

L&T Finance launches Warehouse Receipt Financing

- *Launch of Warehouse Receipt Financing in a digitally-assisted journey for the first time in India*
- *Facility will be sanctioned to customers within 24 hours of filing the loan application*
- *Quick disbursement and seamless release of commodities*
- *Enriched paperless experience for the agri-customers*

March 15, 2023, Mumbai: L&T Finance Limited (LTF), a subsidiary of L&T Finance Holdings Limited and one of the leading Non-Banking Financial Companies, has launched Warehouse Receipt Financing (WRF), a first of its kind digitally-assisted journey for loan facilities against agri-commodities.

WRF facilitates the use of commodities as collateral to secure loans. Commodities are stored in professionally managed warehouses by empaneled collateral managers. Under this arrangement, commodities are checked for quality and quantity, based on which a receipt is issued by the collateral manager to farmers, traders and processors. The receipt can then be used as a collateral to avail loan facilities from LTF.

WRF will be available for customers in four states, namely Maharashtra, Madhya Pradesh, Rajasthan and Gujarat, and will revolutionise the way this product is offered. Currently, these facilities are offered by the market in a traditional manner which is primarily manual in nature and takes anywhere between 7-10 days for each loan application to get sanctioned. With the launch of this product, customers will get a never before experience of obtaining a sanction within 24 hours of filing the loan application and having all the information related to their loans at their fingertips through the mobile application PLANET.

Farmers, traders and processors can avail this facility at the nearest LTF branch at attractive interest rates for an amount ranging between Rs.1 lakh to Rs.10 crore. The amount sanctioned will be based on eligibility checks and the loan margin range, which shall be between 25 percent to 30 percent of the market value of the commodity, based on quality parameters.

Speaking on the launch, **Mr. Dinanath Dubhashi, Managing Director & CEO of L&T Finance Holdings Ltd.** said, "Our Lakshya is to become a top-class, customer-focused, digitally-enabled retail finance company by 2026, or even before that. In line with the same, we are consistently working upon engaging our customers with products that are suited to their requirements and at the same time, are available when they need them. WRF is one such offering from our end which promises quick disbursement and flexible repayment with no foreclosure charges. The Rabi sowing season in India has ended with a record acreage of 720 lakh hectares in this crop year, which is the highest in the past five years. In such a scenario, we are hopeful that these loans will help our customers meet their working capital requirements in a convenient manner. Additionally, it will also help stabilise the supply of commodities and prices in the market, improve growers' income, and reduce food losses."

In line with accelerated retailisation, the retail book of LTF reached Rs. 57,000 crore, up 34 percent year-on-year in the third quarter ended December 31, 2022, while the retail portfolio mix of the total loan book stood at 64 percent, led by key products like Rural Business Finance and Farm Equipment Finance.

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Limited (LTFH) (<https://www.ltfh.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services through its subsidiary L&T Finance Ltd. (LTF) 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 is focused 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 over 7 crore customer database, and this database is being leveraged to cross-sell, up-sell as well as identify new customers.



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