

L&T Finance Holdings completes the divestment of its Mutual Fund business

- Received ~INR 3,484 crores (equivalent of USD 425 million) as consideration for the sale and realised surplus cash balance of ~INR 764 crores in LTIML
- Proceeds to help accelerate drive towards retailisation

Mumbai, November 25, 2022: L&T Finance Holdings Limited, one of India's leading non-banking financial companies, today announced the conclusion of the sale of its mutual fund business to HSBC Asset Management (India) Private Limited. It has (i) received ~INR 3,484 crores (equivalent of USD 425 million) as consideration for the sale; and (ii) also realised surplus cash balance of ~INR 764 crores in L&T Investment Management Limited, the asset manager to L&T Mutual Fund (LTIML) pursuant to the definitive documents.

The proceeds from this transaction will be deployed primarily in strengthening the balance sheet which will help drive growth and innovation in the retail lending businesses, in line with the stated Lakshya 2026 goal of becoming a top-class, digitally enabled, retail finance company.

Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings Limited, said "The sale of the mutual fund business provides solid impetus to our pace of retailisation, where the retail portfolio mix today stands at 58% of our total loan book. We believe, that along with retailisation, a customer-focused approach, and continuing with our chosen 'Right to Win' businesses, we will create value for all our stakeholders."

The retail businesses of the company witnessed robust disbursement momentum in Q2FY23 with the highest ever quarterly disbursements at INR 10,238 crores in Q2FY23, up 84% YoY. The Retail Finance book grew by 27% YoY, on the back of the highest-ever quarterly disbursements, surpassing Q1FY23 levels.

About L&T Finance Holdings (LTFH):

LTFH (www.ltfh.com) is one of India's leading Non-Banking Financial Company (NBFC) that offers a range of financial products and services through its wholly owned subsidiaries. L&T Financial Services (LTFH) is the brand name of L&T Finance Holdings Limited and its subsidiaries. Headquartered in Mumbai, LTFH has been rated AAA — the highest credit rating for NBFCs — by four leading rating agencies. L&T Financial Services has been certified as a constituent company in the FTSE4Good Index Series, for its ESG standards. LTFH was awarded FICCI's Corporate Social Responsibility Award for "Women Empowerment" for Digital Sakhi, its flagship CSR program. The Company announced its commitment to achieve Water Neutrality by FY23 and has achieved the same. The company has also announced its commitment to achieve Carbon Neutrality by FY35

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