

July 19, 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 July 8, 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 presentation to be made to Institutional Investor(s) / Analyst(s).

Further, as per Regulation 46 of 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 – Q1FY23**



***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**

**Q1FY23 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



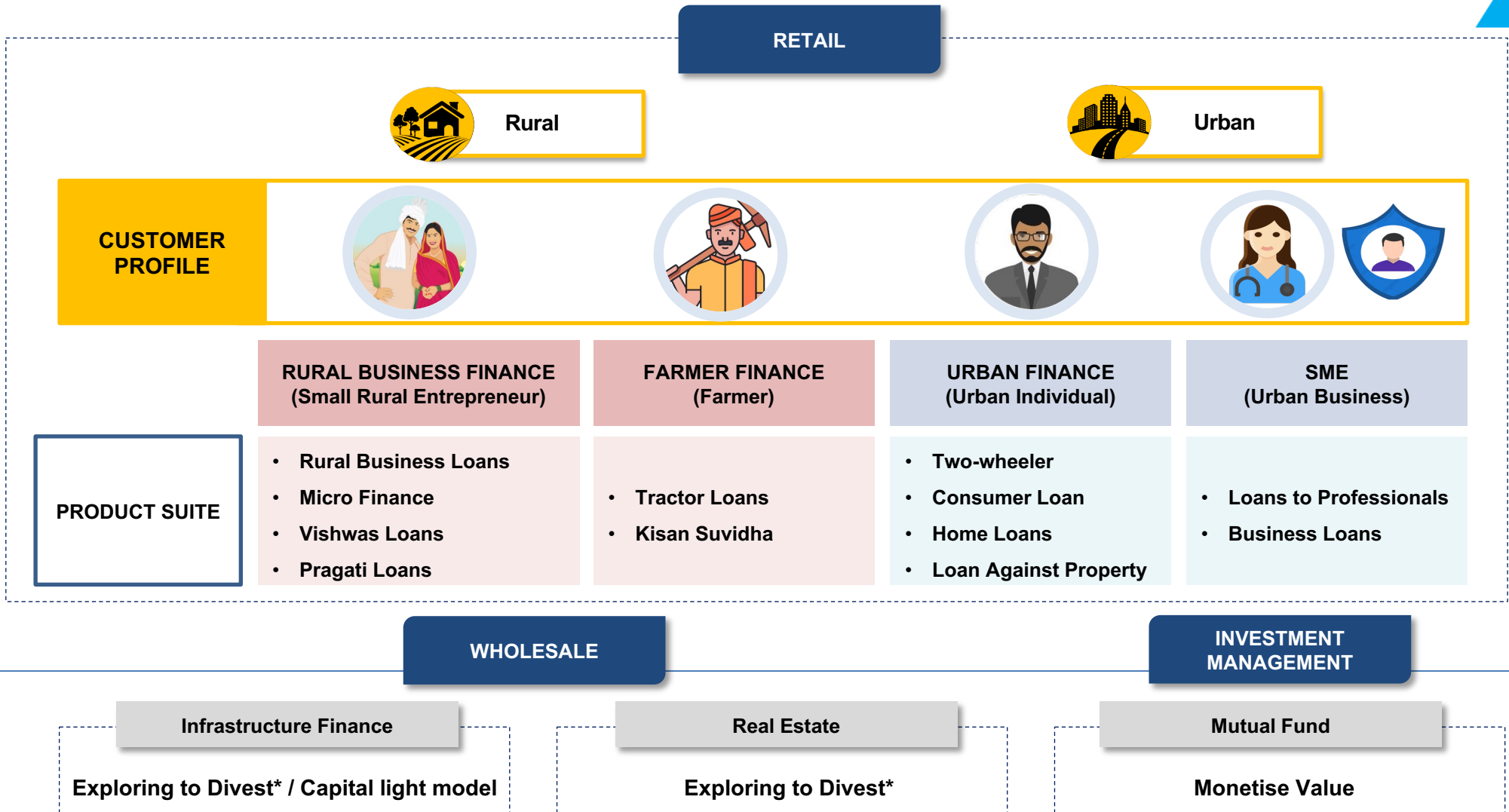
GS3 <3%  
NS3 <1%

RoA



2.8% - 3%

# Organisation structure realigned to “customer focus”



6 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

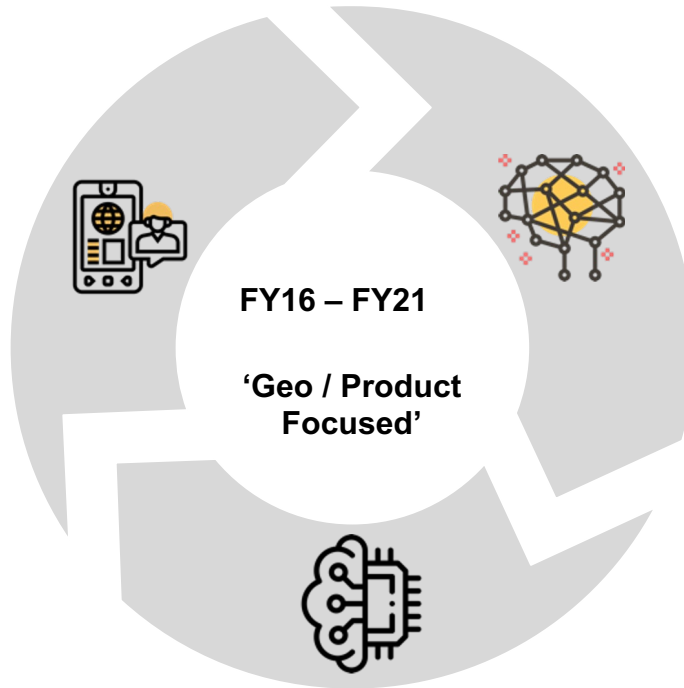




# Creating a Fintech@Scale

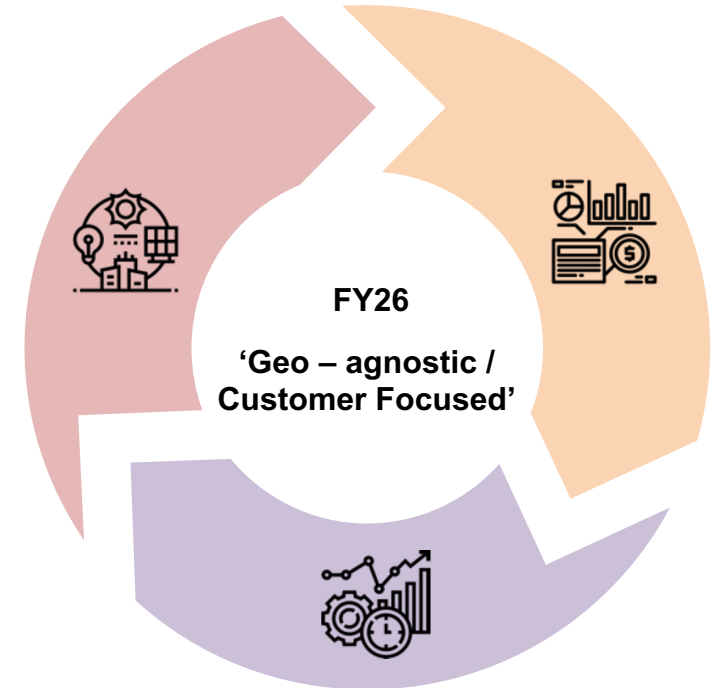
**Business Strategy**

**Digital Strategy**



Efficiency improvement

Portfolio quality management



Reimagining customer engagement

Best in class risk mitigation



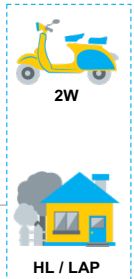
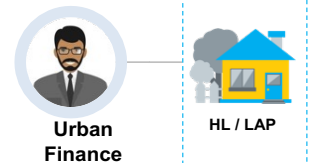
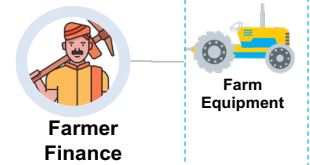
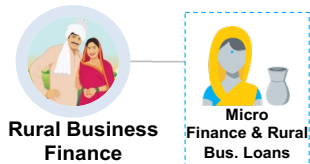
# Creating a Fintech@Scale

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



# Creating a Fintech@Scale

*Data mining to unleash untapped potential for customer retention*



**Customer Database**

**Retention% on disbursal**

**EXISTING CUSTOMER RETENTION STRATEGY**

**UNTAPPED CUSTOMER POTENTIAL**

(This is not an exhaustive list)

1.4 Cr+

~50%

First Loan ✓ Vishwas Loan ✓ Pragati Loan ✓

Micro LAP - Individual Loan -

8 Lac+

~25%

First Loan ✓ Implement Finance ✓ Harvester Finance ✓  
Kisan Suvidha (Top Up) ✓ Used Tractor ✓  
Refinancing ✓

Warehouse Receipt Finance - Agri Allied -

55 Lac+

-

First Loan ✓ Consumer Loan ✓

Pre-approved 2W -

60 K+

Pilot

First Loan ✓

HL Top Up Loan - Consumer Loan -

2.5 Lac+

~15%

First Loan ✓ Top Up ✓

Home Loan -

Top Up - Home Loan -

First Loan - Top Up - Home Loan -

- In Pipeline

**Monetisation of 7 Cr+ customer database including co-borrowers, guarantors, prospects, references**

# Creating a Fintech@Scale

Reimagining Customer Engagement through superior customer experience

Rural Business Finance



Farmer Finance



Urban Finance



## SOURCING FRANCHISE



15,000+ Employees,  
~1,600 Rural Business Loans / Micro Finance branches

2,000+ Dealerships,  
Branches

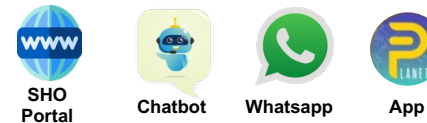
5,000+ Dealerships,  
Branches, Employees

1,000+ channel partners,  
Branches

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

## SERVICING FRANCHISE

### Autonomous channels



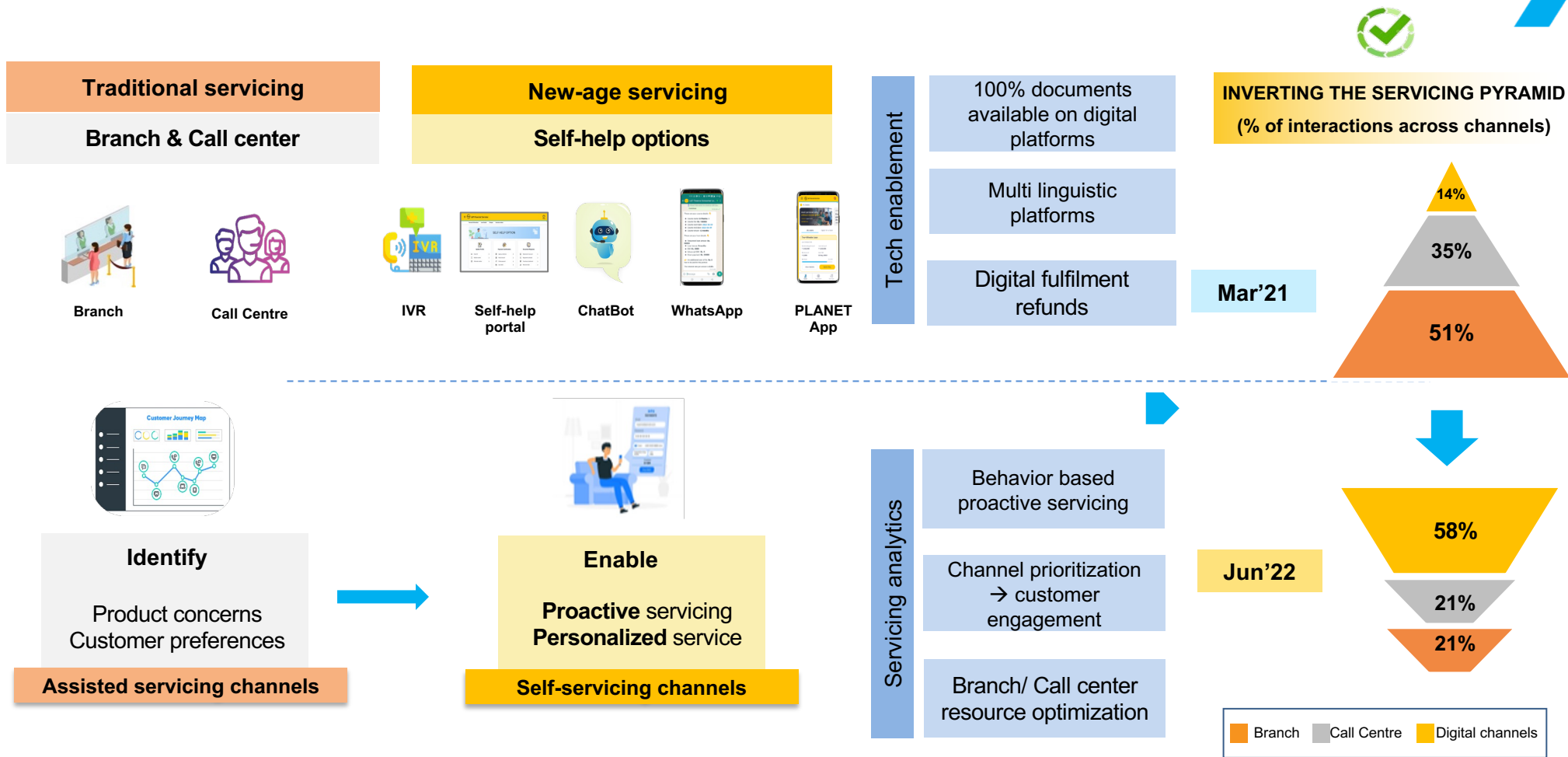
### Assisted channels



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# Creating a Fintech@Scale

## Reimagining Customer Engagement - Inverting the servicing pyramid



Technology enabled servicing solutions to complement geo-expansion strategy

# Creating a Fintech@Scale

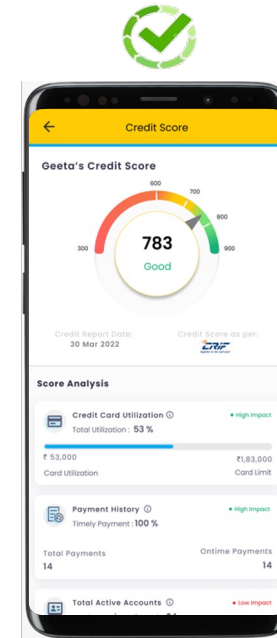
## Reimagining Customer Engagement - PLANET App



Soft launched in April'22

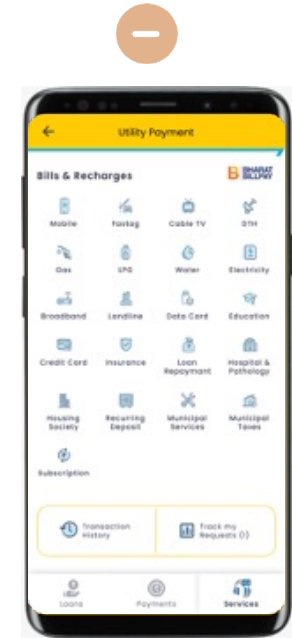
Enroute to establishing a geo-agnostic sourcing & servicing channel

App Status		
	Google Play	App Store
Total Downloads	1,84,836	28,346
Total Registrations	1,49,748	24,098



Credit score card

Launched



Utility payments

In-progress

Building capabilities to enhance customer experience and increase retention



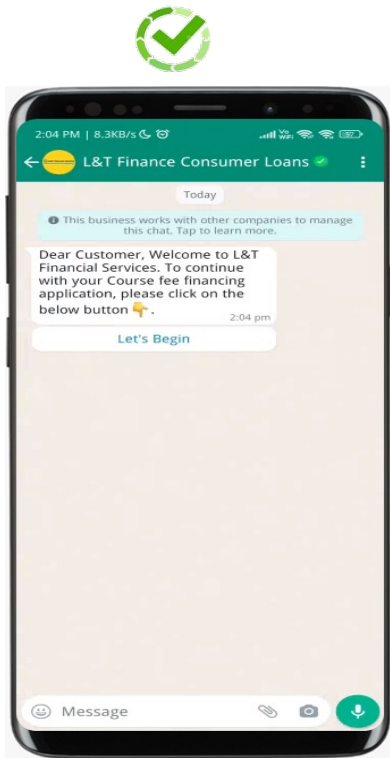
Completed



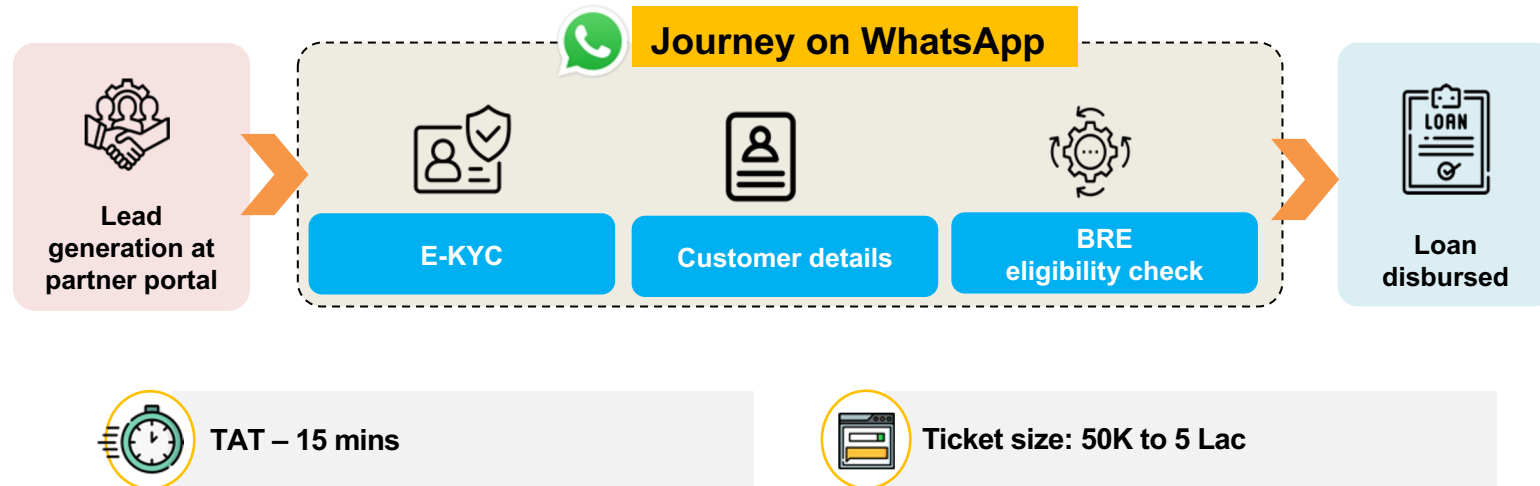
In Progress

# Creating a Fintech@Scale

## Reimagining Customer Engagement - WhatsApp platform for Consumer loan launched



Journey: Partner portal → Customer's WhatsApp → LTFS



Creating an effective loan onboarding channel to strengthen the direct-to-customer proposition

# Creating a Fintech@Scale

## Other Key Initiatives



**Digilocker, fuzzy logic & penny credit** to reduce TAT & prevent frauds



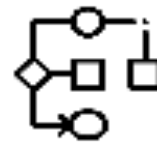
**Enabling seamless access to customer's authentic digital documents**



**Application scorecard** for decisioning for 2W



**Introduced Gen5 Application scorecard** for improved underwriting



**Collection engine** for allocation, workflow & communication **automation** for 2W



**Automated Collections Engine** for better delinquency management



**Digital Journey for SME Finance**



**Launched for both DSA and DST channels**



# Agenda

**A**

**Journey towards Lakshya 2026**

**B**

**Q1FY23 in Perspective**

**C**

**Financial Update**

# Q1FY23 Synopsis (1/3)

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

- **Achieved highest ever quarterly retail disbursement (Rs 8,938 Cr), up 10% QoQ**
- **Retail:** Strong business momentum across all products:
  - Rural Business Finance witnessed monthly disbursals of Rs 1,300+ Cr in May & June
  - Maintained market share in Farm and 2W and achieved higher disbursements YoY
  - Continued scale-up of Consumer loans (Rs 1,010 Cr disbursements in Q1FY23 vs. Rs 327 Cr in Q1FY22)
  - Excellent growth momentum witnessed in HL/LAP; disbursements up by 11% QoQ
  - Steady uptick in SME disbursements (portfolio size - Rs 126 Cr as at June'22)
  - Initiated portfolio acquisition for inorganic growth of retail book; Rs 66 Cr of portfolio acquired in Q1FY23
- **Consistent growth in Retail book (up 19% YoY); Retailisation reached 54%** (up from 45% in Q1FY22)
- **Wholesale:** Moderated portfolio to ~Rs 39,800 Cr from ~Rs 45,600 Cr (down 13% YoY)
  - Continued with asset light model in Infrastructure Finance with focus on financing good quality renewable and road projects at right pricing
  - Focused on Project completion in Real Estate, portfolio reduced to ~Rs 9,800 Cr (down 21% YoY)

**Leading to sustainable higher margins**

- NIMs+Fees at 8.23% in Q1 on back of highest ever quarterly Retail disbursements
  - Increase in retail book and increase in fees on back of higher disbursements
  - Lowest ever cost of borrowing at 7.27% against 7.64% for Q1FY22

**Strong disbursements in Retail businesses aided Retailisation journey**

# Q1FY23 Synopsis (2/3)

## Normalised collections rhythm

- 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 963 Cr) during the quarter

## Asset Quality and Provisions

- Reduction in overall GS3 from 6.67% in Q1FY22 to 4.08% in Q1FY23. 55% PCR with NS3 at 1.87%
- **Retail:** Asset quality improved across businesses through enhanced on-ground collection efforts and analytics based resource allocation
- **Wholesale:** Reduction in GS3 from 7.12% in Q1FY22 to 4.69% in Q1FY23
- **OTR:**
  - OTR book has gone down from Rs 3,040 Cr in Q4FY22 to Rs 2,019 Cr in Q1FY23. This reduction of Rs 1,021 Cr includes Rs 548 Cr which has been closed, Rs 205 Cr Written off and Rs 268 Cr rolled over to GS3
  - The written off loans as well as the roll over to GS3 totals to Rs 473 Cr against which credit cost of Rs 464 Cr has been taken during the quarter. For this, we have utilised Rs 213 Cr out of management overlays created in the earlier quarters and the balance Rs 251 Cr is part of the credit cost for Q1FY23 of Rs 795 Cr. Excluding this OTR related provisions of Rs 251 Cr, the normalised credit cost for Q1FY23 would have been Rs 544 Cr
  - As on June 30, 2022, we continue to hold Rs 1,450 Cr as macro prudential and additional provisions (Rs 1,727 Cr as of Mar-22) which would be available to take care of any further OTR loans rolling forward in Q2FY23
  - Other than Retail Home Loan OTR portfolio of about Rs 640 Cr (where moratorium of upto 2 years has been allowed and the same is adequately secured against mortgage), credit cost pertaining to the rest of the OTR portfolio would be taken substantially by Q2FY23
  - The management overlays that we are carrying adequately covers the above in our opinion

# Q1FY23 Synopsis (3/3)

## Strengthened balance sheet

- Capital adequacy stands at 23.12% (Tier 1: 19.98%)
- D/E at 4.05x

## ESG focus

- Publication of 1st LTFH Integrated Report
- Helped avoid 13.83 Lakh+ tCO2e emissions through renewable financing in Q1

tCO2e refers to tonnes of carbon dioxide equivalent

## RBI Guidelines for NBFC-MFI

- **Change in definition of what constitutes Microfinance Loan:**
  - A collateral-free loan given to a household having an annual income of upto Rs 3 lacs would now be classified as "Microfinance loan"
  - The definition earlier was for households with an annual income of Rs 1.25 lacs in rural India and Rs 2 lacs in urban and semi-urban areas which were classified as microfinance loans
- **Qualifying asset criteria:**
  - Maximum limits on microfinance loans for NBFCs (other than NBFC-MFI) would now be 25% of the total assets versus 10% earlier
- LTFS has 17% of its disbursements in Q1FY23 as Microfinance loans while the remaining 83% comprises Rural Business loans as per the revised income criteria. Larger share of high income profile groups (>Rs 3 lac annual income) with better credit quality, augurs well for LTFS as it increases the scope to grow multi-fold in Rural India

# Agenda

**A**

**Journey towards Lakshya 2026**

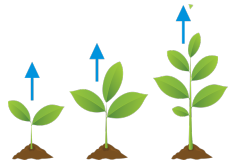
**B**

**Q1FY23 in Perspective**

**C**

**Financial Update**

# Q1FY23 Performance: Key business metrics



**Strong  
Retail Finance  
Growth**



**Moderation in  
Wholesale**



**Astute Liability  
Management**



**Stable NIMs +  
Fees**



**Strengthened  
Asset Quality**

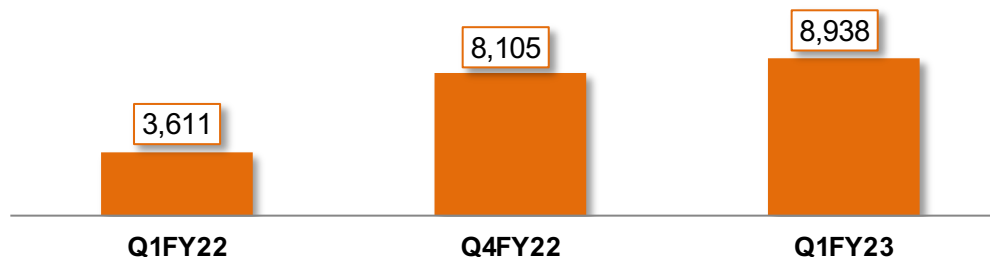
# Strong Retail Finance Growth (1/5)

## Sustained traction in disbursements

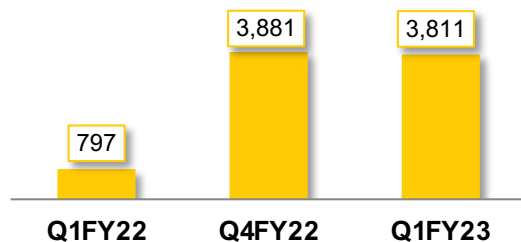


in Rs Cr

### RETAIL DISBURSEMENTS

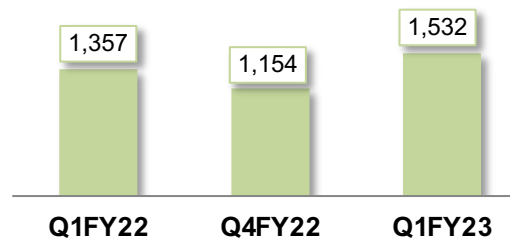


#### RURAL BUSINESS FINANCE



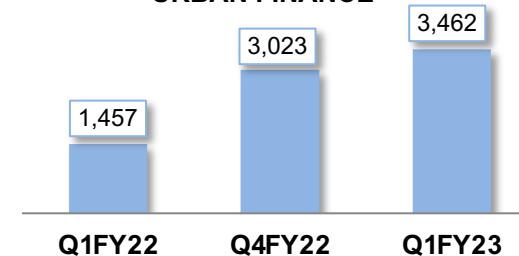
- Monthly disbursements of Rs 1,300 Cr+ in May & June through deeper geo presence
- Focusing on expanding product suite through variety of customer retention products viz. Vishwas / Pragati
- Customer profile comprises higher income groups with better credit quality

#### FARMER FINANCE



- Maintained market share with highest ever disbursement of ~ 33,000 units in Q1FY23
- 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



- Strong disbursements in Retail Housing; disbursements up 11% QoQ
- Highest ever Q1 disbursements in 2W with emphasis on deeper geo presence
- Increased customer funnel via partnership with e-aggregators in Consumer Loans

Completed SME Pilot in Mumbai & Pune; disbursed Rs 47 Cr in (Q4) & Rs 68 Cr in (Q1)

Commenced portfolio acquisition; disbursed Rs 66 Cr in (Q1)

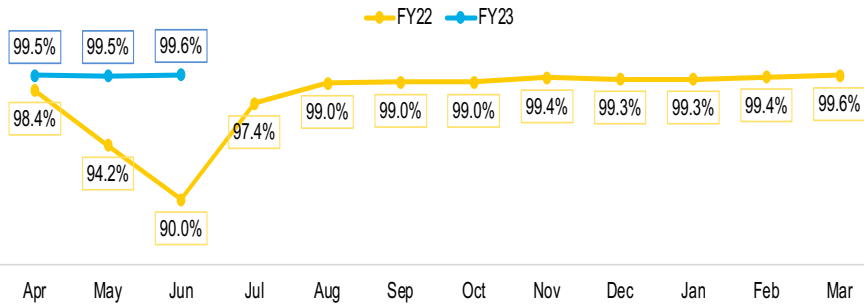
**Q1FY23 Retail disbursements at all time high of Rs 8,938 Cr**

# Strong Retail Finance Growth (2/5)

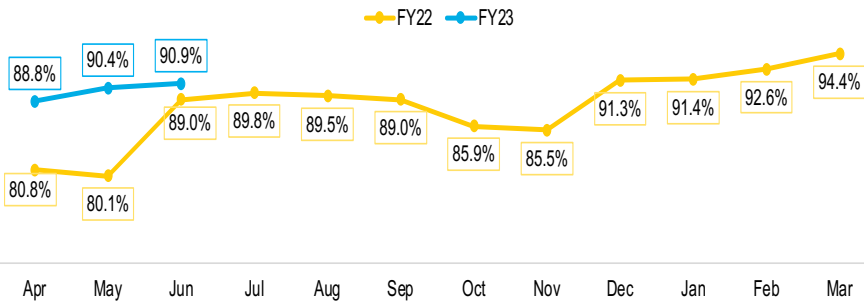
## Normalized collections across businesses



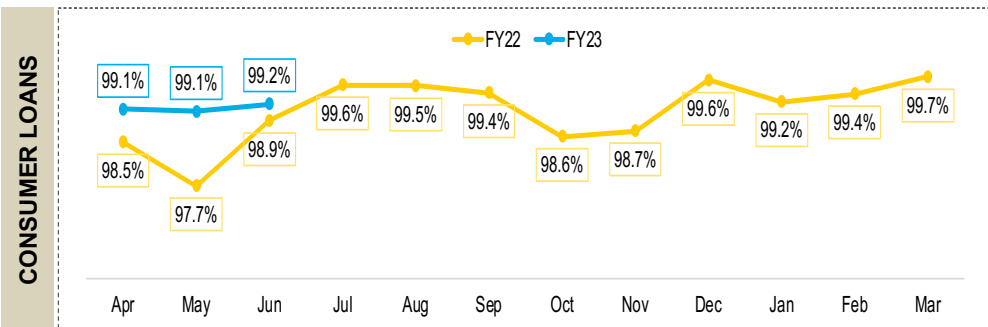
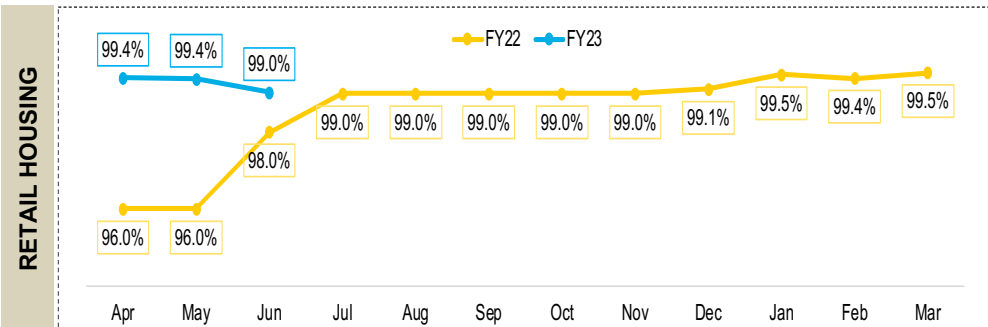
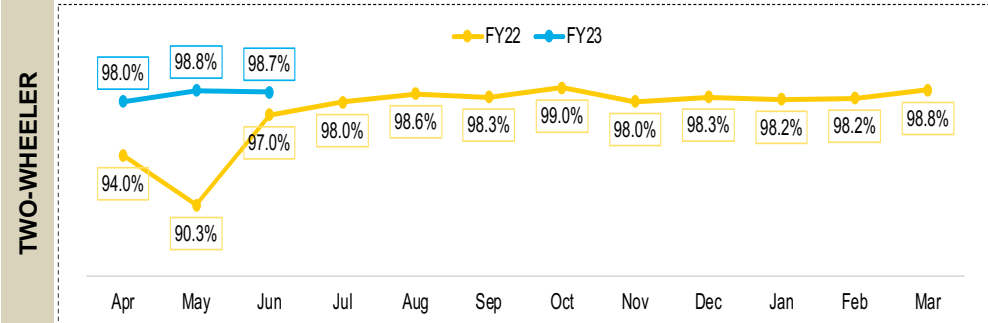
### RURAL BUSINESS FINANCE



### 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

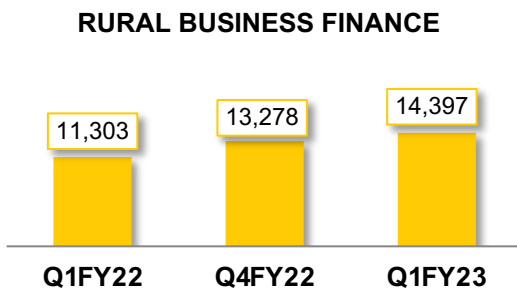
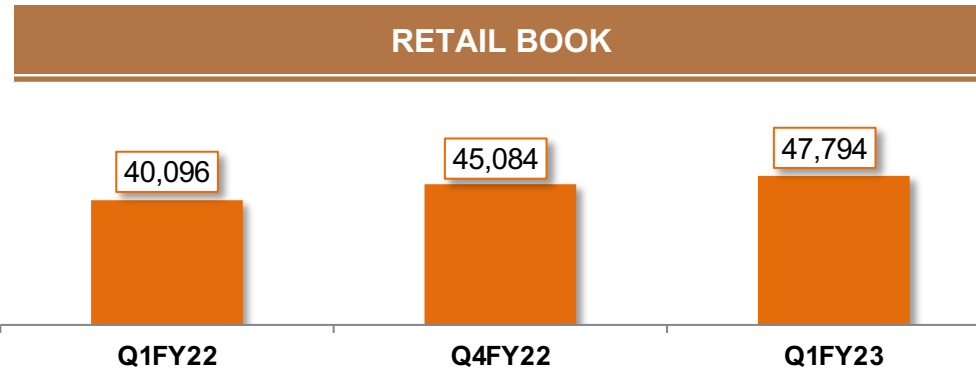


# Strong Retail Finance Growth (3/5)

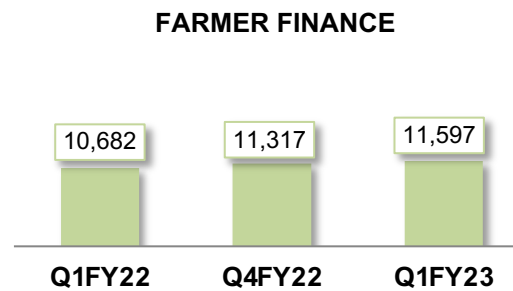
## Leading to book growth across businesses



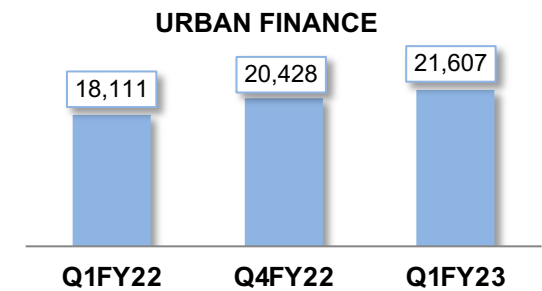
in Rs Cr



- 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 and improving book quality

Completed SME Pilot in Mumbai & Pune; book Rs 61 Cr as at Q4 & Rs 126 Cr as at Q1





Commenced portfolio acquisition; book Rs 66 Cr in (Q1)

**19% YoY and 6% QoQ increase in Retail Book in Q1FY23**

# Strong Retail Finance Growth (4/5)

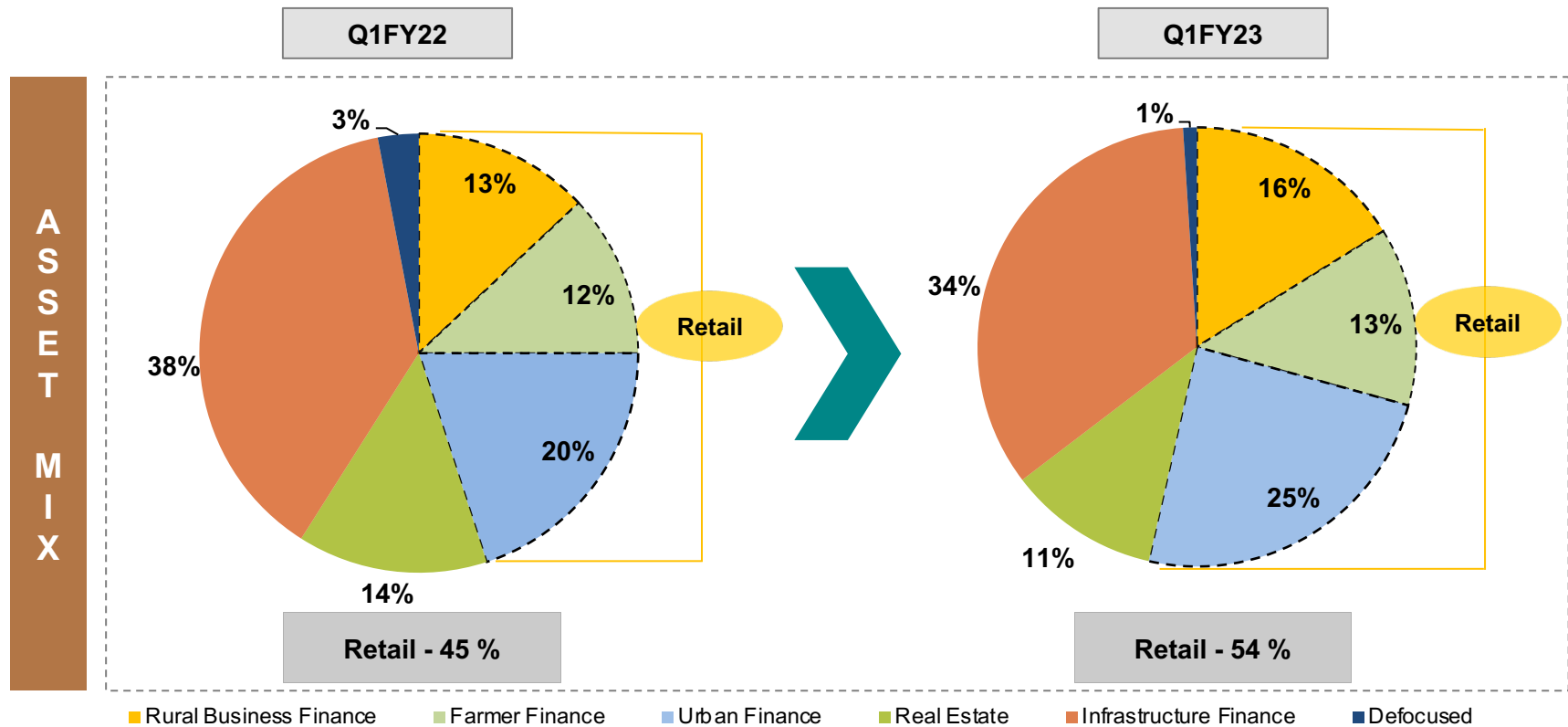
## Scaling-up new products: SME Finance



Performance	
Small and Medium Enterprise Finance	
 <b>Book Growth</b>	<ul style="list-style-type: none"><li>• Risk Based Customer Pricing</li><li>• Created a Rs 126 Cr book under pilot</li><li>• Ready for pan-India branch expansion</li></ul>
 <b>Channel Dynamics</b>	<ul style="list-style-type: none"><li>• Digital journey for both DSA and DST channels</li></ul>
 <b>Leverage Digital Journey to Offer “Best In Class” TAT</b>	<ul style="list-style-type: none"><li>• Digital journey made live in mid-May’22</li><li>• Jun’22 average sanction TAT at 3.3 days (SEP:1.5 days, SENP: 4 days)</li></ul> <p>(SEP / SENP – Self-Employed Professional / Non-Professional)</p>
 <b>Customer Segment</b>	<ul style="list-style-type: none"><li>• Policy parameters strengthened to target Covid resilient customers</li></ul>

Poised for rapid growth through focused geo-expansion strategy

# Strong Retail Finance Growth (5/5) Thus Bolstering Retailisation



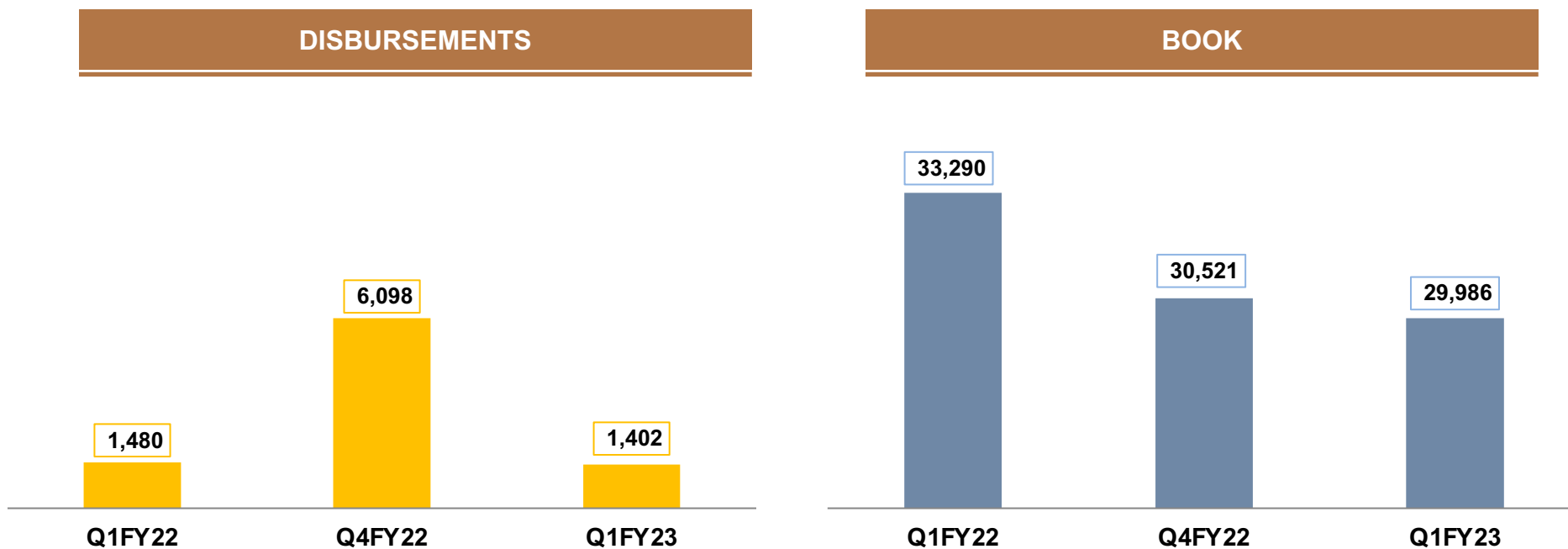
**Retail assets at 54% of total book**

# Moderation in Wholesale Finance (1/2)

## Infrastructure Finance performance in line with strategy



in Rs Cr



Continued asset / capital light model in Infrastructure Finance

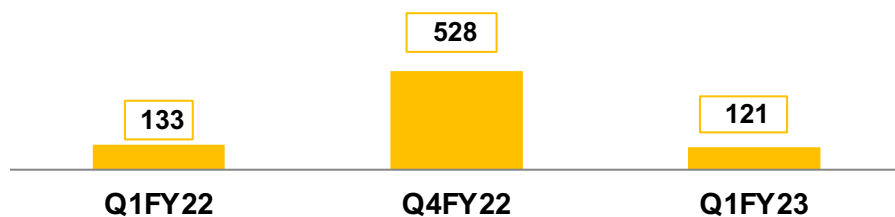
# Moderation in Wholesale Finance (2/2)

## Exploring Exit from Real Estate Finance business

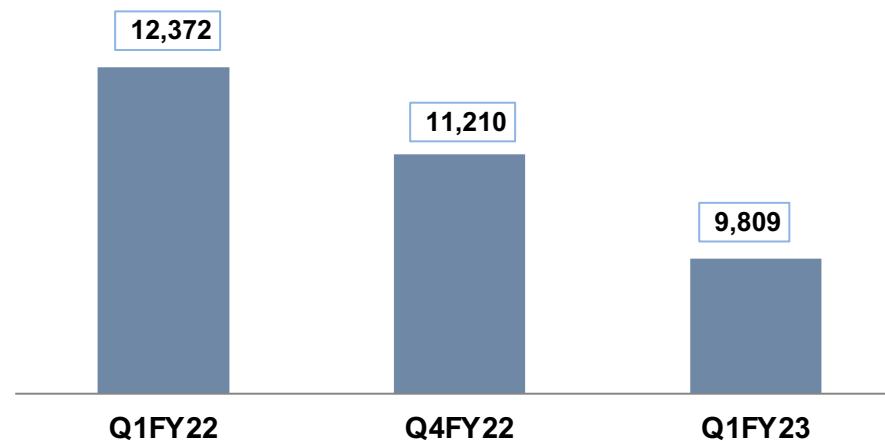


in Rs Cr

### DISBURSEMENTS



### BOOK



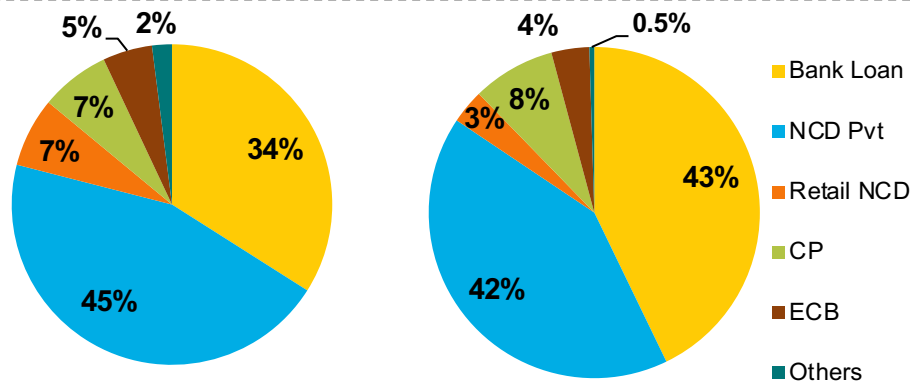
Collections-led book run down (Rs 963 Cr of pre / repayments in Q1)

# Consolidated performance

*Strong liability profile enabling reduction in borrowing cost*



## DIVERSIFIED LIABILITY MIX



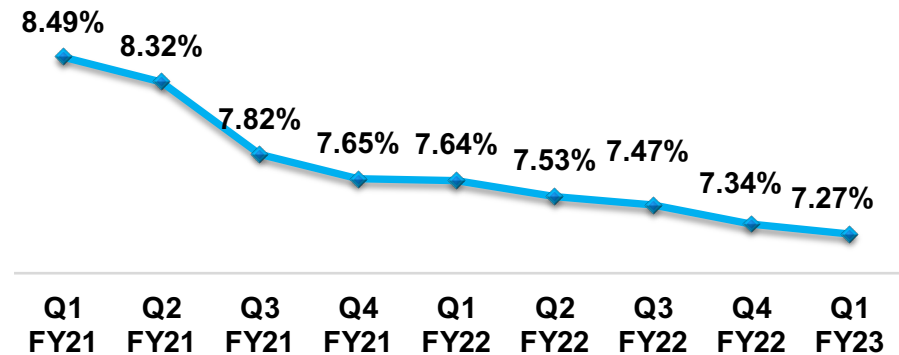
Q1FY22

Rs 84,289 Cr

Q1FY23

Rs 81,778 Cr

## WEIGHTED AVERAGE COST OF BORROWING (WAC)



'AAA' rating reaffirmed by CRISIL, ICRA, CARE and India Ratings

Lowest ever quarterly WAC of 7.27%

Raised low cost PSL loans of Rs 635 Cr in Q1FY23

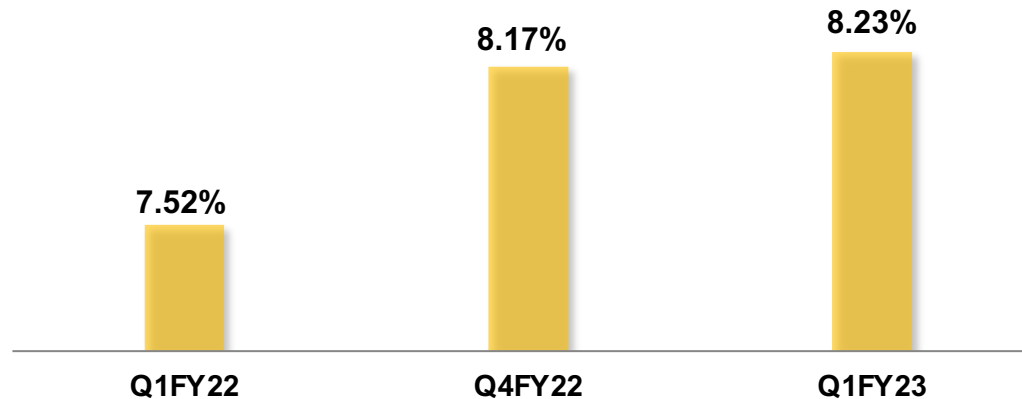
Going forward, even though borrowing cost may rise in a rising interest rate environment, we expect the increase to be proportionately lower than that of the market

# Consolidated performance

## *NIMs + Fees Trending positively*



### NIMS + FEE & OTHER INCOME



- Higher NIMs achieved YoY through higher retailisation (54% in Q1FY23 vs 45% in Q1FY22), strong retail business momentum and reduction in cost of borrowing
- Increase in Fee income by 37% YoY and 7% QoQ

**NIMs + Fees maintained upward trajectory on back of lower WAC and higher retail fees. Going forward, even though the interest rates may increase, we expect to pass on the interest rate hike to the borrowers**

# Consolidated performance

## Strengthened Balance Sheet



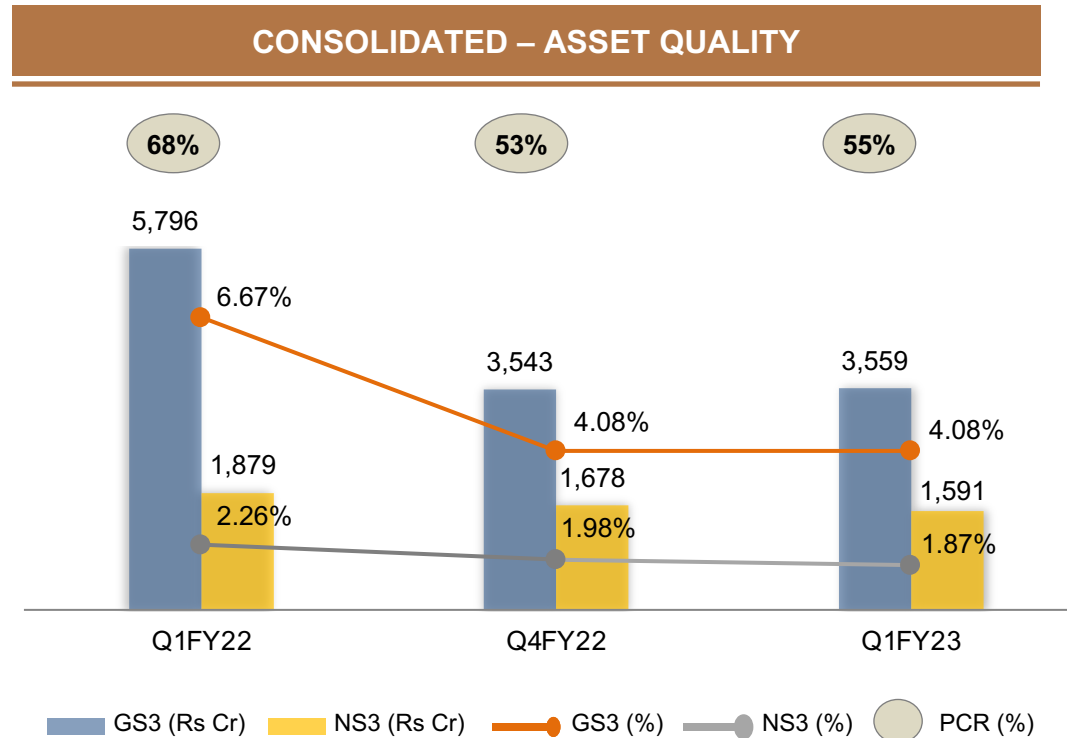
Particulars (Rs. Cr)	Total Lending Business
Loan book size (excluding GS3 book) - (1)	83,617
Provision on stage 1 and stage 2 assets as per ECL model - (2)	624
Additional provisions & OTR provisions - (3)	1,450
Additional provisions & OTR provisions as % of standard assets – (3/1)	1.73%
<b>Total provisions on standard assets (over and above GS3 provisions) – (2+3=4)</b>	<b>2,074</b>
<b>Total provisions as % of standard assets (over and above GS3 provisions) - (4/1)</b>	<b>2.48%</b>

- **Note on OTR:** OTR: OTR book has gone down from Rs 3,040 Cr in Q4FY22 to Rs 2,019 Cr in Q1FY23. This reduction of Rs 1,021 Cr includes Rs 548 Cr which has been closed, Rs 205 Cr Written off and Rs 268 Cr rolled over to GS3
- The written off loans as well as the roll over to GS3 totals to Rs 473 Cr against which credit cost of Rs 464 Cr has been taken during the quarter. For this, we have utilised Rs 213 Cr out of management overlays created in the earlier quarters and the balance Rs 251 Cr is part of the credit cost for Q1FY23 of Rs 795 Cr. Excluding this OTR related provisions of Rs 251 Cr, the normalised credit cost for Q1FY23 would have been Rs 544 Cr
- As on June 30, 2022, we continue to hold Rs 1,450 Cr as macro prudential and additional provisions (Rs 1,727 Cr as of Mar-22) which would be available to take care of any further OTR loans rolling forward in Q2FY23
- Other than Retail Home Loan OTR portfolio of about Rs 640 Cr (where moratorium of upto 2 years has been allowed and the same is adequately secured against mortgage), credit cost pertaining to the rest of the OTR portfolio would be taken substantially by Q2FY23
- The management overlays that we are carrying adequately covers the above in our opinion



# Consolidated performance

## Stable Asset Quality



**Carrying additional provisions of Rs 1,450 Cr (Macro, enhanced and OTR provisions) corresponding to 1.73% 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 increased 47% YoY to Rs 262 Cr**



**Highest ever Retail disbursements at Rs 8,938 Cr**



**Retailisation continues with share of Retail increasing from 45% to 54% YoY**



**Wholesale book rundown continues, book decreased by 13% YoY**



**NIMs + Fees at 8.23% (up 71bps YoY)**



**WAC stable at 7.27% in an increased interest rate environment**



**Healthy Collection Efficiency trends across Retail businesses.  
Principal repayment / pre-payment of Rs 963 Cr in Q1 in Real Estate**



**Improved Asset Quality - GS3 down from 6.67% to 4.08%, PCR of 55%**

**LTFS continues to march towards achieving its Lakshya of Retailisation**

# Appendix

# Appendix

**A**

**Financials**

**B**

**Other key annexures**

# LTFH Consolidated – Summary financial performance

Performance Summary				
Q1FY22	Summary P&L (Rs Cr)	Q4FY22	Q1FY23	Y-o-Y (%)
2,925	Interest Income	2,822	2,846	(3%)
1,508	Interest Expense	1,397	1,413	(6%)
1,416	NIM	1,425	1,433	1%
270	Fee & Other Income	345	370	37%
1,686	Total Income	1,769	1,803	7%
548	Operating Expense	634	650	19%
1,138	Earnings before credit cost	1,135	1,152	1%
900	Credit Cost	651	795	(12%)
<b>239</b>	<b>PBT</b>	<b>485</b>	<b>357</b>	<b>50%</b>
<b>178</b>	<b>PAT</b>	<b>342</b>	<b>262</b>	<b>47%</b>

Q1FY22	Particulars (Rs Cr)	Q4FY22	Q1FY23	Y-o-Y(%)
88,440	Closing Book	88,341	88,078	0%
89,999	Average Book	87,819	87,886	(2%)
18,993	Networth	19,948	20,193	6%
76.9	Book Value per share (Rs)	80.6	81.6	6%

# LTFH Consolidated – Key ratios

Key Ratios				
Q1FY22	Key Ratios	Q4FY22	Q1FY23	
13.03%	Yield	13.03%	12.99%	
6.31%	Net Interest Margin	6.58%	6.54%	
1.20%	Fee & Other Income	1.59%	1.69%	
7.52%	NIM + Fee & Other Income	8.17%	8.23%	
2.44%	Operating Expenses	2.93%	2.97%	
5.07%	Earnings before credit cost	5.24%	5.26%	
4.01%	Credit Cost	3.00%	3.63%	
0.68%	Return on Assets	1.33%	1.02%	
4.44	Debt / Equity	4.27	4.05	
3.76%	Return on Equity	6.90%	5.18%	

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	19.98%	3.14%	23.12%

# Lending Business – Business wise disbursement split

Disbursement				
Q1FY22	Segments (Rs Cr )	Q4FY22	Q1FY23	Y-o-Y (%)
1,357	Farm Equipment	1,154	1,532	13%
824	2W Finance	1,380	1,517	84%
797	Rural Business Loans	3,881	3,168	-
-	Micro Finance Loans	-	643	-
327	Consumer Loans	798	1,010	209%
288	Home Loans	781	857	198%
18	LAP	65	79	331%
-	SME Finance	47	68	-
-	Acquired Portfolio	-	66	-
<b>3,611</b>	<b>Retail Finance</b>	<b>8,105</b>	<b>8,938</b>	<b>148%</b>
133	Real Estate Finance	528	121	(9%)
1,480	Infrastructure Finance	6,098	1,402	(5%)
<b>1,613</b>	<b>Wholesale Finance</b>	<b>6,626</b>	<b>1,522</b>	<b>(6%)</b>
<b>5,223</b>	<b>Focused Business</b>	<b>14,731</b>	<b>10,461</b>	<b>100%</b>
-	De-focused	-	-	-
<b>5,223</b>	<b>Total Disbursement</b>	<b>14,731</b>	<b>10,461</b>	<b>100%</b>

# Lending Business – Business wise book split

Book				
Q1FY22	Segments (Rs Cr)	Q4FY22	Q1FY23	Y-o-Y (%)
10,682	Farm Equipment	11,317	11,597	9%
6,894	2W Finance	7,462	7,488	9%
11,303	Rural Business Loans & Micro Finance Loans	13,278	14,397	27%
780	Consumer Loans	2,301	3,027	288%
7,202	Home Loans	7,837	8,369	16%
3,236	LAP	2,827	2,723	(16%)
-	SME Finance	61	126	-
-	Acquired Portfolio	-	66	-
<b>40,096</b>	<b>Retail Finance</b>	<b>45,084</b>	<b>47,794</b>	<b>19%</b>
12,372	Real Estate Finance	11,210	9,809	(21%)
33,290	Infrastructure Finance	30,521	29,986	(10%)
<b>45,663</b>	<b>Wholesale Finance</b>	<b>41,731</b>	<b>39,795</b>	<b>(13%)</b>
<b>85,758</b>	<b>Focused Business</b>	<b>86,815</b>	<b>87,589</b>	<b>2%</b>
2,682	De-focused	1,526	489	(82%)
<b>88,440</b>	<b>Total Book</b>	<b>88,341</b>	<b>88,078</b>	<b>0%</b>



# Retail Finance – Summary financial performance

## Performance Summary

Q1FY22	Summary P&L (Rs Cr )	Q4FY22	Q1FY23	Y-o-Y (%)
1,634	Interest Income	1,729	1,807	11%
615	Interest Expense	624	664	8%
1,019	NIM	1,104	1,143	12%
88	Fee & Other Income	157	200	127%
1,107	Total Income	1,262	1,343	21%
411	Operating Expense	484	500	21%
696	Earnings before credit cost	777	844	21%
636	Credit Cost	375	584	(8%)
<b>60</b>	<b>PBT</b>	<b>402</b>	<b>259</b>	<b>329%</b>
<b>45</b>	<b>PAT</b>	<b>299</b>	<b>193</b>	<b>329%</b>

Q1FY22	Particulars (Rs Cr )	Q4FY22	Q1FY23	Y-o-Y(%)
40,096	Book	45,084	47,794	19%
7,479	Networth	8,319	9,051	21%

# Retail Finance – Key ratios

Key Ratios				
Q1FY22	Key Ratios	Q4FY22	Q1FY23	
16.11%	Yield	16.06%	15.57%	
10.05%	Net Interest Margin	10.26%	9.85%	
0.87%	Fee & Other Income	1.46%	1.72%	
10.92%	NIM + Fee & Other Income	11.72%	11.57%	
4.06%	Operating Expenses	4.50%	4.30%	
6.86%	Earnings before credit cost	7.22%	7.27%	
6.27%	Credit Cost	3.48%	5.03%	
0.41%	Return on Assets	2.58%	1.60%	
4.82	Debt / Equity	4.75	4.50	
2.45%	Return on Equity	14.51%	8.91%	

# Wholesale Finance – Summary financial performance

## Performance Summary

Q1FY22	Summary P&L (Rs Cr )	Q4FY22	Q1FY23	Y-o-Y (%)
1,234	Interest Income	1,038	1,000	(19%)
835	Interest Expense	747	731	(12%)
399	NIM	291	269	(33%)
82	Fee & Other Income	89	89	8%
481	Total Income	380	358	(26%)
98	Operating Expense	102	109	11%
383	Earnings before credit cost	278	249	(35%)
160	Credit Cost	220	173	8%
<b>223</b>	<b>PBT</b>	<b>58</b>	<b>76</b>	<b>(66%)</b>
<b>164</b>	<b>PAT</b>	<b>42</b>	<b>57</b>	<b>(65%)</b>

Q1FY22	Particulars (Rs Cr )	Q4FY22	Q1FY23	Y-o-Y(%)
45,663	Book	41,731	39,795	(13%)
9,089	Networth	9,086	8,614	(5%)

# Wholesale Finance – Key ratios

Key Ratios				
Q1FY22	Key Ratios	Q4FY22	Q1FY23	
10.61%	Yield	10.00%	9.93%	
3.43%	Net Interest Margin	2.81%	2.67%	
0.71%	Fee & Other Income	0.86%	0.88%	
4.14%	NIM + Fee & Other Income	3.66%	3.55%	
0.84%	Operating Expenses	0.99%	1.08%	
3.30%	Earnings before credit cost	2.68%	2.47%	
1.38%	Credit Cost	2.12%	1.72%	
1.20%	Return on Assets	0.32%	0.45%	
5.00	Debt / Equity	4.91	4.94	
7.14%	Return on Equity	1.86%	2.69%	

# Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q1FY22	Q4FY22	Q1FY23	Y-o-Y (%)
Renewable Power	1,264	5,564	1,215	(4%)
Roads	160	351	187	17%
Power Transmission	32	155	-	(100%)
Others	24	28	-	(100%)
<b>Total</b>	<b>1,480</b>	<b>6,098</b>	<b>1,402</b>	<b>(5%)</b>

LOAN BOOK

Sectors (Rs. Cr)	Q1FY22	Q1FY22 (% of Total)	Q4FY22	Q4FY22 (% of Total)	Q1FY23	Q1FY23 (% of Total)	Y-o-Y (%)
Renewable Power	18,048	54%	20,400	67%	20,304	68%	12%
Roads	9,799	29%	7,328	24%	7,060	24%	(28%)
Power Transmission	1,122	3%	707	2%	647	2%	(42%)
Others <sup>1</sup>	4,321	13%	2,086	7%	1,975	7%	(54%)
<b>Total</b>	<b>33,290</b>	<b>100%</b>	<b>30,521</b>	<b>100%</b>	<b>29,986</b>	<b>100%</b>	<b>(10%)</b>

# Appendix

**A**

**Financials**

**B**

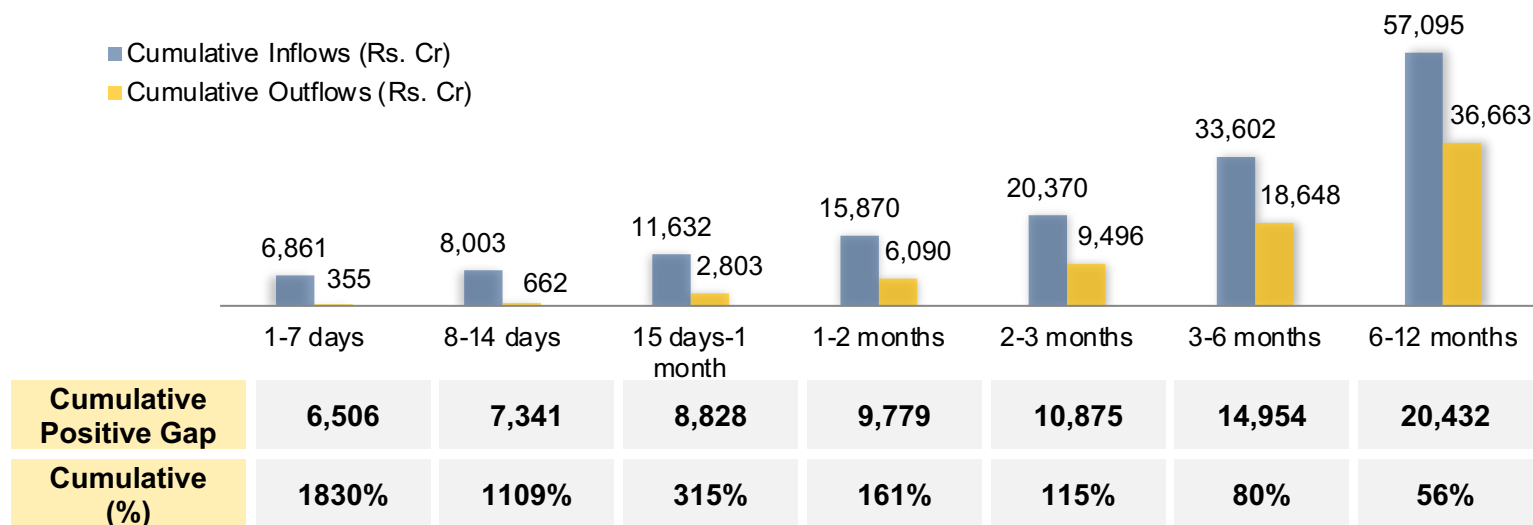
**Other key annexures**

# Prudent ALM

## As on 30<sup>th</sup> June, 2022

### Structural Liquidity statement

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



### Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	57,512
Re-priceable liabilities	50,507
<b>Positive</b>	<b>7,005</b>

Continue to maintain positive liquidity 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: Mar'22
  - CARE: Sept'21
  - India Ratings: Apr'22
  - ICRA: Aug'21 – Sep'21

## 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)

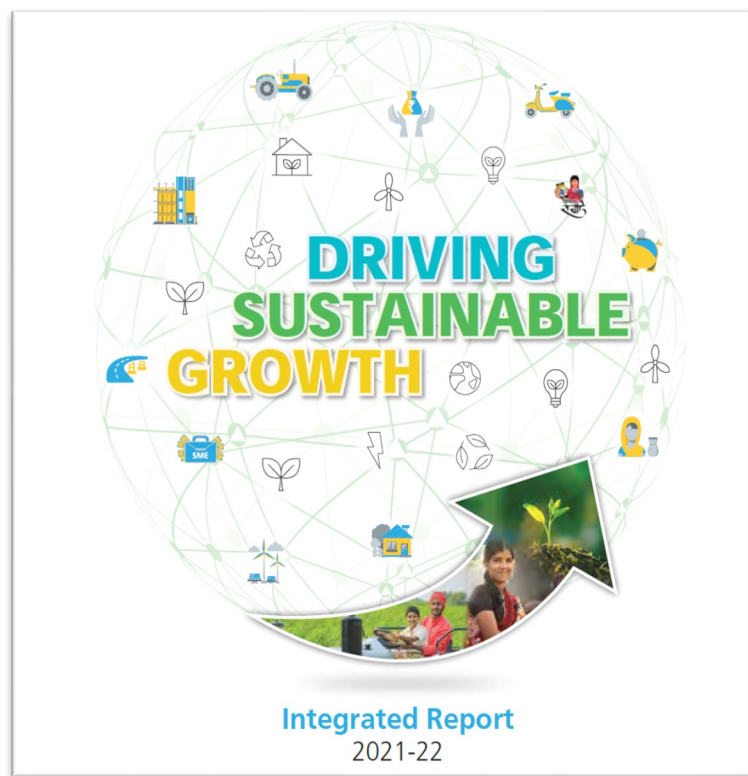
Fund Type	Quarter ended June, 2021		Quarter ended March, 2022		Quarter ended June, 2022	
	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>
Pure Equity	32,344	30,986	33,801	33,709	30,313	31,978
Hybrid	12,332	11,505	10,707	11,588	9,413	10,174
Fixed Income	24,519	24,909	23,001	23,494	19,835	21,330
Liquid	7,256	8,038	7,332	6,669	8,627	7,947
Others	102	93	140	132	142	142
<b>Total</b>	<b>76,552</b>	<b>75,531</b>	<b>74,981</b>	<b>75,592</b>	<b>68,331</b>	<b>71,571</b>

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

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

# ESG@LTFH: Building a Collective Sustainable Future

## LTFH Integrated Report



Publication of **1st LTFH Integrated Report**



Compliance with reporting of all **'essential indicators'** under **BRSR**, 1 year in advance of applicability



Integrated Report **assured by independent assurance provider**




**'Water neutrality'** status assured by independent assurance provider



**22 sustainability targets** adopted in FY23

# ESG@LTFH: Building a Collective Sustainable Future

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 13.83 Lakh+ tCO<sub>2</sub>e emissions through renewable financing in Q1</p>	 <p><b>Community Wellbeing</b> Supported 2.17 Lakh+ community members through CSR interventions</p>	 <p><b>ESG Oversight</b> Review of ESG practices by Board level committee</p>
 <p><b>EV Financing</b> Climate friendly lending by financing 3,779 EVs</p>	 <p><b>Social footprint</b> Expansion of social footprint – Karnataka &amp; Kerala</p>	 <p><b>ESG linked KPIs</b> Adoption of ESG linked KPIs for senior management</p>
 <p><b>Water Replenishment</b> Partnership with 3 NGOs initiated to maximise water replenishment</p>	 <p><b>Active Women Customers</b> 55.18 Lakh+ active women customers in Micro Loans</p>	 <p><b>Diversity in Leadership</b> Women representation in Group Executive Committee up from 16% to 25%</p>
 <p><b>Recycled Paper</b> 47% of total paper consumption is recycled paper</p>	 <p><b>Employee Training</b> 3,875 employees trained on ESG</p>	 <p><b>ESG Framework</b> Institutionalised processes and controls to strengthen the ESG framework</p>

# Corporate Social Responsibility

## Directly linked to creating value



### Digital Financial Inclusion



Reached out to **2,17,000+** community members, creating awareness on financial literacy and COVID-19 vaccination



Enabled **15,000+** community members to access and avail benefits of banking services and government schemes



Entered into a partnership with Access Livelihoods Foundation to kickstart the Digital Sakhi project in Karnataka and Kerala

### Other Initiatives



Focused on long term impact, continued to maintain and upkeep **68,000+** trees in drought prone areas of Maharashtra.



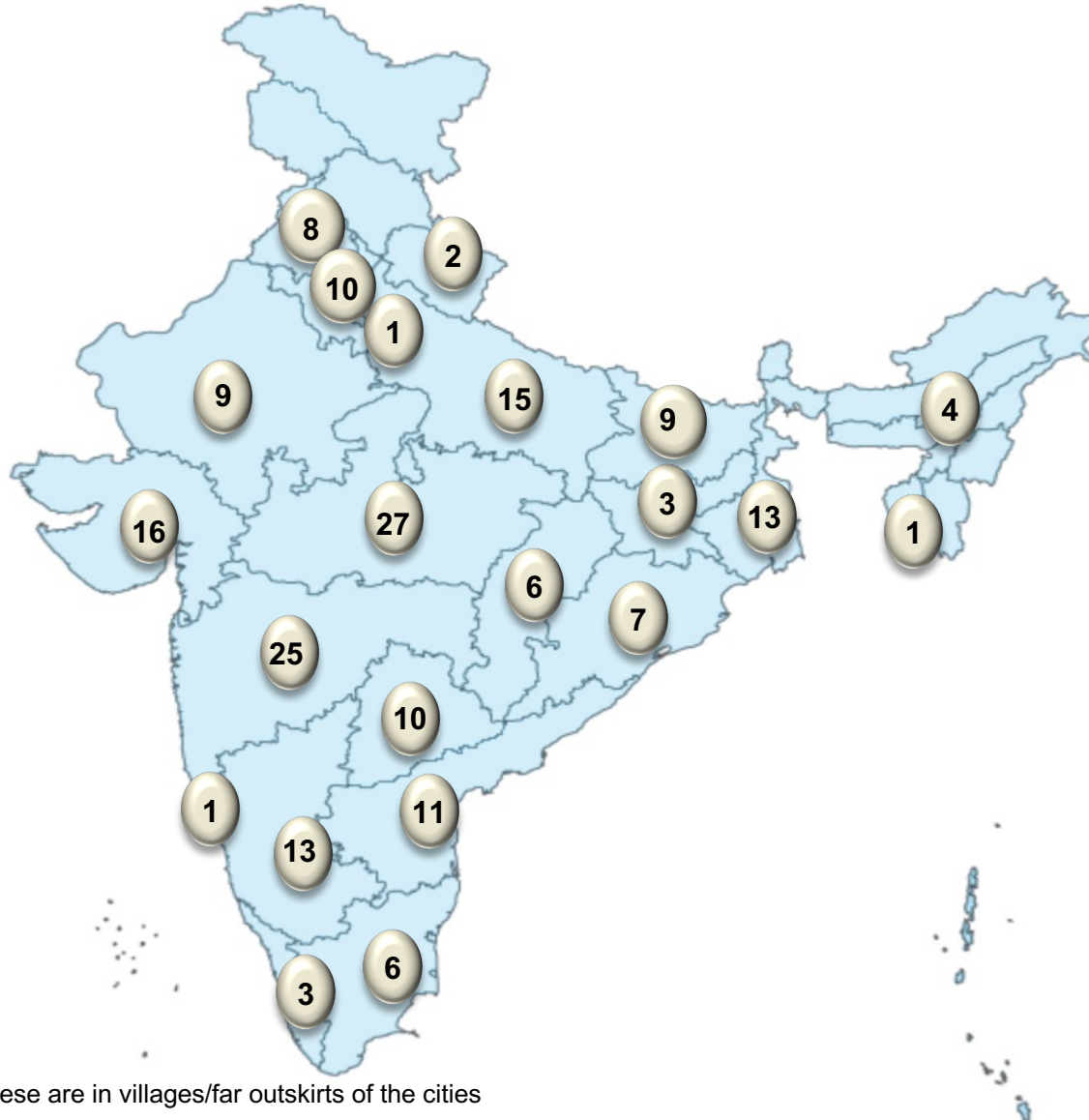
Building on the efforts to promote environmental sustainability, a livelihood linked tree plantation project is being undertaken with Sankalptaru Foundation



Supported **20** Mumbai Traffic Wardens, to promote road safety and enhance traffic management

CSR outreach extending to 250+ villages across the country in Q1FY23

# LTFS branch footprint



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

No. of States & Union Territories	21 & 1
No. of branches	200
No. of Rural Business Loans / Micro Finance branches*	1,542
No. of employees	25,281

# Well experienced and diversified Board

## BOARD OF DIRECTORS



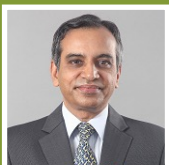
**S.N. Subrahmanyam**, *Non-Executive Director, Chairperson*

- 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  
27 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  
17 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:**

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Santacruz (E), Mumbai 400 098

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