

L&T Finance Holdings Ltd. (LTFH) signs financing pact with Japan International Cooperation Agency (JICA) for USD 125 million

- *JICA sanctions long-term loan of USD 125 million to LTFH*
- *For LTFH, this long-term loan forms a part of the Company's continuous strategy of diversifying its funding sources and driving positive social impact through sustainability focused loans*
- *LTFH to deploy the funds to support financing in rural and peri-urban areas in India, particularly women borrowers by funding livelihoods and concentrating on lending across lagging states*
- *The funding comprises a loan of up to USD 125 million from JICA, and will be availed in three tranches*
- *At least 40 percent of the proceeds is allocated for women borrowers, while the rest will support farmers, Micro, Small and Medium-sized Enterprises (MSMEs), as well as loans to purchase new two-wheeler vehicles including electric two-wheelers*

Mumbai, March 12, 2024: L&T Finance Holdings Ltd. (LTFH), one of the leading Non-Banking Financial Companies of the country has signed a financing pact with JICA for USD 125 million to support financing in rural and peri-urban areas in India, particularly women borrowers.

In last November, LTFH had sourced USD 125 million loan from Asian Development Bank (ADB), and as part of the co-financing agreement, additional USD 125 million loan is now being raised from JICA. At least 40 percent of the proceeds will be allocated for women borrowers, while the rest will be allocated to support farmers, MSMEs, as well as loans to purchase new two-wheeler vehicles including electric two-wheelers.

Commenting at the signing ceremony, **Mr. Sachinn Joshi, Chief Financial Officer, LTFH** said, "Our collaboration with JICA resonates deeply with our commitment to driving sustainability and positive business impact. We view this partnership as a substantial step towards bridging the financial gap and fostering inclusive economic growth nationwide through sustainability focused loans. This long-term loan also helps us take forward our ongoing strategy of diversifying funding sources for the Company. By concentrating on lending in rural and peri-urban areas of lagging states, our project strategically aligns with the goals of India's Ministry of Rural Development."

Ms. Apurva Rathod, Company Secretary & Chief Sustainability Officer, LTFH said, "Despite steady rural economic growth, accessing financial services remains a challenge for rural communities. A large percentage of marginal farmers lack formal access to credit, with women being disproportionately affected. We understand the profound impact of financial inclusion on the communities we serve. Hence, through our lending activities particularly in underserved regions and lagging states, we aim to empower individuals, especially women, farmers, and MSMEs, thereby enhancing economic resilience."

JICA in their statement mentioned, "Rural India, is home to about 65 percent of country's population and widely supports the Indian economy, sustaining about 46 percent of the national GDP. About 90 percent of India's impoverished population resides in the rural area, where the income growth rate has decreased further, especially post COVID-19, making poverty reduction a pressing issue. We at JICA believe that this association will help in addressing rural disparities and sustain economic development of the country by leveraging LTFH strengths of nationwide branch office network. LTFH lending activities in the lagging states will further contribute to Sustainable Development Goals (SDGs) Goal 1 (No Poverty), Goal 5 (Gender Equality), Goal 8 (Decent work and economic growth) and Goal 17 (Partnerships for the goal)."

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Ltd. (LTFH) (<https://www.ltfh.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services under the L&T Finance brand. 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 also won many prestigious awards for its flagship CSR project – “Digital Sakhi”- which focuses on women’s empowerment and digital and financial inclusion. Under Right to Win, being in the ‘right businesses’ has helped the Company become one of the leading financiers in key Retail products. The Company is focused on creating a top-class, digitally enabled, Retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust Retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the Company’s strategic roadmap - Lakshya 2026. The Company has over 2.2 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

