest ever quarterly disbursements in 2W on the back of increased market share
    - Amongst the leading financiers in Farm; continued with higher disbursements YoY
    - Continued scale-up of Consumer loans (Rs. 1,328 Cr disbursements in Q2FY23 vs. Rs. 479 Cr in Q2FY22)
    - Sustained growth momentum witnessed in HL/LAP; disbursements up by 19% QoQ
    - Strong growth in SME disbursements (portfolio size - Rs. 321 Cr till Q2FY23)
  - **Wholesale:** Focus on reducing capital allocation. Portfolio reduced to ~Rs. 37,600 Cr from ~Rs. 43,500 Cr (down 14% YoY)
    - Continued with asset light model in Infrastructure Finance
    - Focused on Project completion in Real Estate, portfolio reduced to ~Rs 9,100 Cr (down 25% YoY)
- 
- NIMs+Fees at 8.43% in Q2FY23 (vs 7.58% in Q2FY22) aided by:
    - Increase in retail book and increase in fees on the back of higher disbursements
    - Cost of borrowing at 7.33% against 7.53% for Q2FY22, in an increasing interest rate environment

**Retail book at Rs. 52,040 Cr (up 27% YoY and 9% QoQ)**

# Q2FY23 Synopsis (2/4)

## Business & Financial Updates

### Normalizing credit cost and PAT

- On the OTR front, Rs. 422 Cr of Retail Finance loans that had moved to 90+ DPD have been fully provided for. With this, the impact of OTR in unsecured loans business is largely over
- With excellent Retailisation, good margins and reducing credit cost, PAT increased to Rs. 406 Cr in Q2FY23 (up 81% YoY and 55% QoQ)

### Best-in-class collections

- Maintained strong Collection Efficiency across Retail businesses through enhanced call center efforts & data analytics based resource allocation
- Collections in the Wholesale portfolio continue to be on track. Higher Real Estate collections on account of increase in project monitoring and resolutions (Principal repayment / pre-payment of Rs 852 Cr) during the quarter

### Strengthened balance sheet; Steady Asset Quality and Provisions

- Reduction in overall GS3 from 6.48% in Q2FY22 to 4.02% in Q2FY23. 55% PCR with NS3 at 1.85%
- **Retail:** Asset quality improved across businesses; Reduction in GS3 from 4.12% in Q2FY22 to 3.55% in Q2FY23, with NS3 at 0.88%. PCR stands at 76%
- **Wholesale:** Reduction in GS3 from 6.87% in Q2FY22 to 4.72% in Q2FY23
- Carrying additional provisions of Rs. 1,096 Cr (Macro, enhanced and OTR provisions) corresponding to 1.28% of standard book in addition to GS3 provisions and ECL on standard assets
- Capital adequacy stands at 22.65% (Tier 1: 19.85%)
- D/E at 4.18x

# Q2FY23 Synopsis (3/4)

## Business & Financial Updates

### Unlocking value from Mutual Fund business

- LTFH entered into a definitive agreement with HSBC Asset Management (India) Private Limited (“HSBC AMC”) on Dec 23<sup>rd</sup>, 2021 for divestment of its Mutual Fund business:
  - Aggregate purchase consideration of USD 425 million (subject to adjustments as set out in the definitive agreement)
  - In addition, LTFH is also entitled to surplus cash balance left in the Mutual Fund business in excess of regulatory and investment capital requirements until the completion of the acquisition
  - All the key approvals / NOC from regulatory authorities / others have been received for the proposed change in control of the Mutual Fund business
- The capital gains received from this deal will be used for further strengthening of the balance sheet among other usages as may be approved by the board and other authorities, if any
- This transaction is expected to be completed by Q3FY23

# Q2FY23 Synopsis (4/4)

## Regulatory Updates

### RBI circular on Scale Based Regulation (SBR)

- RBI vide its notification dated Oct 22<sup>nd</sup>, 2021 issued a Scale Based Regulatory framework effective from Oct 1<sup>st</sup>, 2022
- RBI vide press release dated Sept 30<sup>th</sup>, 2022, categorized L&T Finance Ltd (100% subsidiary of L&T Finance Holdings Ltd) as an NBFC - Upper Layer (UL)
  - Implementation Path of 24 months (from Oct 1st, 2022) provided for implementation
  - NBFC - UL to put in place a Board approved policy for adoption of the enhanced regulatory framework and chart out implementation plan for adhering to the new set of regulations basis governance, compliance, capital, prudential norms, systems and processes
  - Board will monitor and ensure the compliance of L&T Finance Ltd with the requirements of SBR framework
- L&T Finance Holdings Ltd and L&T Infra Credit Ltd as per the extant norms may be qualified as NBFC - Middle Layer (ML)

### RBI Guidelines for Digital lending (10<sup>th</sup> Aug, 2022 & 2<sup>nd</sup> Sep, 2022)

- Applicability and impact of guidelines limited to products underwritten through a remote and automated process
- Lender to be responsible for the actions of the Lending Service Provider (LSP), who is deemed to be an agent of the Regulated Entity (RE)
- Digital Lending Apps (DLA) to include Mobile and web-based applications of lenders as well as those operated by LSPs that facilitate digital lending services
- Enhanced due-diligence important for engagement with third party partners
  - For LTF (100% subsidiary of LTFH), only Consumer Loans business comes under the purview of these guidelines
  - LTF (100% subsidiary of LTFH) is compliant with the guidelines on most operational parameters
  - Impact majorly in NTC segment - Restriction on obtaining consumer data has led to revisiting NTC underwriting norms

**LTFH and the relevant group companies will be compliant with the extant regulatory guidelines**

# Agenda

**A**

**Journey towards Lakshya 2026**

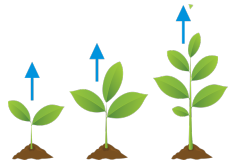
**B**

**Q2FY23 in Perspective**

**C**

**Financial Update**

# Q2FY23 Performance: Key business metrics



**Strong  
Retail Finance  
Growth**



**Moderation in  
Wholesale**



**Astute Liability  
Management**



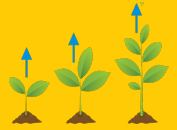
**Stable NIMs +  
Fees**



**Strengthened  
Asset Quality**

# Built strengths over the years

*Farmer Finance – amongst the Leading Financiers*



## Well diversified footprint

- Vintage of 17+ years
- 170 branches across 16 states
- 8 lac+ customer database
- Key states: Telangana, Karnataka, Madhya Pradesh



## Dealer / OEM Relationship

- 2,500+ Dealers
- Analytics driven TA limits for top dealers
- Non-captive distribution franchise
- Well penetrated across Top 5 OEMs



## Customer Centricity

- Retention products (Kisan Suvidha); ~28%\* retention
- Financing adjacencies through implement finance
- Paperless Digital Journey
- Best-in-class TAT: 24 hours



## Operational excellence

- Collection led disbursements; CE @ 91.9%
- Analytics-based scorecard for decision-making
- Culture of '0 DPD'



## Created Strong risk guardrails

- Water reservoir levels, Rainfall distribution
- State fiscal position
- Farm Cash cycle, MSP, sowing pattern
- Tractor model / HP variables

\*on disbursals

**Developed on the foundation of Innovation, Digital & Data analytics**

# Built strengths over the years

Rural Business Finance - amongst the Leading Financiers



## Well diversified footprint

- Vintage of 14+ years
- 17 states across 321 districts, ~1,600 Meeting Centre Branches
- 1.4 Cr+ customer database
- Key states: Tamil Nadu, Karnataka & Bihar



## Operational excellence

- Centralised underwriting; geo-strategy based on women credit penetration
- Collection-led disbursement; CE @ 99.8%
- Collection route-map tracking
- Culture of '0 DPD'
- State of the art Risk Control Unit; Compulsory bureau check



## Customer Centricity

- Retention products – ~47%\* retention
- Best-in-class TAT: 90 secs
- More than 85%\* customers with household income >3 lacs
- Optimum customer leverage; avg. o/s on book ~Rs 29,000 /-



## Conservative provisioning policy

- Macro-prudential provisions
- 99.7% PCR on 90+ bucket
- No additional top-up loans for delinquent customers



## Created Strong risk guardrails

- Financier association limit – maximum 3
- DPD checks fresh & repeat customers
- Customer profiling - on-us, off-us
- Pincode selection basis PAR & customer leverage

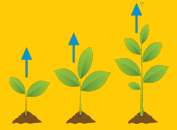
\*on disbursals

Developed on the foundation of Innovation, Digital & Data analytics



# Built strengths over the years

Two wheeler Finance - amongst the Leading Financiers



## Well diversified footprint

- Vintage of 10+ years
- 93 locations across India
- 55 lac+ customer database
- Key states: West Bengal, Maharashtra, Gujarat



## Dealer / OEM Relationship

- 5,000+ Dealers
- Algorithm based preapproved TA for top dealers
- Non-captive distribution franchise
- Analytics driven OEM cum Dealer business model
- Ventured into EV financing



## Customer Centricity

- Strong New To Credit proposition (~50%)
- Best-in-class TAT: 45 secs
- Paperless Digital Journey
- Innovative product offering
- Sabse Khaas Loan & Income Proof loans, 1<sup>st</sup> in Industry



## Operational excellence

- Collection led disbursements; CE @ 98.6%
- Straight through processing
- Culture of '0 DPD'



## Created Strong risk guardrails

- Customer profiling using lookalikes
- OEM model variables
- Pin code wise analysis
- Dealership performance

Developed on the foundation of Innovation, Digital & Data analytics

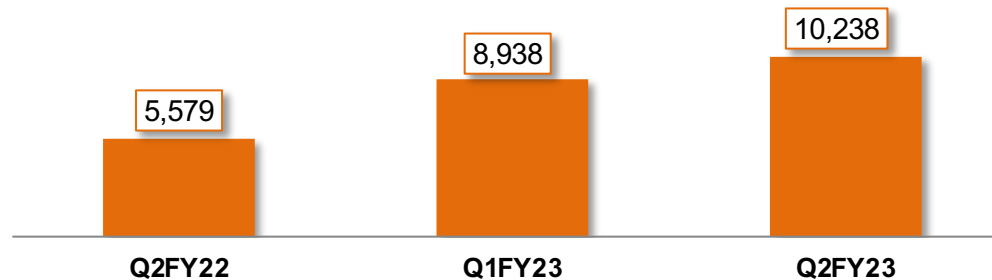
# Translating to strong Retail Finance Growth (1/5)

*Sustained traction in disbursements*

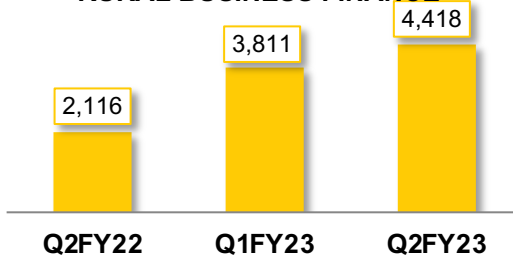


in Rs Cr

## RETAIL DISBURSEMENTS

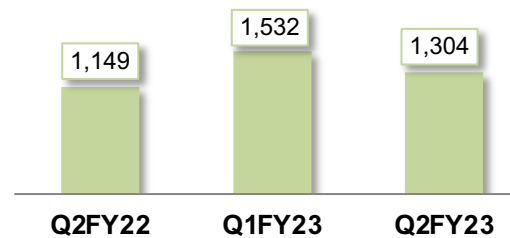


### RURAL BUSINESS FINANCE



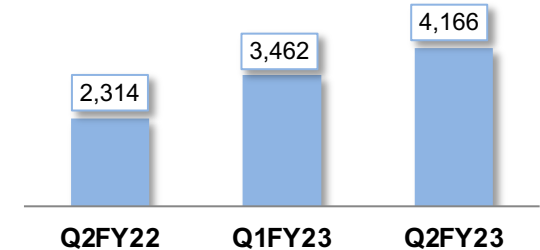
- Highest ever quarterly disbursements along with highest ever monthly disbursement of Rs. 1,566 Cr in July'22
- Focusing on expanding product suite through through focused strategic initiatives- perpetual groups, exclusive-customer loans & deepening geo presence

### FARMER FINANCE



- Continued to be amongst the leading financiers with higher contribution from existing borrower segment (~28%)
- Spectrum of focused offerings include implement finance, harvester finance, Kisan Suvidha (top-up loans for customer retention basis good track record), used tractor financing & refinancing

### URBAN FINANCE



- Highest ever disbursements in 2W with emphasis on deeper geo presence
- Highest ever quarterly disbursement in Retail Housing
- Increased customer funnel via partnership with e-aggregators and prospects in Consumer Loans

SME business: Disbursed Rs. 68 Cr in (Q1) & Rs. 201 Cr in (Q2)

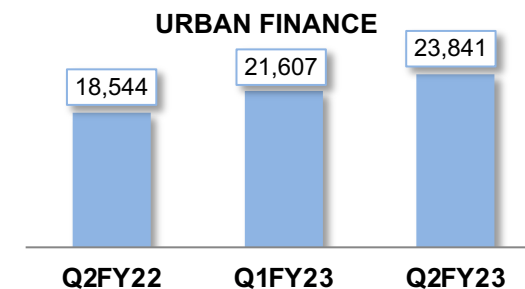
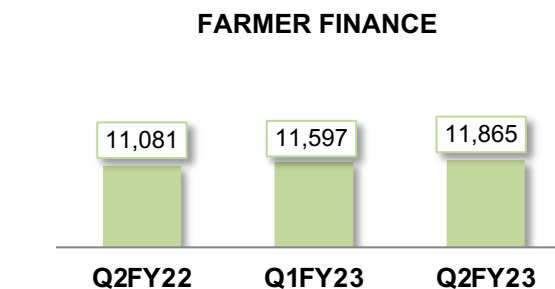
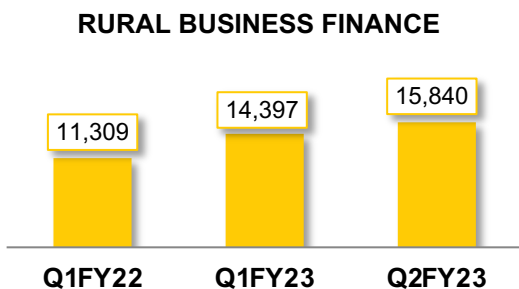
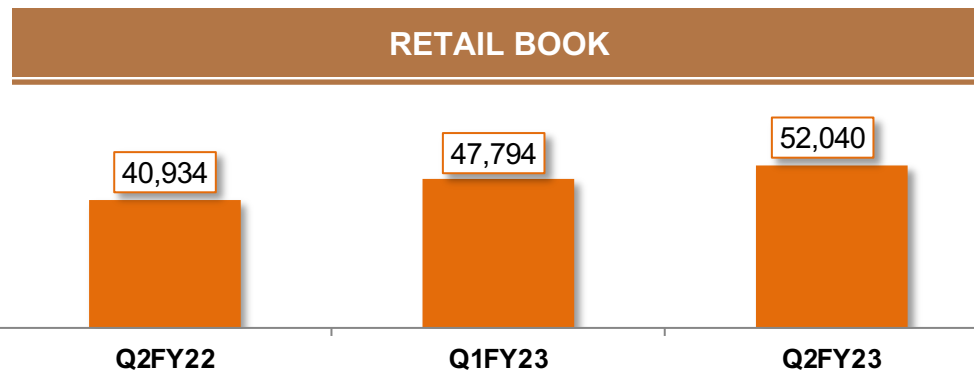
**Q2FY23 Retail disbursements at all time high of Rs. 10,238 Cr**

# Translating to strong Retail Finance Growth (2/5)

Leading to book growth across businesses



in Rs Cr



- Healthy disbursements on the back of stabilized collections resulting in consistent book growth

- Maintaining portfolio quality & driving high counter share at preferred dealers

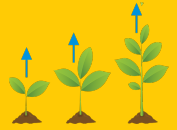
- Focusing on geographic expansion of existing products, increasing market share, deepen our presence further and improving book quality

SME business: Book Rs. 61 Cr as at Q4FY22, Rs. 126 Cr as at Q1FY23 & Rs. 321 Cr as at Q2FY23

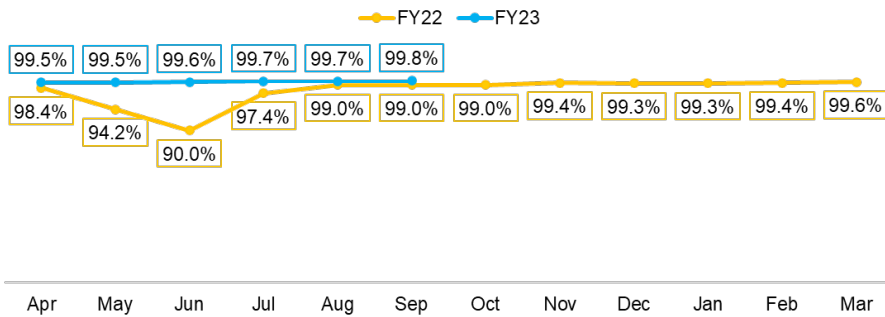
**27% YoY and 9% QoQ increase in Retail Book in Q2FY23**

# Translating to strong Retail Finance Growth (3/5)

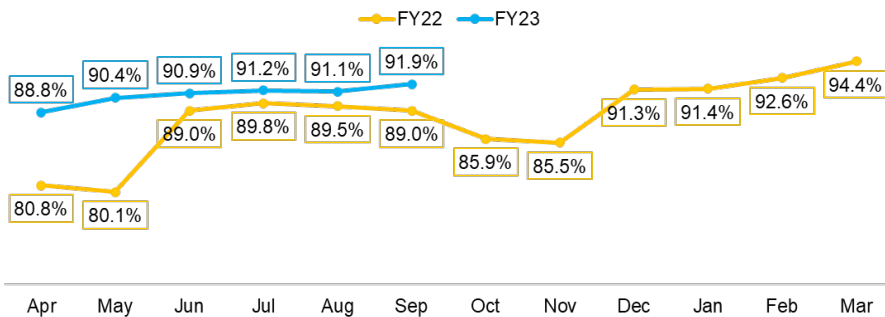
Normalized collections across businesses



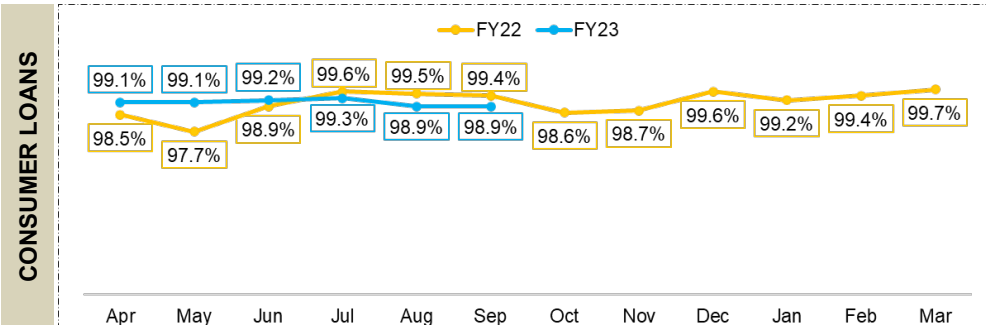
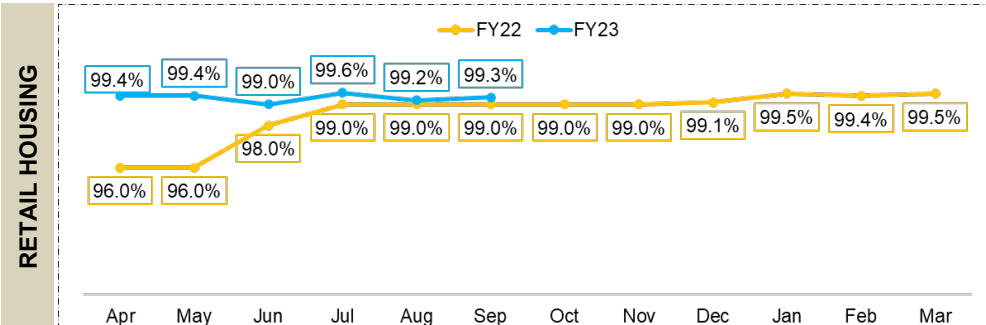
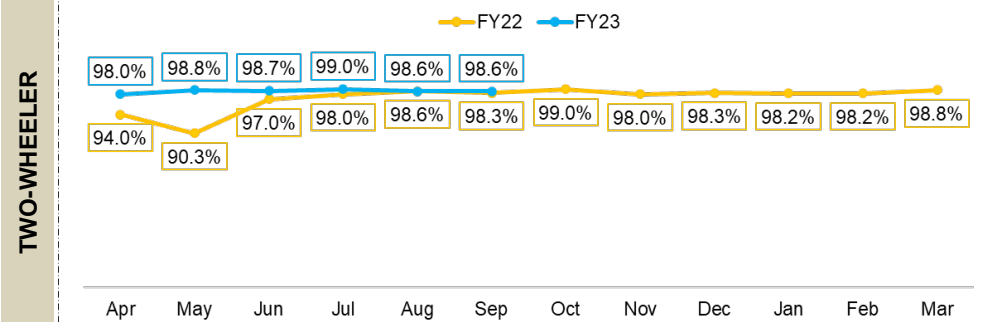
## RURAL BUSINESS FINANCE



## FARMER FINANCE



## URBAN FINANCE



Rural Business Loans & Micro Finance both were part of erstwhile Micro Loans; the split has been made following RBI circular on MFIs  
 Regular CE = cashflow received from 0 dpd customer for billing / billing of 0 dpd customer

# Translating to strong Retail Finance Growth (4/5)

## Scaling-up new products: SME Finance



### Performance

#### Small and Medium Enterprise Finance



#### Book Growth

- Geographical footprint extended to 17 locations from 2 cities\*
- Disbursed over Rs. 200 Cr in Q2FY23. Book size increased to Rs. 321 Cr (from Rs. 61 Cr in Q4FY22)



#### Channel Dynamics

- Lead generation and fulfilment through both in-house / Call-center and DSA channel
- Digital to be all encompassing theme for channel expansion, in line with organization objective of being a 'Fintech @ scale'



#### Leverage Digital Journey to Offer "Best In Class" TAT

- Prompt go / no – go decisioning with instant eligibility calculation
- 100% digital process with complete paperless journey



#### Customer Segment

- Risk Based Customer Pricing for professionals and non-professionals
- Learnings from pilot being used for streamlining market offerings

Continue to ramp-up business volumes

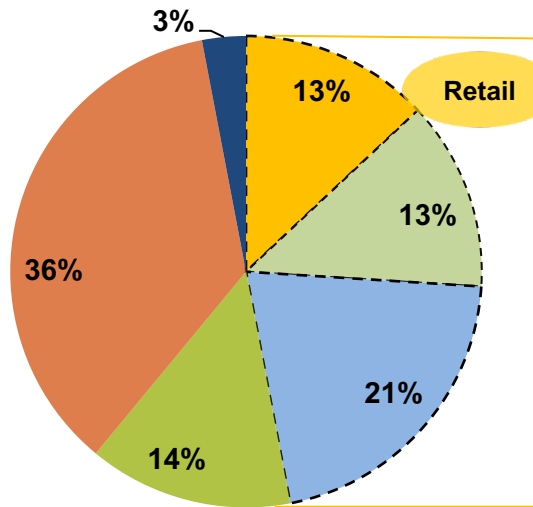
# Translating to strong Retail Finance Growth (5/5)

Thus Bolstering Retailisation



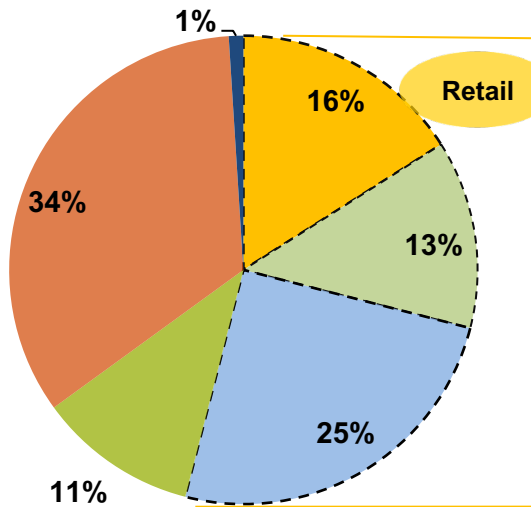
## ASSET MIX

Q2FY22



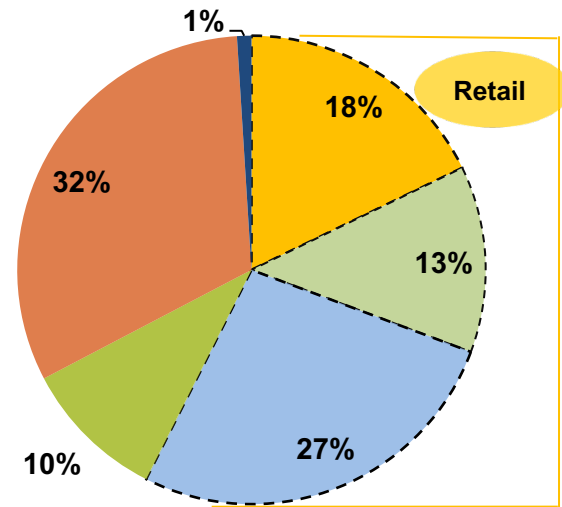
Retail - 47 %

Q1FY23



Retail - 54 %

Q2FY23



Retail - 58 %

■ Rural Business Finance   
 ■ Farmer Finance   
 ■ Urban Finance   
 ■ Real Estate   
 ■ Infrastructure Finance   
 ■ Defocused

Retail assets at 58% of total book in Q2FY23 up from 47% in Q2FY22

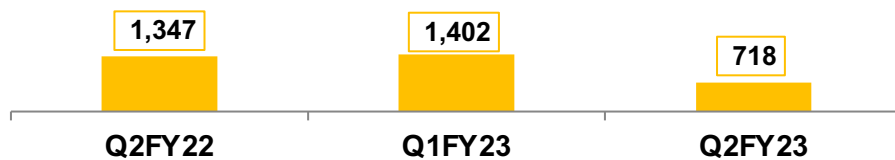
# Moderation in Wholesale Finance (1/2)

Infrastructure Finance performance in line with strategy

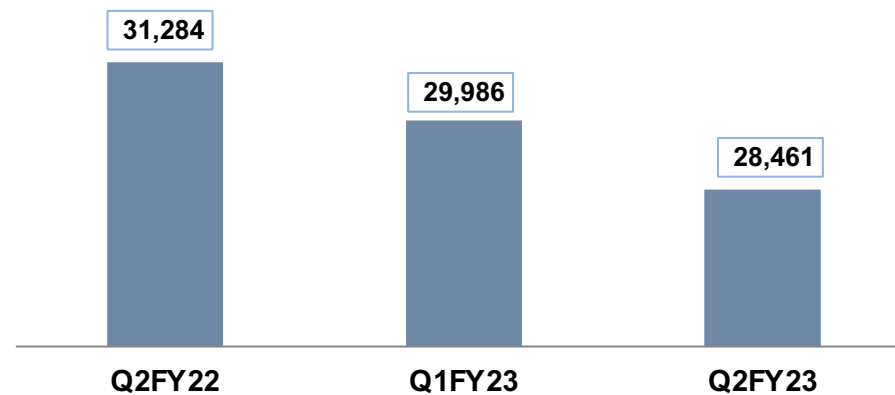


in Rs Cr

## DISBURSEMENTS



## BOOK



Continued asset / capital light model in Infrastructure Finance

# Moderation in Wholesale Finance (2/2)

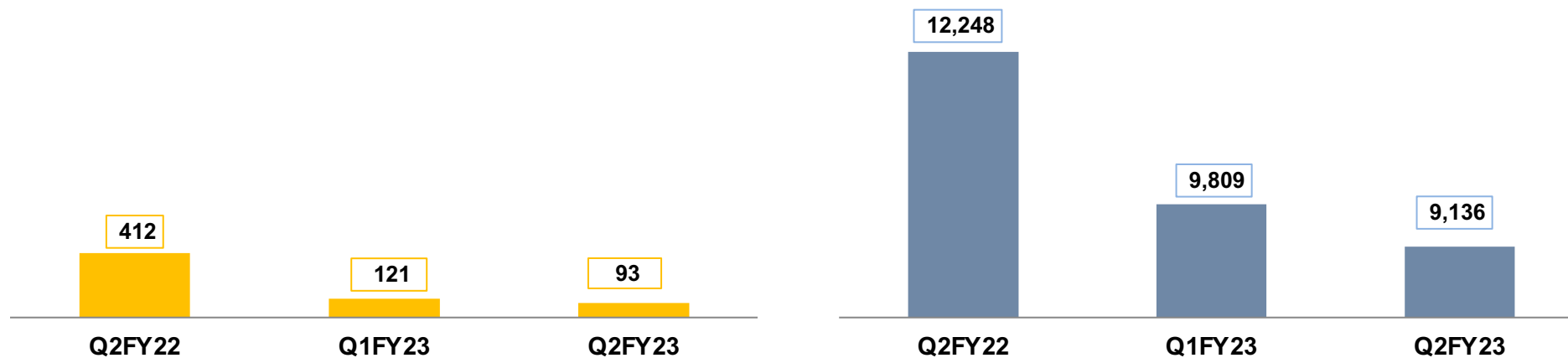
Exploring Exit from Real Estate Finance business



in Rs Cr

## DISBURSEMENTS

## BOOK



Collections-led book run down (Rs 852 Cr of pre / repayments in Q2)

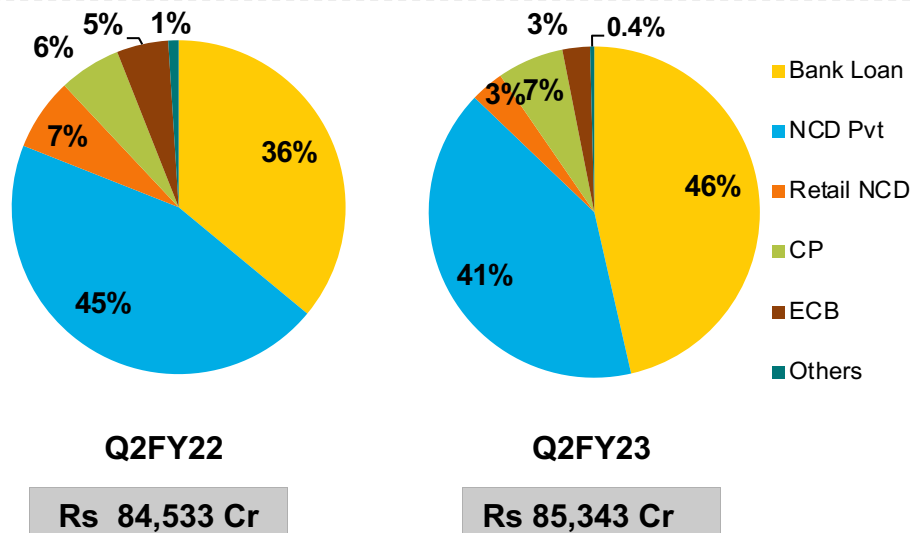


# Consolidated performance

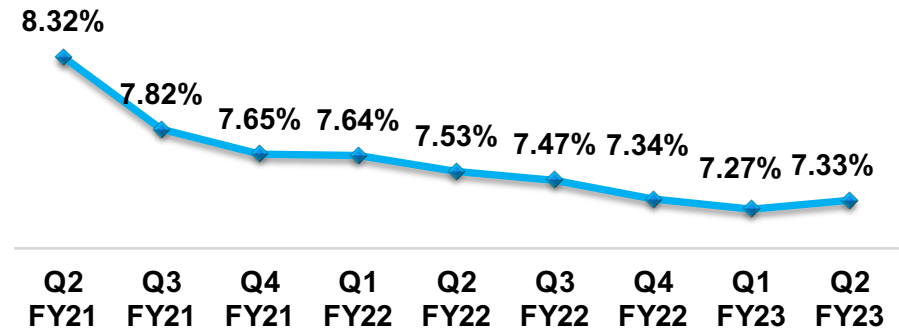
Strong liability profile



## DIVERSIFIED LIABILITY MIX



## WEIGHTED AVERAGE COST OF BORROWING (WAC)

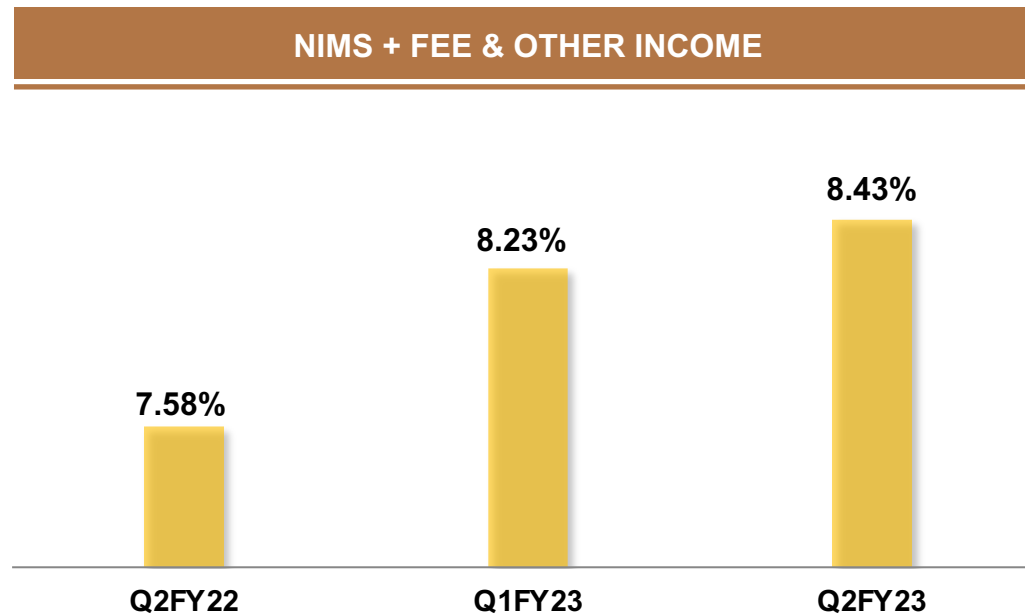


- 'AAA' rating reaffirmed by CRISIL, ICRA, CARE and India Ratings
- Raised long term borrowings of Rs. 8,256 Cr in Q2FY23 (including PSL Loans of Rs. 2,587 Cr)
- Marginal increase in WAC in Q2FY23 over Q1FY23

WAC likely to increase in future quarters, however the increase is expected to be less than proportionate expected increase in market interest rates on account of prudent ALM management

# Consolidated performance

*NIMs + Fees Trending positively*

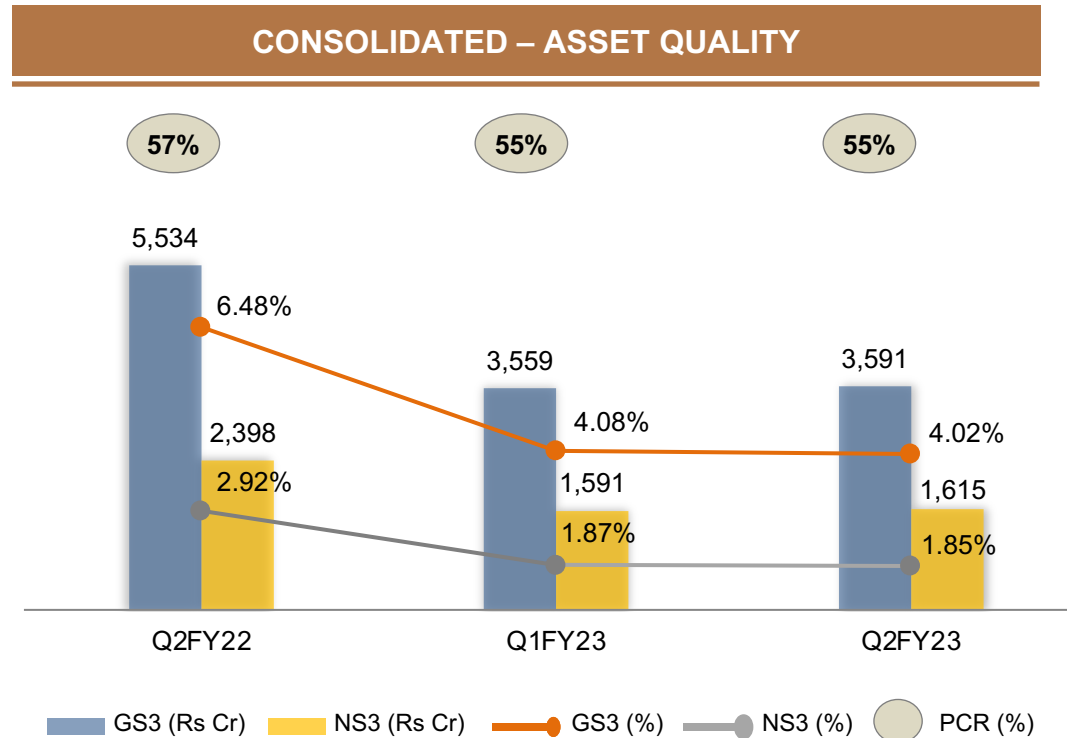


- Higher NIMs achieved YoY through higher retailisation (58% in Q2FY23 vs 47% in Q2FY22), strong retail business momentum and reduction in cost of borrowing
- Increase in Fee income by 14% YoY

**NIMs + Fees maintained upward trajectory on back of higher retail disbursements and retail fees**

# Consolidated performance

## Strengthened and Stable Asset Quality



**Carrying additional provisions of Rs. 1,096 Cr (Macro and enhanced provisions) corresponding to 1.28% of standard book in addition to GS3 provisions and ECL on standard assets**

Effective Q1FY23, Asset Quality numbers are based on EAD. Past comparative numbers have also been restated from Principal basis to EAD basis for comparison

# Conclusion



**PAT trending towards normalization; up 81% YoY to Rs. 406 Cr**



**Highest ever Retail disbursements at Rs. 10,238 Cr**



**Retailisation continues with share of Retail increasing from 47% to 58% YoY**



**Wholesale book rundown continues, book decreased by 14% YoY**



**NIMs + Fees at 8.43% (up 85bps YoY)**



**Improved Asset Quality - GS3 down from 6.48% to 4.02% YoY, PCR of 55%**

LTFH continues to march towards achieving its Lakshya of becoming a digitally enabled top class Retail NBFC

# Appendix

# Appendix

**A**

**LTFS: The Digital Backbone**

**B**

**Financials**


**C**

**Other key annexures**


# Digital backbone to drive speed & scale – consistently re-engineered




# Reimagining customer engagement through superior customer experience




**Rural Business Finance**



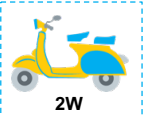
Micro Finance & Rural Bus. Loans




**Farmer Finance**




Farm Equipment



2W



**Urban Finance**



HL / LAP



Consumer Loans

## SOURCING FRANCHISE






Branches Call centre Employees Partners

~15,000 Employees,  
~1,600 Meeting Centre branches

2,500+ Dealerships,  
Branches

5,000+ Dealerships,  
Branches, Employees

1,000+ channel partners,  
Branches

Planet App (Preapproved), Call centres,  
E-aggregator

## SERVICING FRANCHISE

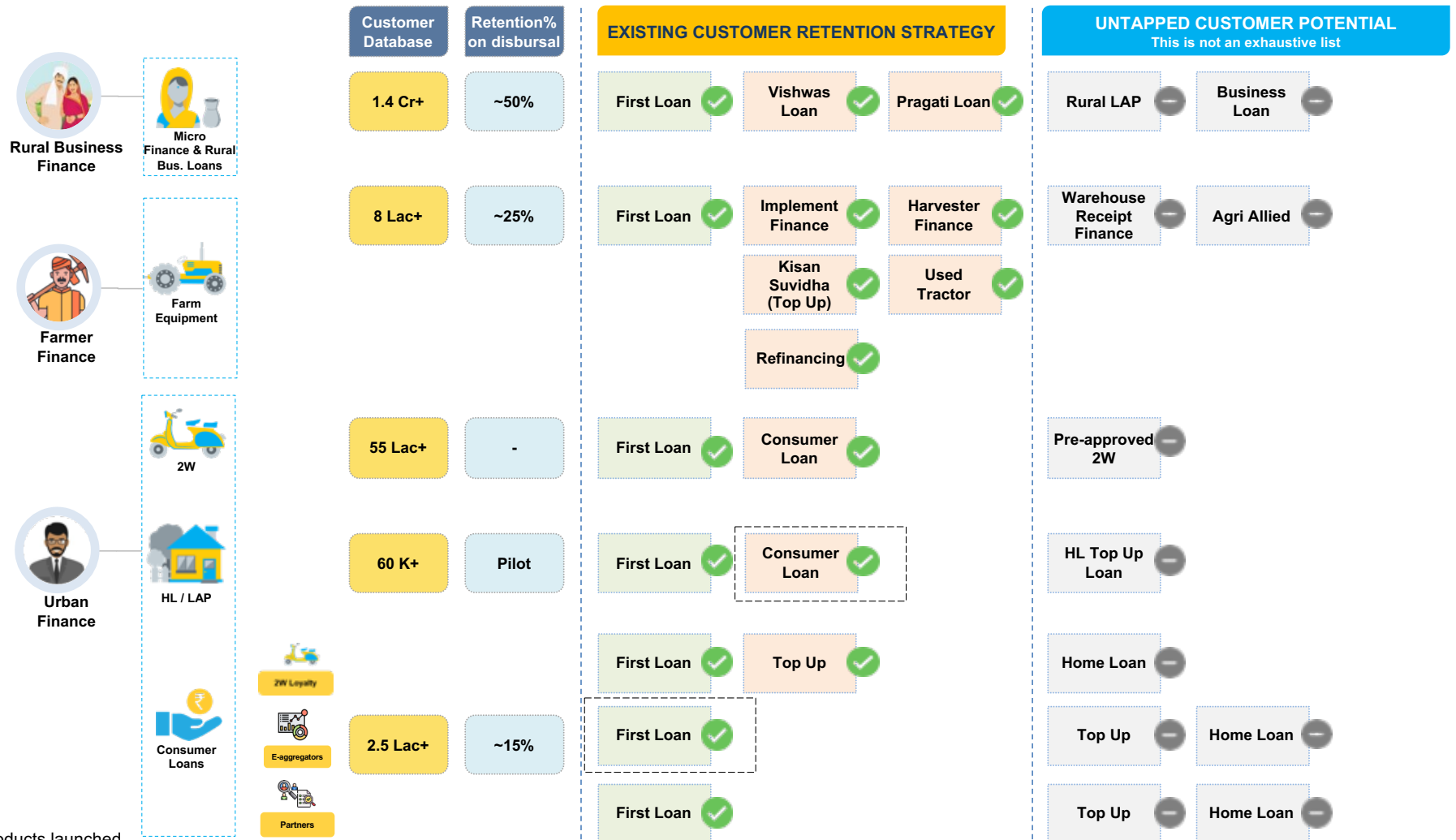
### Autonomous channels

### Assisted channels

Autonomous channels	Assisted channels					
SHO Portal	Chatbot	Whatsapp	App	Branches	Call centre	Employees / Agencies
✓	✗	✗	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓



# Data mining to unleash untapped potential for customer retention



New products launched  
 In Pipeline

Leveraging of 7 Cr+ customer database including co-borrowers, prospects, references...

# Appendix

**A**

**LTFS: The Digital Backbone**

**B**

**Financials**

**C**

**Other key annexures**

# LTFH Consolidated – Summary financial performance

Performance Summary				
Q2FY22	Summary P&L (Rs Cr)	Q1FY23	Q2FY23	Y-o-Y (%)
2,823	Interest Income	2,846	3,002	6%
1,444	Interest Expense	1,413	1,438	0%
1,379	NIM	1,433	1,563	13%
304	Fee & Other Income	370	347	14%
1,682	Total Income	1,803	1,911	14%
584	Operating Expense	650	723	24%
1,098	Earnings before credit cost	1,152	1,188	8%
778	Credit Cost	795	575	(26%)
<b>320</b>	<b>PBT</b>	<b>357</b>	<b>613</b>	<b>92%</b>
<b>224</b>	<b>PAT</b>	<b>262</b>	<b>406</b>	<b>81%</b>

Q2FY22	Particulars (Rs Cr)	Q1FY23	Q2FY23	Y-o-Y(%)
86,936	Closing Book	88,078	90,098	4%
88,002	Average Book	87,886	89,884	2%
19,214	Networth	20,193	20,431	6%
77.7	Book Value per share (Rs)	81.6	82.5	6%

# LTFH Consolidated – Key ratios

Key Ratios				
Q2FY22	Key Ratios	Q1FY23	Q2FY23	
12.73%	Yield	12.99%	13.25%	
6.22%	Net Interest Margin	6.54%	6.90%	
1.37%	Fee & Other Income	1.69%	1.53%	
7.58%	NIM + Fee & Other Income	8.23%	8.43%	
2.63%	Operating Expenses	2.97%	3.19%	
4.95%	Earnings before credit cost	5.26%	5.24%	
3.51%	Credit Cost	3.63%	2.54%	
0.87%	Return on Assets	1.02%	1.55%	
4.40	Debt / Equity	4.05	4.18	
4.69%	Return on Equity	5.18%	8.02%	

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	19.85%	2.80%	22.65%

# Lending Business – Business wise disbursement split

Disbursement				
Q2FY22	Segments (Rs Cr )	Q1FY23	Q2FY23	Y-o-Y (%)
1,149	Farm Equipment	1,532	1,304	14%
1,244	2W Finance	1,517	1,721	38%
2,116	Rural Business Loans	3,168	3,887	109%
-	Micro Finance Loans	643	531	
479	Consumer Loans	1,010	1,328	177%
587	Home Loans	857	1,013	73%
5	LAP	79	104	-
-	SME Finance	68	201	-
-	Acquired Portfolio	66	149	-
<b>5,579</b>	<b>Retail Finance</b>	<b>8,938</b>	<b>10,238</b>	<b>84%</b>
412	Real Estate Finance	121	93	(77%)
1,347	Infrastructure Finance	1,402	718	(47%)
<b>1,760</b>	<b>Wholesale Finance</b>	<b>1,522</b>	<b>811</b>	<b>(54%)</b>
<b>7,339</b>	<b>Focused Business</b>	<b>10,461</b>	<b>11,049</b>	<b>51%</b>
-	De-focused	-	-	-
<b>7,339</b>	<b>Total Disbursement</b>	<b>10,461</b>	<b>11,049</b>	<b>51%</b>

# Lending Business – Business wise book split

Book				
Q2FY22	Segments (Rs Cr)	Q1FY23	Q2FY23	Y-o-Y (%)
11,081	Farm Equipment	11,597	11,865	7%
6,935	2W Finance	7,488	8,093	17%
11,309	Rural Business Loans & Micro Finance Loans	14,397	15,840	40%
1,173	Consumer Loans	3,027	3,979	239%
7,344	Home Loans	8,369	9,105	24%
3,093	LAP	2,723	2,665	(14%)
-	SME Finance	126	321	-
-	Acquired Portfolio	66	172	-
<b>40,934</b>	<b>Retail Finance</b>	<b>47,794</b>	<b>52,040</b>	<b>27%</b>
12,248	Real Estate Finance	9,809	9,136	(25%)
31,284	Infrastructure Finance	29,986	28,461	(9%)
<b>43,532</b>	<b>Wholesale Finance</b>	<b>39,795</b>	<b>37,597</b>	<b>(14%)</b>
<b>84,466</b>	<b>Focused Business</b>	<b>87,589</b>	<b>89,637</b>	<b>6%</b>
2,470	De-focused	489	461	(81%)
<b>86,936</b>	<b>Total Book</b>	<b>88,078</b>	<b>90,098</b>	<b>4%</b>

# Retail Finance – Summary financial performance

## Performance Summary

Q2FY22	Summary P&L (Rs Cr )	Q1FY23	Q2FY23	Y-o-Y (%)
1,572	Interest Income	1,807	1,972	25%
589	Interest Expense	664	718	22%
983	NIM	1,143	1,254	28%
120	Fee & Other Income	200	174	45%
1,103	Total Income	1,343	1,428	29%
445	Operating Expense	500	555	25%
658	Earnings before credit cost	844	873	33%
429	Credit Cost	584	436	2%
<b>230</b>	<b>PBT</b>	<b>259</b>	<b>437</b>	<b>90%</b>
<b>171</b>	<b>PAT</b>	<b>193</b>	<b>325</b>	<b>90%</b>

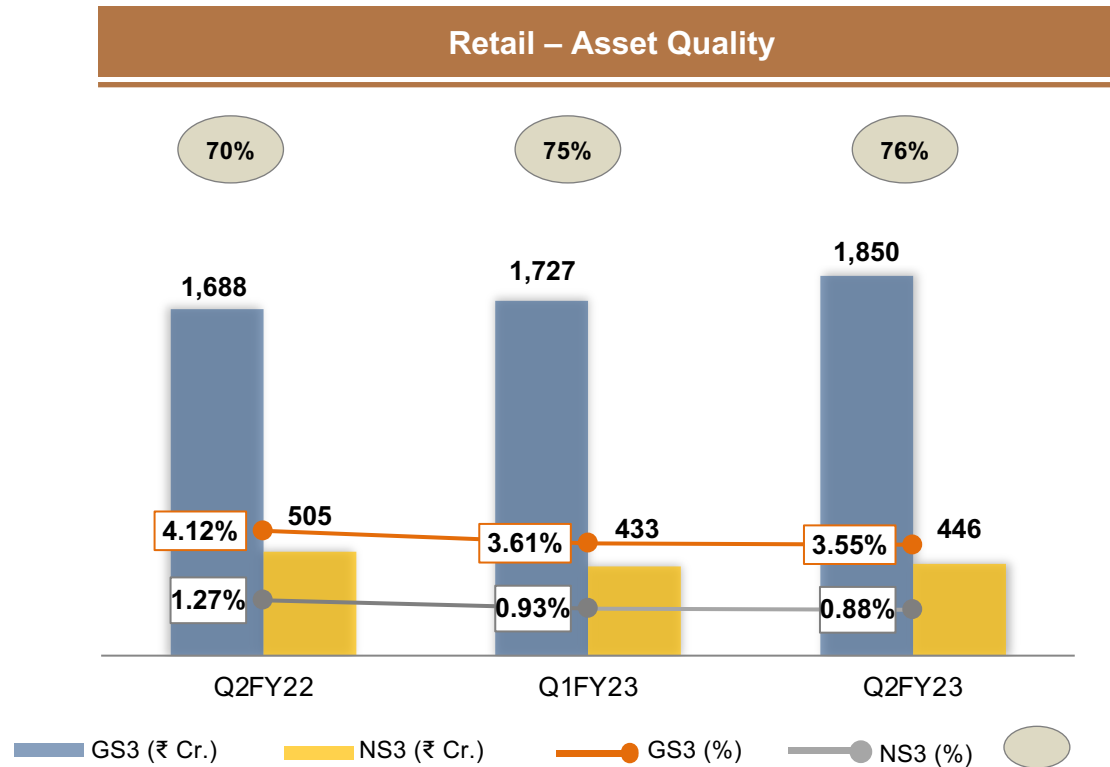
Q2FY22	Particulars (Rs Cr )	Q1FY23	Q2FY23	Y-o-Y(%)
40,934	Book	47,794	52,040	27%
7,689	Networth	9,051	9,909	29%

# Retail Finance – Key ratios

Key Ratios				
Q2FY22	Key Ratios	Q1FY23	Q2FY23	
15.47%	Yield	15.57%	15.65%	
9.67%	Net Interest Margin	9.85%	9.95%	
1.18%	Fee & Other Income	1.72%	1.38%	
10.85%	NIM + Fee & Other Income	11.57%	11.33%	
4.38%	Operating Expenses	4.30%	4.40%	
6.48%	Earnings before credit cost	7.27%	6.93%	
4.22%	Credit Cost	5.03%	3.46%	
1.59%	Return on Assets	1.60%	2.48%	
4.78	Debt / Equity	4.50	4.62	
9.06%	Return on Equity	8.91%	13.89%	



# Retail Finance – Asset Quality



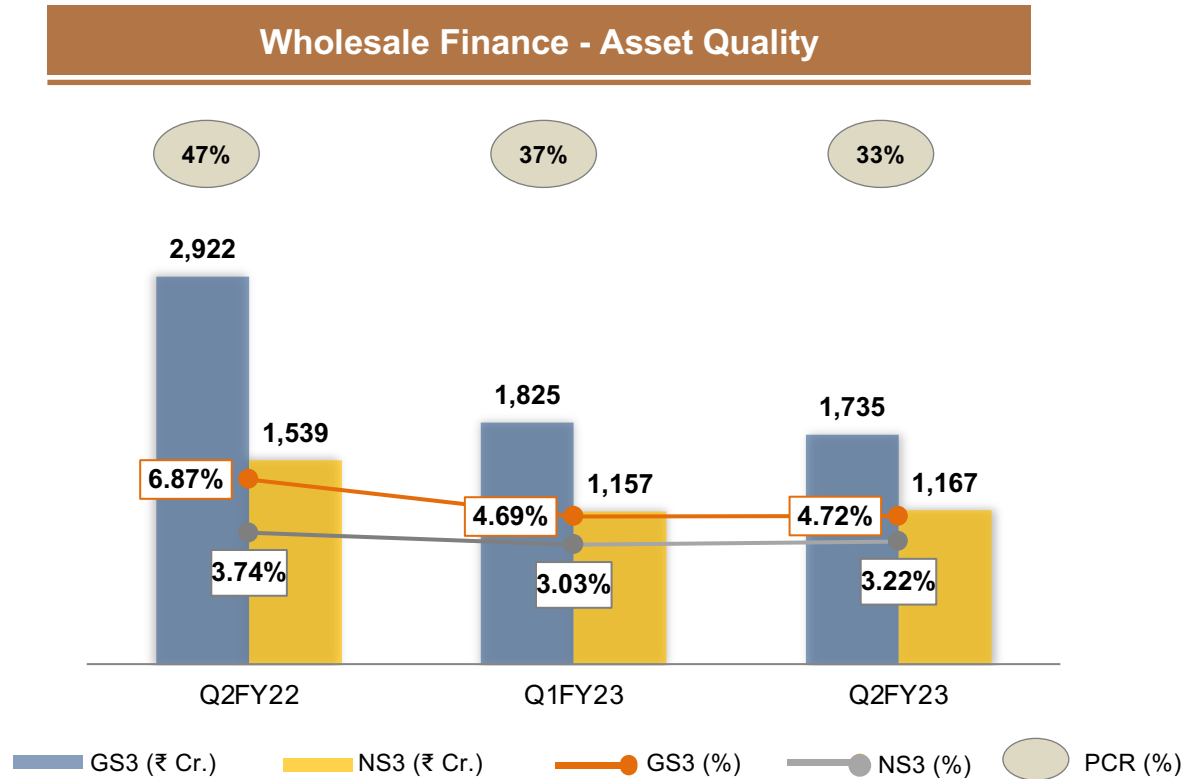
# Wholesale Finance – Summary financial performance

Performance Summary				
Q2FY22	Summary P&L (Rs Cr )	Q1FY23	Q2FY23	Y-o-Y (%)
1,198	Interest Income	1,000	1,014	(15%)
799	Interest Expense	731	707	(12%)
399	NIM	269	308	(23%)
78	Fee & Other Income	89	62	(20%)
477	Total Income	358	370	(22%)
95	Operating Expense	109	110	16%
382	Earnings before credit cost	249	260	(32%)
339	Credit Cost	173	120	(65%)
<b>43</b>	<b>PBT</b>	<b>76</b>	<b>140</b>	<b>224%</b>
<b>29</b>	<b>PAT</b>	<b>57</b>	<b>101</b>	<b>245%</b>
Q2FY22	Particulars (Rs Cr )	Q1FY23	Q2FY23	Y-o-Y(%)
43,532	Book	39,795	37,597	(14%)
9,051	Networth	8,614	8,160	(10%)

# Wholesale Finance – Key ratios

Key Ratios				
Q2FY22	Key Ratios	Q1FY23	Q2FY23	
10.55%	Yield	9.93%	10.21%	
3.52%	Net Interest Margin	2.67%	3.10%	
0.68%	Fee & Other Income	0.88%	0.62%	
4.20%	NIM + Fee & Other Income	3.55%	3.72%	
0.83%	Operating Expenses	1.08%	1.10%	
3.36%	Earnings before credit cost	2.47%	2.62%	
2.98%	Credit Cost	1.72%	1.21%	
0.22%	Return on Assets	0.45%	0.84%	
4.97	Debt / Equity	4.94	4.77	
1.29%	Return on Equity	2.69%	4.79%	

# Wholesale Finance – Asset Quality



# Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q2FY22	Q1FY23	Q2FY23	Y-o-Y (%)
Renewable Power	1,015	1,215	452	(55%)
Roads	154	187	214	38%
Power Transmission	161	-	-	(100%)
Others	17	-	52	209%
<b>Total</b>	<b>1,347</b>	<b>1,402</b>	<b>718</b>	<b>(47%)</b>

LOAN BOOK

Sectors (Rs. Cr)	Q2FY22	Q2FY22 (% of Total)	Q1FY23	Q1FY23 (% of Total)	Q2FY23	Q2FY23 (% of Total)	Y-o-Y (%)
Renewable Power	18,747	60%	20,304	68%	20,242	71%	8%
Roads	8,137	26%	7,060	24%	6,247	22%	(23%)
Power Transmission	949	3%	647	2%	590	2%	(38%)
Others <sup>1</sup>	3,451	11%	1,975	7%	1,382	5%	(60%)
<b>Total</b>	<b>31,284</b>	<b>100%</b>	<b>29,986</b>	<b>100%</b>	<b>28,461</b>	<b>100%</b>	<b>(9%)</b>

# Appendix

**A**

**LTFS: The Digital Backbone**

**B**

**Financials**

**C**

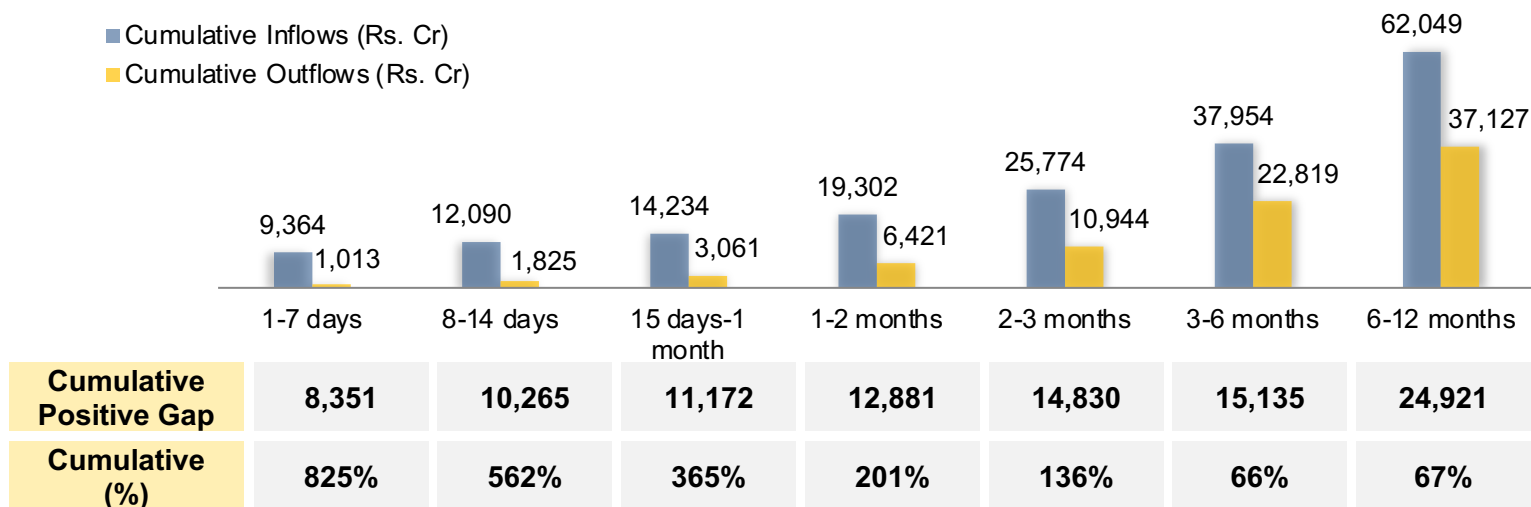
**Other key annexures**

# Prudent ALM

As on 30<sup>th</sup> September, 2022

## Structural Liquidity statement

■ Cumulative Inflows (Rs. Cr)  
■ Cumulative Outflows (Rs. Cr)



## Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	62,788
Re-priceable liabilities	52,290
<b>Positive</b>	<b>10,497</b>

Continue to maintain positive gaps

# AAA Credit Rating for LTFH and all its subsidiaries

## Credit Ratings – LTFH and its subsidiaries

### Ratings Update

- Long-term ratings of LTFH and all its lending subsidiaries have been reaffirmed 'AAA' (Stable Outlook) by all 4 rating agencies:
  - CRISIL: Sep'22
  - CARE: Sep'22
  - India Ratings: Apr'22
  - ICRA: Aug'22

## Key strengths highlighted by Rating Agencies

- Diversified business mix with strong presence across the financial services space
- Strategic importance and strong support to financial services business by the parent, Larsen and Toubro Ltd. (L&T: AAA)
- Strong resource raising ability and adequate capitalisation
- **Liquidity**: Rating Agencies have analysed LTFS cash flow / liquidity position and they have considered the liquidity position of LTFS as comfortable to meet all debt obligations over the next few months



# AUM disclosure

## Mutual Fund

### ASSETS UNDER MANAGEMENT (Rs Cr)

Fund Type	Quarter ended Sep, 2021		Quarter ended June, 2022		Quarter ended Sep, 2022	
	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>
Pure Equity	34,304	33,356	30,313	31,978	33,790	33,338
Hybrid	13,232	13,226	9,413	10,174	9,019	9,372
Fixed Income	25,635	24,886	19,835	21,330	18,924	19,535
Liquid	7,043	6,696	8,627	7,947	10,467	9,297
Others	118	110	142	142	166	161
<b>Total</b>	<b>80,331</b>	<b>78,274</b>	<b>68,331</b>	<b>71,571</b>	<b>72,366</b>	<b>71,703</b>

<sup>1</sup> As on the last day of the Quarter

<sup>2</sup> Average AUM for the Quarter

# ESG@LTFH: Driving Sustainable Growth

People | Business | Community

## Awards and recognition



**Mahatma Award**  
"Reporting & Transparency"



**Best Overall ESG Leadership Award**  
by ESG Risk.Ai

## Key Highlights



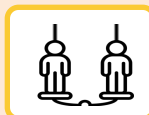
Retained **MSCI 'A'** rating for last 4 consecutive years



Secured **Rs. 225 Cr** Sustainable Linked Loan in Q2FY23



Developed **Sustainable Loan Framework**















Instituted **Diversity and Inclusion** program



Demonstrated commitment to Human Rights by signing the **WASH Pledge** developed by World Business Council for Sustainable Development

# ESG@LTFH: Driving Sustainable Growth

People | Business | Community

Environment	Social	Governance
<p>Committed to environmental stewardship by responsible business conduct</p>	<p>Investing in stakeholder relationships through transparent, ethical and equitable initiatives</p>	<p>Ensuring robust governance mechanism through accountability, compliance and oversight</p>
		
<p><b>Emissions Avoided</b> Helped avoid 6.60 Lakh+ tCO<sub>2</sub>e emissions through renewable financing in Q2</p>	<p><b>Community Wellbeing</b> Supported 5.19 Lakh+ community members through CSR interventions</p>	<p><b>Strengthened controls</b> Travel guidelines for leadership team strengthened</p>
		
<p><b>EV Financing</b> 100% jump in EV financing (8,500 EVs)</p>	<p><b>Social footprint</b> Village outreach increased by 73% (410 villages)</p>	<p><b>3rd party Code of Conduct</b> Empanelment of new vendors subject to affirmation of code</p>
		
<p><b>Recycled Paper</b> 61% of total paper consumption is recycled paper</p>	<p><b>Active Women Customers</b> 56.2 Lakh+ active women customers in Micro Loans</p>	<p><b>Disclosure and reporting</b> Regular newsletters to Board including highlights on ESG initiatives</p>
		
<p><b>Green Power</b> Consumed 512.67 MWh of green power (corporate office) avoiding 405 tCO<sub>2</sub>e</p>	<p><b>Employee Training</b> 6,828 new joinees trained on ESG</p>	<p><b>Awareness sessions</b> Conducted 78 strategy awareness sessions covering 4,798 employees</p>

# Corporate Social Responsibility

Directly linked to creating value



## Awards & Recognition



**Maharashtra CSR Awards 2022** awarded for Digital Sakhi Project (Maharashtra)



## Digital Financial Inclusion



Reached out to **5,19,000+** community members, creating awareness on financial literacy



Enabled **36,000+** community members to access and avail benefits of banking services and government schemes



Inaugurated Digital Sakhi projects in Karnataka and Kerala with an aim to create financial literacy awareness among **10,00,000+** community members



## Other Initiatives



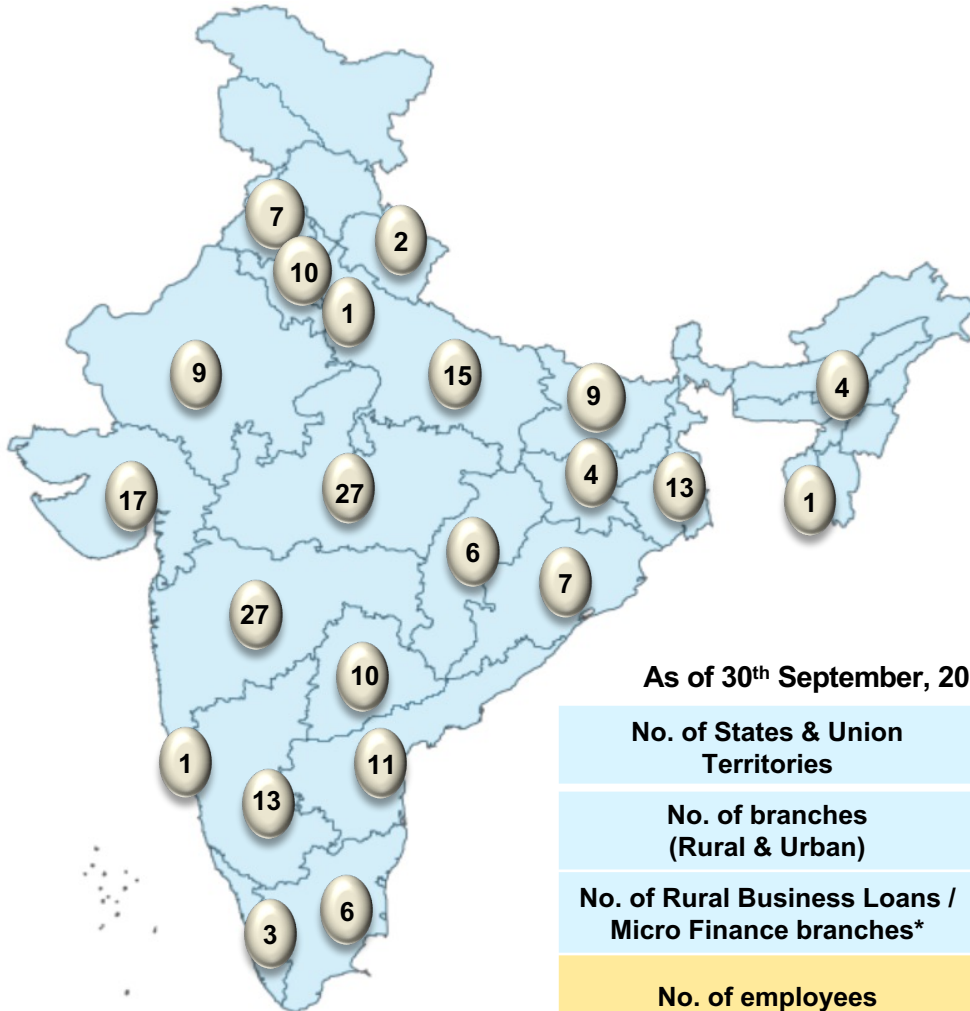
Significant increase in green cover due to plantations through **Project Prakruti** (**1,00,000+** saplings planted)



Created awareness about road safety among **4,500+** students in Mumbai

# LTFS branch footprint

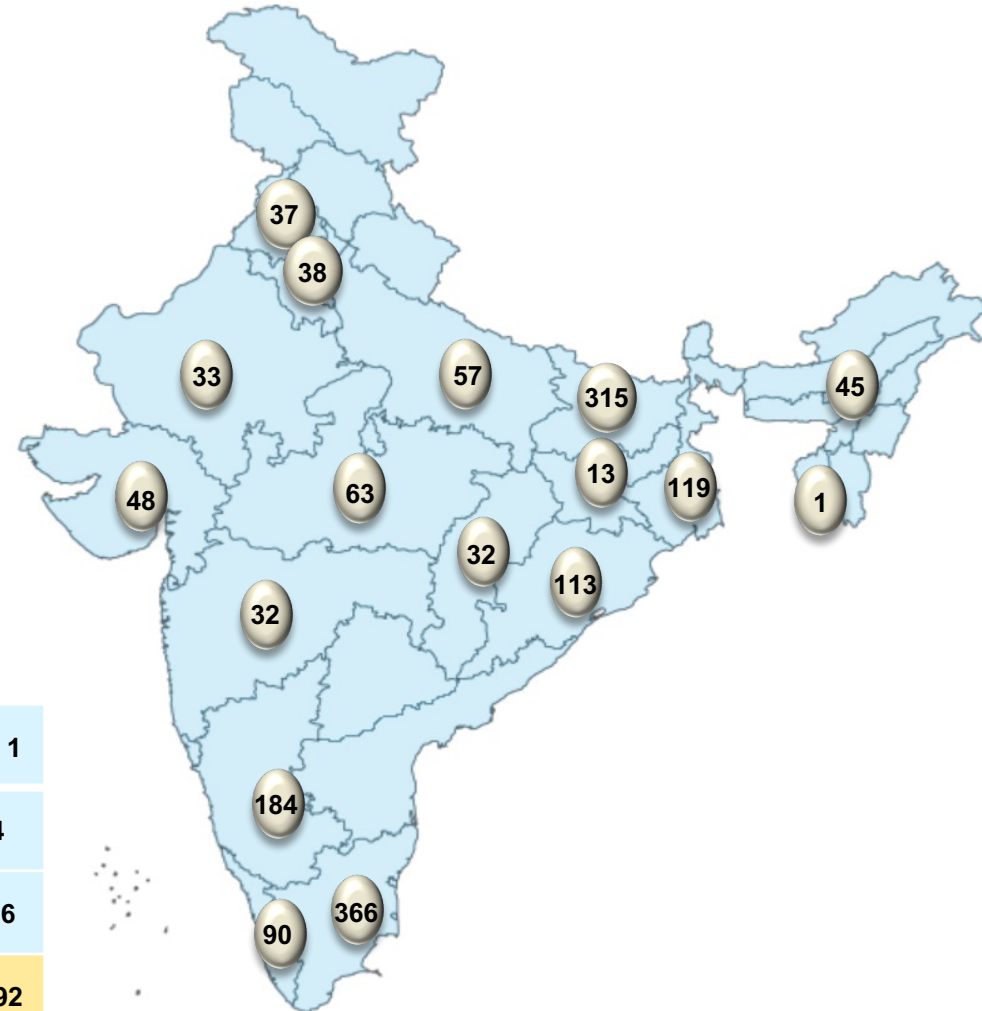
## BRANCHES



As of 30<sup>th</sup> September, 2022

No. of States & Union Territories	21 & 1
No. of branches (Rural & Urban)	204
No. of Rural Business Loans / Micro Finance branches*	1,586
No. of employees	26,492

## MEETING CENTRE BRANCHES



\*All these are in villages/far outskirts of the cities

# Well experienced and diversified Board

## BOARD OF DIRECTORS



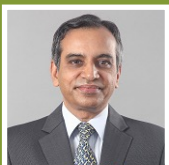
**S.N. Subrahmanyam**, *Non-Executive Director, Chairperson*

- Current Managing Director and Chief Executive Officer of Larsen & Toubro Limited.
- Over 38 years of sterling experience in engineering, project management, transformative organizational leadership and a driver of digitalization.



**Dinanath Dubhashi**, *Managing Director & CEO*

- Over 30 years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing.



**R. Shankar Raman**, *Non-Executive Director*

- Current whole time director and Chief Financial Officer of L&T Limited.
- Over 37 years of experience in finance, including audit and capital markets.



**S. V. Haribhakti**, *Independent Director*

- Over 40 years of experience in audit, tax and consulting.
- He is also on the Board of Directors of several public and private companies.



**Thomas Mathew T.**, *Independent Director*

- Former Managing Director of Life Insurance Corporation of India.
- Over 40 years of experience in strategic leadership and operational experience in the Life Insurance Industry.



**P. V. Bhide**, *Independent Director*

- Retired IAS officer of the Andhra Pradesh Cadre (1973 Batch)
- Former Revenue Secretary;
- Over 40 years of experience across various positions in the Ministry of Finance.
- He has also held various other key positions across departments.



**Dr. Rajani Gupte**, *Independent Director*

- Current Vice Chancellor of Symbiosis International University, Pune.
- Over 40 years of experience in teaching and research at prestigious institutes.



**Pavninder Singh**, *Nominee Director*

- Managing Director with Bain Capital- Mumbai
- Earlier with Medrishi.com as Co-CEO and Consultant at Oliver Wyman.
- Over 23 years of experience.

# Management Team



**Dinanath Dubhashi**  
Managing Director & CEO  
32 yrs exp, BNP Paribas, SBI Cap, CARE Ratings



**Sachinn Joshi**  
Group CFO  
32 yrs exp, Aditya Birla  
Financial Services, Angel Broking,  
IL&FS



**Kailash Kulkarni**  
CE - Investment Management  
Group Head - Marketing  
32 yrs exp, Kotak Mahindra AMC,  
Met Life, ICICI



**Raju Dodti**  
CE – Wholesale Finance  
24 yrs exp, IDFC, Rabo, ABN  
Amro, Soc Gen



**Rupa Rege Nitsure**  
Group Chief Economist  
34 yrs exp, ICICI, Bank of Baroda



**Tushar Patankar**  
Group Chief Risk Officer  
28 yrs exp, Bajaj Finserv, ABN Amro,  
HSBC, ANZ, IDFC Bank, ICICI Bank



**Santosh Parab**  
General Counsel  
29 yrs exp, IDBI, IDFC, Altico



**Sanjay Garyali**  
CE – Urban Finance  
26 yrs exp, Kotak Mahindra Bank,  
HDFC Bank, GE Consumer Finance



**Abhishek Sharma**  
Chief Digital Officer  
18 yrs exp, Indian Army



**Sonia Krishnankutty**  
CE – Rural Business Finance  
23 yrs exp, Bank of Baroda



**Apurva Rathod**  
Group Head - Secretarial & CSR and  
Sustainability  
21 yrs exp, Fidelity AMC, Kotak  
Mahindra AMC



**Asheesh Goel**  
CE – Farmer Finance  
22 yrs exp, Citibank NA

**Registered Office:**

L&T Finance Holdings Limited  
Brindavan, Plot No 177  
CST Road, Kalina  
Santacruz (E), Mumbai 400 098

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