

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,
1st 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: Unaudited Financial Results (Consolidated and Standalone) for the quarter and half year ended September 30, 2022

Dear Sir / Madam,

Pursuant to Regulation 33, Regulation 52 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other regulations, if applicable, we hereby inform the exchanges that the Board of Directors (“Board”) of the Company at its meeting held on October 20, 2022 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and half year ended September 30, 2022.

Further, in accordance with Regulation 33(3)(b) of the Listing Regulations, the Company has submitted, in addition to Standalone Financial Results, Consolidated Financial Results of the Company to the Exchanges. Accordingly, please find enclosed Unaudited Financial Results (Consolidated and Standalone) for the quarter and half year ended September 30, 2022 along with Limited Review Report of Statutory Auditors and press release in this connection. Also, in accordance with Regulation 47(1)(b) of the Listing Regulations, the Company would be publishing the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2022 in the newspapers.

The Board Meeting commenced at 5.32 p.m. and concluded at 6.15 p.m.

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

kkc & associates llp

chartered accountants

(formerly Khimji Kunverji & Co LLP)

Independent Auditor's review report on unaudited consolidated quarterly financial results of L&T Finance Holdings Limited under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
L&T Finance Holdings Limited

Introduction

1. We have reviewed the accompanying statement of unaudited consolidated financial results of L&T Finance Holdings Limited ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended 30 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ('the Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the result of the following entities:

Name of the entity	Relationship
L&T Finance Holdings Limited	Parent
L&T Financial Consultants Limited	Subsidiary
L&T Finance Limited	Subsidiary



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Name of the entity	Relationship
L&T Mutual Fund Trustee Limited	Subsidiary
L&T Infra Credit Limited	Subsidiary
L&T Investment Management Limited	Subsidiary
L&T Infra Investment Partners Advisory Private Limited	Subsidiary
Mudit Cement Private Limited	Subsidiary
L&T Infra Investment Partners Trustee Private Limited	Subsidiary
L&T Infra Investment Partners Fund	Subsidiary

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

6. We did not review the financial results of seven subsidiaries included in the Statement, whose financial results, reflect total assets of Rs. 1,07,375.02 Crores as at 30 September 2022 and total revenues of Rs. 3,233.37 Crores and Rs. 6,308.62 Crores, total net profit after tax of Rs. 433.59 Crores and Rs. 666.79 Crores and total comprehensive income of Rs. 429.12 Crores and of Rs. 692.80 Crores for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 2,521.78 Crores for the period from 1 April 2022 to 30 September 2022, as considered in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.



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7. The Statement includes the financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose financial results reflect total assets of Rs. 396.28 Crores as at 30 September 2022 and total revenue of Rs. 0.04 Crores and Rs. 0.07 Crores, total net loss after tax of Rs. 1.89 Crores and Rs. 3.94 Crores and total comprehensive loss of Rs. 1.89 Crores and Rs. 3.94 Crores for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash inflows (net) of Rs. 0.01 Crores for the period from 1 April 2022 to 30 September 2022 as considered in the Statement. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621



Hasmukh B Dedhia

Partner

ICAI Membership No: 033494

UDIN: 22033494BAJUWA9239



Place: Mumbai

Date: 20 October 2022

L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India

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(₹ in Crore)

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Continuing operations						
	Revenue from operations						
(i)	Interest income	3,086.19	2,946.59	2,902.79	6,032.78	5,911.05	11,704.17
(ii)	Dividend income	0.02	0.01	0.01	0.03	0.02	0.18
(iii)	Rental income	1.30	1.37	2.04	2.67	4.27	7.92
(iv)	Fees and commission income	46.53	33.90	51.62	80.43	93.86	210.21
(v)	Net gain on fair value changes	4.06	6.53	1.94	10.59	2.97	7.22
(I)	Total revenue from operations	3,138.10	2,988.40	2,958.40	6,126.50	6,012.17	11,929.70
(II)	Other income	119.26	147.40	83.16	266.66	145.10	393.85
(III)	Total income (I+II)	3,257.36	3,135.80	3,041.56	6,393.16	6,157.27	12,323.55
	Expenses						
(i)	Finance costs	1,438.46	1,413.20	1,445.41	2,851.66	2,954.94	5,753.79
(ii)	Fees and commission expenses	0.26	0.27	0.27	0.53	0.54	1.06
(iii)	Net loss on fair value changes	111.73	59.64	663.67	171.37	746.14	1,089.11
(iv)	Net loss on derecognition of financial instruments under amortised cost category	59.52	72.99	75.82	132.51	108.11	285.01
(v)	Impairment on financial instruments	405.28	666.31	43.46	1,071.59	834.92	1,709.17
(vi)	Employee benefits expense	342.09	296.91	261.71	639.00	529.25	1,094.84
(vii)	Depreciation, amortisation and impairment	27.09	27.35	27.99	54.44	50.58	102.64
(viii)	Other expenses	317.38	292.35	267.38	609.73	498.15	1,065.08
(IV)	Total expenses	2,701.81	2,829.02	2,785.71	5,530.83	5,722.63	11,100.70
(V)	Profit before exceptional items and tax (III-IV)	555.55	306.78	255.85	862.33	434.64	1,222.85
(VI)	Exceptional items	-	-	-	-	-	-
(VII)	Profit before tax (V+VI)	555.55	306.78	255.85	862.33	434.64	1,222.85
(VIII)	Tax expense:						
(1)	Current tax	231.84	39.21	(246.81)	271.05	41.38	210.89
(2)	Deferred tax	(36.60)	45.92	330.04	9.32	90.71	162.73
(IX)	Profit after tax from continuing operations (VII-VIII)	360.31	221.65	172.62	581.96	302.55	849.23
(X)	Add: Share in profit of associate company	-	-	-	-	-	-
(XI)	Profit after tax from continuing operations and share in profit of associate company	360.31	221.65	172.62	581.96	302.55	849.23
	Discontinued operations (refer note 7)						
(XII)	Profit before tax from discontinued operations	57.06	49.17	63.47	106.23	122.56	251.96
(XIII)	Tax expense from discontinued operations	11.80	9.65	13.10	21.45	25.10	51.95
(XIV)	Profit after tax from discontinued operations (XII-XIII)	45.26	39.52	50.37	84.78	97.46	200.01
(XV)	Net profit after tax from total operations for the period/year (XI+XIV)	405.57	261.17	222.99	666.74	400.01	1,049.24
(XVI)	Profit for the period/year attributable to:						
	Owners of the company	406.43	262.10	224.03	668.53	401.88	1,070.11
	Non-controlling interest	(0.86)	(0.93)	(1.04)	(1.79)	(1.87)	(20.87)
(XVII)	Other comprehensive income	(55.93)	(29.86)	(5.93)	(85.79)	22.20	64.13
	A (i) Items that will not be reclassified to profit or loss (net of tax)						
	(a) Remeasurements of the defined benefit plans	(0.17)	(1.46)	(0.14)	(1.63)	(2.03)	0.67
	(b) Equity instruments through other comprehensive income	-	-	-	-	-	-
	B (i) Items that may be reclassified to profit or loss (net of tax)						
	(a) Debt instruments through other comprehensive income	(4.83)	(16.24)	28.69	(21.07)	28.70	21.84
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(50.93)	(12.16)	(34.48)	(63.09)	(4.47)	41.62
	(c) Exchange differences in translating the financial statements of foreign operations (net)	-	-	-	-	-	-
	Other comprehensive income for the period/year attributable to:						
	Owners of the company	(55.93)	(29.86)	(5.93)	(85.79)	22.20	64.13
	Non-controlling interest	-	-	-	-	-	-
(XVIII)	Total comprehensive income (XV+XVII)	349.64	231.31	217.06	580.95	422.21	1,113.37
	Total comprehensive income for the period/year attributable to:						
	Owners of the company	350.50	232.24	218.10	582.74	424.08	1,134.24
	Non-controlling interest	(0.86)	(0.93)	(1.04)	(1.79)	(1.87)	(20.87)
(XIX)	Paid-up equity share capital (face value of ₹ 10 each) (refer note 6)	2,476.02	2,474.90	2,472.88	2,476.02	2,472.88	2,474.04
(XX)	Other equity	-	-	-	-	-	17,473.66
(XXI)	Earnings per share (*not annualised):						
	Continuing operations :						
	(a) Basic (₹)	*1.46	*0.91	*0.71	*2.36	*1.24	3.52
	(b) Diluted (₹)	*1.45	*0.91	*0.70	*2.35	*1.23	3.51
	Discontinued operations :						
	(a) Basic (₹)	*0.18	*0.16	*0.20	*0.34	*0.39	0.81
	(b) Diluted (₹)	*0.18	*0.16	*0.20	*0.34	*0.39	0.81
	Total operations :						
	(a) Basic (₹)	*1.64	*1.07	*0.91	*2.70	*1.63	4.33
	(b) Diluted (₹)	*1.63	*1.07	*0.90	*2.69	*1.62	4.32



Notes:

1 Consolidated statement of assets and liabilities as at September 30, 2022

(₹ in Crore)

Particulars	As at September 30, 2022	As at March 31, 2022
	(Unaudited)	(Audited)
ASSETS:		
(1) Financial assets		
(a) Cash and cash equivalents	2,443.97	4,915.98
(b) Bank balance other than (a) above	4,117.68	3,054.44
(c) Derivative financial instruments	204.64	207.12
(d) Receivables		
(i) Trade receivables	5.27	15.92
(ii) Other receivables	172.04	47.76
(e) Loans	85,237.43	82,469.44
(f) Investments	11,134.83	11,916.94
(g) Other financial assets	96.47	93.31
(2) Non-financial assets		
(a) Current tax assets (net)	797.58	695.99
(b) Deferred tax assets (net)	1,458.04	1,444.57
(c) Investment property	311.68	324.18
(d) Property, plant and equipment	36.03	23.98
(e) Intangible assets under development	9.91	21.81
(f) Goodwill	13.40	13.40
(g) Other intangible assets	120.43	116.02
(h) Right of use asset	38.88	31.23
(i) Other non-financial assets	686.02	682.68
(3) Group of asset classified as held for sale	770.97	827.41
TOTAL - ASSETS	1,07,655.27	1,06,902.18

(₹ in Crore)

Particulars	As at September 30, 2022	As at March 31, 2022
	(Unaudited)	(Audited)
LIABILITIES		
(1) Financial liabilities		
(a) Derivative financial instruments	146.32	-
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	1.32	0.19
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	649.47	432.43
(c) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	6.49
(d) Debt securities	39,968.82	42,194.10
(e) Borrowings (other than debt securities)	41,916.01	39,323.82
(f) Subordinated liabilities	3,457.71	3,683.32
(g) Lease liability	44.39	35.53
(h) Other financial liabilities	475.61	672.26
(2) Non financial liabilities		
(a) Current tax liabilities (net)	246.43	235.45
(b) Provisions	34.40	28.15
(c) Deferred tax liabilities (net)	21.89	21.80
(d) Other non-financial liabilities	34.23	56.13
(3) Group of liabilities classified as held for sale	49.22	84.98
(4) EQUITY		
(a) Equity share capital	2,476.02	2,474.04
(b) Other equity	17,955.39	17,473.66
(5) Non-controlling interest	178.04	179.83
TOTAL - LIABILITIES AND EQUITY	1,07,655.27	1,06,902.18



2 Statement of Consolidated Cash Flows for the six months ended September 30, 2022

(₹ in Crore)

Particulars	Six months ended September 30, 2022	Six months ended September 30, 2021
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before tax from :		
Continued operations	862.33	434.64
Discontinued operations	106.23	122.56
Adjustment for:		
Depreciation, amortisation and impairment	54.81	51.32
Loss on sale of property, plant and equipment (net)	(0.02)	(0.04)
Net fair value loss on loan asset	52.61	237.31
Net fair value loss/ (gain) on financial instruments	108.17	495.13
Net loss on derecognition of financial instruments under amortised cost category	132.51	108.11
Impairment on financial instruments	1,071.59	834.92
Share based payment to employees	17.54	7.23
Operating profit before working capital changes	2,405.77	2,291.18
Changes in working capital		
Increase in financial and non-financial assets	(58.16)	(1,102.00)
Increase in financial and non-financial liabilities	330.64	466.36
Cash generated from operations		
Direct taxes paid	(391.63)	(197.76)
Loans repaid (net of disbursement)	(4,025.48)	5,545.92
Net cash flow (used in) / generated from operating activities (A)	(1,738.86)	7,003.70
B. Cash flows from investing activities		
Add: Inflow from investing activities		
Proceeds from sale of property, plant and equipment	11.51	0.54
Proceed from sale of investments	3,623.02	1,107.34
Less: Outflow from investing activities		
Purchase of property, plant and equipment and intangible assets (including under development)	(64.22)	(39.52)
Investment in other bank balances	(1,266.20)	(3,209.48)
Purchase of investments	(2,975.87)	(2,384.06)
Net cash flow used in investing activities (B)	(671.76)	(4,525.18)
C. Cash flows from financing activities		
Add: Inflow from financing activities		
Proceeds from issue of share capital including security premium	7.25	9.84
Proceeds from borrowings	10,218.18	6,895.70
Less: Outflow from financing activities		
Payment to non-controlling interests	-	1.72
Share issue expenses	-	(0.15)
Dividend paid (including dividend distribution tax)	(123.81)	-
Repayment of borrowing	(10,126.06)	(11,370.74)
Redemption of preference shares	(35.75)	-
Net cash used in financing activities (C)	(60.19)	(4,463.63)
Net decrease in cash and cash equivalents (A+B+C)	(2,470.81)	(1,985.11)
Cash and cash equivalents as at beginning of the period	4,915.98	6,947.79
Less : Cash and cash equivalents for discontinued operations (assets held for sale)	(1.20)	(1.51)
Cash and cash equivalents as at end of the period	2,443.97	4,961.17

- 3 These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 4 These consolidated financials results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 20, 2022. The Statutory Auditor of the Company has carried out a Limited Review of the aforesaid results.
- 5 The Company reports quarterly financial results of the group on a consolidated basis, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 5, 2016. The standalone financial results are available on the website of the Company at www.ltf.com, the website of BSE Limited ("BSE") at www.bseindia.com and on the website of National Stock Exchange of India Limited ("NSE") at www.nseindia.com. The specified items of the standalone financial results of the Company for the quarter and six months ended September 30, 2022 are given below.

(₹ in Crore)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income	113.85	23.11	26.72	136.96	58.18	350.46
Profit/(loss) before tax	376.55	16.21	(5.66)	392.76	(8.01)	254.43
Profit/(loss) after tax	326.18	6.03	(19.03)	332.21	(21.38)	218.18
Total comprehensive income	274.73	(54.32)	(18.97)	220.41	(21.33)	220.60

- 6 The Company, during the quarter and six months ended September 30, 2022 has allotted 11,12,627 and 19,81,513 equity shares respectively of ₹10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- 7 The Company has entered into a definitive agreement with HSBC Asset Management (India) Private Limited ("HSBC AMC") on December 23, 2021 to sell 100% equity shares of L&T Investment Management Limited ("LTIM"), a wholly owned subsidiary of the Company, which is the investment manager of L&T Mutual Fund, for an aggregate purchase consideration of USD 425 million (subject to adjustments as set out in the definitive agreement). In addition, the Company will also be entitled to surplus cash balance available with LTIM in excess of regulatory and investment capital requirements until the completion of the acquisition. Cash, cash equivalents and liquid investments in the books of LTIM as on September 30, 2022 is ₹ 133.15 Crs. SEBI vide its letter dated October 11, 2022 and October 14, 2022 has granted its no objection to LTIM for the said transaction. Accordingly, as required by Ind-AS 105, LTIM has been presented in the aforesaid financial results as "Non-Current Assets held for sale and discontinued operations".



- 8 The Group has taken necessary steps to comply with the norms/changes for regulatory reporting, with effect from October 01, 2022 as clarified vide RBI circular dated November 12, 2021 read with circular dated February 15, 2022. These changes have no impact on the financial results for the quarter and six months ended September 30, 2022.
- 9 The Reserve Bank of India vide its press release dated September 30, 2022 has categorised wholly owned subsidiary of the Company, L&T Finance Limited in the Upper layer under Scale Based Regulation (SBR) for NBFCs. The Company and another subsidiary, L&T Infra Credit Limited, have been categorised in the Middle layer vide Scale Based Regulation, a revised regulatory framework issued by RBI for NBFCs on October 22, 2021. The group is taking necessary steps for complying with the requirements of SBR as applicable.
- 10 Consolidated segment wise revenue, result, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross segment revenue						
(a)	Retail business	2,029.42	1,860.84	1,621.97	3,890.26	3,298.42	6,764.79
(b)	Wholesale business	1,060.41	1,068.23	1,242.00	2,128.64	2,518.82	4,807.72
(c)	Defocused business	31.17	40.55	51.52	71.71	111.38	213.99
(d)	Others	226.02	123.15	170.12	349.18	331.46	892.65
	Total	3,347.02	3,092.77	3,085.61	6,439.79	6,260.08	12,679.15
	Less: Revenue of discontinued operations (refer note 7)	(92.84)	(83.72)	(98.71)	(176.56)	(187.35)	(390.68)
	Less: Inter segment revenue	(116.08)	(20.65)	(28.50)	(136.73)	(60.56)	(358.77)
	Segment revenue from continuing operations	3,138.10	2,988.40	2,958.40	6,126.50	6,012.17	11,929.70
	Segment result						
(a)	Retail business	437.32	258.54	230.14	695.86	289.32	991.90
(b)	Wholesale business	123.52	58.04	11.76	181.56	204.24	413.46
(c)	Defocused business	(31.80)	(48.40)	(13.92)	(80.20)	(122.72)	(302.54)
(d)	Others	83.57	87.77	91.34	171.34	186.36	371.99
	Total	612.61	355.95	319.32	968.56	557.20	1,474.81
	Less: Results of discontinued operations (refer note 7)	(57.06)	(49.17)	(63.47)	(106.23)	(122.56)	(251.96)
	Profit before tax from continuing operations (including exceptional items)	555.55	306.78	255.85	862.33	434.64	1,222.85
	Segment assets						
(a)	Retail business	55,330.02	49,418.02	44,002.21	55,330.02	44,002.21	47,511.61
(b)	Wholesale business	46,264.44	47,952.06	53,068.79	46,264.44	53,068.79	52,873.30
(c)	Defocused business	2,112.97	2,176.51	2,930.24	2,112.97	2,930.24	2,436.75
(d)	Others*	12,612.55	12,834.58	13,884.92	12,612.55	13,884.92	12,830.99
	Sub total	1,16,319.98	1,12,381.17	1,13,886.16	1,16,319.98	1,13,886.16	1,15,652.65
	Less: Inter segment assets	(10,939.85)	(10,900.17)	(10,912.90)	(10,939.85)	(10,912.90)	(10,906.45)
	Segment assets	1,05,380.13	1,01,481.00	1,02,973.26	1,05,380.13	1,02,973.26	1,04,746.20
(e)	Unallocated	2,275.14	2,178.90	2,361.90	2,275.14	2,361.90	2,155.98
	Total assets	1,07,655.27	1,03,659.90	1,05,335.16	1,07,655.27	1,05,335.16	1,06,902.18
	Segment liabilities **						
(a)	Retail business	46,493.56	41,352.09	37,245.34	46,493.55	37,245.34	40,113.33
(b)	Wholesale business	39,423.86	40,680.24	45,484.27	39,423.86	45,484.27	45,176.49
(c)	Defocused business	1,775.35	1,821.11	2,479.40	1,775.35	2,479.40	2,057.14
(d)	Others*	443.87	370.76	1,560.70	443.87	1,560.70	428.06
	Sub total	88,136.64	84,224.20	86,769.71	88,136.63	86,769.71	87,775.02
	Less: Inter segment liabilities	(1,181.10)	(1,016.63)	(1,006.40)	(1,181.10)	(1,006.40)	(1,082.04)
	Segment liabilities	86,955.54	83,207.57	85,763.31	86,955.53	85,763.31	86,692.98
(e)	Unallocated	268.32	259.30	357.65	268.32	357.65	261.50
	Total liabilities	87,223.86	83,466.87	86,120.96	87,223.85	86,120.96	86,954.48

* Includes group of assets and liabilities classified as held for sale

** Including non controlling interest

- (i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (ii) Segment composition :
Retail Finance comprises of Farmer Finance (Farm Equipment Finance and Agri Allied Finance), Rural Business Finance (Micro Finance Loans and Rural Business loans), Urban Finance (Two wheeler Finance, Consumer Loans, Retail Housing Loans and Loans against Property), SME Loans and Retail Portfolio Acquisitions.
Wholesale finance comprises of Real Estate Finance and Infrastructure finance.
Defocused Business comprises of Structured Corporate Loans, Debt Capital Market and other discontinued products.
Others comprises of Asset Management, etc.
Unallocated represents tax assets and tax liabilities.
- (iii) The Group has changed its composition of reportable segments to Retail Finance and Wholesale finance from Rural Finance, Housing Finance and Infrastructure Finance effective from April 1, 2022. Consequently, the Group has restated the corresponding items of segment information for previous periods/year to make them comparable with those of current period.




- 11 The statement includes the results for the quarter ended September 30, 2022 and September 30, 2021 being the balancing figure of the published year to date figures upto the six months and first quarter of the respective financial year, which were subject to limited review by the statutory auditor of the company:
- 12 Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period.

For and on behalf of the Board of Directors
L&T Finance Holdings Limited



A handwritten signature in black ink, appearing to read "Dinanath Dubhashi".

 **Dinanath Dubhashi**
Managing Director & Chief Executive Officer
DIN :03545900

Place : Mumbai
Date : October 20, 2022



L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India

Website: www.ltfs.com Email: igrc@ltfs.com Phone: +91 22 6212 5000 Fax: +91 22 6212 5553

Annexure 1:

Disclosure in compliance with Regulations 52(4) of of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the six months ended September 30, 2022

Sr. No.	Particular	Ratio (Consolidated)
1	Debt - Equity Ratio ¹ :	4.24
2	Debt service coverage ratio :	Not Applicable
3	Interest service coverage ratio :	Not Applicable
4	Outstanding redeemable preference share (quantity)	1,00,02,198
5	Outstanding redeemable preference share (₹ in crore)	318.15
6	Capital redemption reserve (₹ in crore)	68.85
7	Debenture redemption reserve (₹ in crore)	Nil
8	Net worth (₹ in crore) ² :	20,150.62
9	Net profit after tax (₹ in crore)	666.74
10	Earnings per equity share :	
(a)	Basic (₹) (* not annualised)	*2.70
(b)	Diluted (₹) (* not annualised)	*2.69
11	Current ratio ³ :	Not Applicable
12	Long term debt to working capital ³ :	Not Applicable
13	Bad debts to Account receivable ratio ³ :	Not Applicable
14	Current liability ratio ³ :	Not Applicable
15	Total debts to total assets ⁴ :	0.79
16	Debtors turnover ³ :	Not Applicable
17	Inventory turnover ³ :	Not Applicable
18	Operating margin ³ :	Not Applicable
19	Net profit margin ⁵ :	10.43%
20	Sector specific equivalent ratios	
(i)	Capital Ratio (%) ³ :	Not Applicable
(ii)	Leverage Ratio ³ :	Not Applicable
(iii)	Liquidity coverage ratio ³	Not Applicable
(iv)	CRAR (%) ³	Not Applicable
(iv)	Gross Stage 3 (%) ³	Not Applicable
(v)	Net Stage 3 (%) ³	Not Applicable

Note:

- Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Networth.
- Networth is calculated as defined in section 2(57) of Companies Act 2013.
- The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable at consolidated level.
- Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.
- Net profit margin = Net profit after tax / total income.



kkc & associates llp

chartered accountants

(formerly Khimji Kunverji & Co LLP)

Independent Auditor's review report on unaudited standalone quarterly financial results of L&T Finance Holdings Limited under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
L&T Finance Holdings Limited

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of L&T Finance Holdings Limited ('the Company') for the quarter ended 30 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621



Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 22033494BAJTZU9182
Place: Mumbai
Date: 20 October 2022



L&T FINANCE HOLDINGS LIMITED
CIN. L67120MH2008PLC181833

Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India
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(₹ in Crore)

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022							
Sr. No.	Particulars	Quarter ended			Six months ended		Year Ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations						
(i)	Interest income	22.31	20.05	24.11	42.36	51.96	84.05
(ii)	Dividend income	88.14	-	-	88.14	-	251.82
(iii)	Net gain on fair value changes	0.67	-	-	0.67	-	-
(I)	Total revenue from operations	111.12	20.05	24.11	131.17	51.96	335.87
(II)	Other income	2.73	3.06	2.61	5.79	6.22	14.59
(III)	Total income (I+II)	113.85	23.11	26.72	136.96	58.18	350.46
	Expenses						
(i)	Finance costs	2.11	2.10	27.71	4.21	56.06	73.49
(ii)	Impairment on financial instruments	0.03	-	(0.04)	0.03	(0.09)	0.02
(iii)	Employee benefits expenses	2.73	3.09	2.63	5.82	6.28	14.70
(iv)	Depreciation, amortization and impairment	0.10	0.09	0.10	0.19	0.19	0.37
(v)	Other expenses	15.33	1.62	1.98	16.95	3.75	7.45
(IV)	Total expenses	20.30	6.90	32.38	27.20	66.19	96.03
(V)	Profit / (Loss) before exceptional items and tax (III-IV)	93.55	16.21	(5.66)	109.76	(8.01)	254.43
(VI)	Exceptional items (refer note 5)	283.00	-	-	283.00	-	-
(VII)	Profit / (Loss) before tax (V+VI)	376.55	16.21	(5.66)	392.76	(8.01)	254.43
(VIII)	Tax expense:						
(1)	Current tax	50.37	10.18	13.37	60.55	13.37	36.40
(2)	Deferred tax	-	-	-	-	-	(0.15)
(IX)	Profit / (Loss) for the period / year (VII-VIII)	326.18	6.03	(19.03)	332.21	(21.38)	218.18
(X)	Other comprehensive income						
(A)	Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans (net of tax)	(0.03)	0.03	0.06	-	0.05	0.11
(B)	Items that will be reclassified to profit or loss						
	The effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)	(51.42)	(60.38)	-	(111.80)	-	2.31
(XI)	Total comprehensive income (IX+X)	274.73	(54.32)	(18.97)	220.41	(21.33)	220.60
(XII)	Paid-up equity share capital (Face value of ₹ 10/- each) (refer note 3)	2,476.02	2,474.90	2,472.88	2,476.02	2,472.88	2,474.04
(XIII)	Other equity						8,797.09
(XIV)	Earnings per equity share (*not annualised):						
	(a) Basic (₹)	*1.32	*0.02	*(0.08)	*1.34	*(0.09)	0.88
	(b) Diluted (₹)	*1.31	*0.02	*(0.08)	*1.34	*(0.09)	0.88

Notes:

1 Statement of assets and liabilities as at September 30, 2022

Particulars	(₹ in Crore)	
	As at September 30, 2022	As at March 31, 2022
	(Unaudited)	(Audited)
ASSETS		
(1) Financial assets		
(a) Cash and cash equivalents	141.65	141.20
(b) Bank balance other than (a) above	30.56	30.21
(c) Derivative financial instruments	-	3.08
(d) Receivables		
(i) Trade receivables	-	-
(ii) Other receivables	12.46	-
(e) Loans	1,321.02	1,150.25
(f) Investments	9,367.79	9,202.12
(g) Other financial assets	3.68	3.27
(2) Non-financial assets		
(a) Current tax assets (net)	22.45	25.17
(b) Deferred tax assets (net)	37.28	-
(c) Property, plant and equipment	0.37	0.56
(d) Other non-financial assets	1.28	0.60
(3) Group(s) of assets classified as held for sale	760.56	867.56
TOTAL - ASSETS	11,699.10	11,424.02
LIABILITIES AND EQUITY		
LIABILITIES		
(1) Financial liabilities		
(i) Derivative financial instruments	146.32	-
(a) Payables		
(i) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.10	3.83
(ii) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13.29	7.29
(b) Borrowings (other than debt securities)	5.00	5.00
(c) Subordinated liabilities	103.94	99.82
(d) Other financial liabilities	7.00	7.45
(2) Non financial liabilities		
(a) Current tax liabilities (net)	26.23	26.23
(b) Provisions	0.92	1.00
(c) Deferred tax liabilities (net)	-	0.32
(d) Other non-financial liabilities	0.78	1.95
(3) EQUITY		
(a) Equity share capital	2,476.02	2,474.04
(b) Other equity	8,916.50	8,797.09
TOTAL - LIABILITIES AND EQUITY	11,699.10	11,424.02



2 Statement of Cash Flows for the six months ended September 30, 2022

(₹ in Crore)

Particulars	Six months ended	
	September 30, 2022	September 30, 2021
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Profit / (loss) before tax	392.76	(8.01)
Adjustments for:		
Depreciation, amortisation and impairment	0.19	0.19
Impairment on financial instruments	0.03	(0.09)
Share based payment to employees	0.95	2.85
Contribution to gratuity	0.05	0.07
Contribution to superannuation fund	0.14	0.13
Net gain on fair value changes	(0.67)	-
Gain from reduction of equity capital of subsidiary's investment	(283.00)	-
Operating profit / (loss) before working capital changes	110.45	(4.86)
Changes in working capital:		
Decrease / (increase) in financial assets	(183.67)	468.47
Decrease / (increase) in non-financial assets	(37.96)	0.35
Increase in financial liabilities	9.07	42.00
Increase in non-financial liabilities	55.06	(1.33)
Cash (used in) / generated from operations	(47.05)	504.63
Net income tax paid	(57.83)	(13.63)
Net cash (used in) / generated from operating activities (A)	(104.88)	491.00
Cash flow from investing activities		
Purchase of Investments	(165.00)	-
Proceeds from reduction of equity capital of subsidiary's investment	390.00	-
Change in other bank balance not available for immediate use	(0.48)	(0.29)
Net cash generated from / (used in) investing activities (B)	224.52	(0.29)
Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium	4.56	7.16
Share issue expenses	-	(0.15)
Dividend paid	(123.75)	-
Repayment of borrowings	-	(647.99)
Net cash used in financing activities (C)	(119.19)	(640.98)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	0.45	(150.27)
Cash and cash equivalent at the beginning of the period	141.20	1,398.10
Cash and cash equivalents at the end of the period	141.65	1,247.83

- These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 20, 2022. The Statutory Auditor of the Company has carried out a limited review of the aforesaid results.
- The Company, during the quarter and six months ended September 30, 2022 has allotted 11,12,627 and 19,81,513 equity shares respectively of ₹10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- The Company has entered into a definitive agreement with HSBC Asset Management (India) Private Limited ("HSBC AMC") on December 23, 2021 to sell 100% equity shares of L&T Investment Management Limited ("LTIM"), a wholly owned subsidiary of the Company, which is the investment manager of L&T Mutual Fund, for an aggregate purchase consideration of USD 425 million (subject to adjustments as set out in the definitive agreement). In addition, the Company will also be entitled to surplus cash balance available with LTIM in excess of regulatory and investment capital requirements until the completion of the acquisition. Cash, cash equivalents and liquid investments in the books of LTIM as on September 30, 2022 is ₹ 133.15 Crore. SEBI vide its letter dated October 11, 2022 and October 14, 2022 has granted its no objection to LTIM for the said transaction. Accordingly, as required by Ind-AS 105, LTIM has been presented in the aforesaid financial results as "Non-Current Assets held for sale and discontinued operations".
- Exceptional item during the quarter ended September 30, 2022 represents gain of ₹ 283 crore on the reduction of 3,12,00,000 (Three Crore Twelve Lakh) fully paid up equity shares of face value of ₹ 10 each of the wholly owned subsidiary company, L&T Investment Management Limited pursuant to the order of National Company Law Tribunal, Mumbai Bench dated July 8, 2022 sanctioning the said capital reduction scheme and letter of Registrar of Companies dated August 18, 2022 approving Form INC-28.
- The main business of the Company is investment activity. As such, there are no separate reportable segments as per the Ind AS 108 on Operating Segment.
- The statement includes the results for the quarter ended September 30, 2022 and September 30, 2021 being the balancing figure of the published year to date figures upto the six months and first quarter of the respective financials years, which were subject to limited review by the statutory auditors of the company.
- Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.



L&T FINANCE HOLDINGS LIMITED

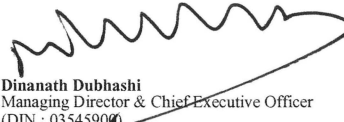
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- 9 Security cover available is not applicable to the Company as there are no outstanding secured non convertible debt securities as on September 30, 2022
10 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period.

For and on behalf of the Board of Directors
L&T FINANCE HOLDINGS LIMITED




Dinanath Dubhashi
Managing Director & Chief Executive Officer
(DIN : 03545900)

Place : Mumbai
Date : Oct 20, 2022



L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

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Annexure 1:**Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the six months ended September 30, 2022**

Sr. No.	Particular	Ratio
1	Debt - Equity Ratio ¹ :	0.01
2	Debt service coverage ratio :	Not Applicable
3	Interest service coverage ratio :	Not Applicable
4	Outstanding redeemable preference share (quantity)	1,00,00,000
5	Outstanding redeemable preference share (₹ in cr)	100.00
6	Capital redemption reserve (₹ in crore)	Nil
7	Debenture redemption reserve (₹ in crore)	Nil
8	Net worth (₹ in crore) ² :	11,220.16
9	Net profit after tax (₹ in crore)	332.21
10	Earnings per equity share :	
(a)	Basic (₹) (* not annualised)	*1.34
(b)	Diluted (₹) (* not annualised)	*1.34
11	Current ratio ³ :	Not Applicable
12	Long term debt to working capital ³ :	Not Applicable
13	Bad debts to Account receivable ratio ³ :	Not Applicable
14	Current liability ratio ³ :	Not Applicable
15	Total debts to total assets ⁴ :	0.01
16	Debtors turnover ³ :	Not Applicable
17	Inventory turnover ³ :	Not Applicable
18	Operating margin ³ :	Not Applicable
19	Net profit margin ⁵ :	79.11%
20	Sector specific equivalent ratios	
(i)	Capital Ratio (%) ⁶ :	96.66%
(ii)	Leverage Ratio ⁷ :	0.04

Note:

- Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / Networth.
- Networth is calculated as defined in section 2(57) of Companies Act 2013.
- The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable.
- Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.
- Net profit margin = Net profit after tax / total income.
- Capital ratio = Adjusted net worth/ Risk weighted assets, calculated as per applicable RBI guidelines
- Leverage ratio= Outside liabilities/ Adjusted networth, calculated as per applicable RBI guidelines



A. Pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we submit herewith the following information pertaining to the Cumulative Compulsorily Redeemable Non-Convertible Preference Shares (“Preference Shares”)

1) Details of outstanding Redeemable Preference Shares:

Sr. No.	ISIN	No. of Preference Shares	Amt. of Issue (Rs.)	Credit Rating
1.	INE498L04126	1,00,00,000	1,00,00,00,000	CARE AAA /Stable

B. Information pursuant to Regulation 52(6) of the Listing Regulations are given below:

Sr. No.	Particulars	Remarks
a.	Free Reserves as on half year ended September 30, 2022 Free Reserves as on June 30, 2022	Rs. 537.17 crores Rs. 320.89 crores
b.	Securities Premium account balance (if redemption of redeemable preference shares is to be done at premium, such premium may be appropriated from securities premium account) Provided that disclosure on securities premium account balance may be provided only in a year in which non - convertible redeemable preference shares are due for redemption	Not applicable.
c.	Track record of dividend payment on non - convertible redeemable preference shares Provided that in case the dividend has been deferred at any time, then the actual date of payment shall be disclosed	Dividend on the Non-Convertible Redeemable Preference Shares is paid within the prescribed timeline.
d.	Breach of any covenants under the terms of the non - convertible redeemable preference shares Provided that in case of listed entity is planning a fresh issuance of shares whose end use is servicing of the non - convertible redeemable preference shares (whether dividend or principle redemption), then the same shall be disclosed whenever the listed entity decided on such issuances	There has been no breach of covenants under the terms of the Non-Convertible Redeemable Preference Shares.

For L&T Finance Holdings Limited

**Apurva Rathod
Company Secretary and Compliance Officer**

Press Release

Thursday, October 20, 2022, Mumbai

**L&T Finance Holdings Ltd. (LTFH) announces financial results for the quarter ended
September 30, 2022**

**Highest ever Quarterly Retail disbursements; Retail Book crosses Rs. 50,000 Cr milestone;
Q2FY23 PAT up by 81% YoY**

**Powering up with Digital technology
Marching steadily towards achieving Lakshya 2026**

- **PAT at Rs. 406 Cr, up 81% YoY**
- **Accelerated retailisation momentum:** Maintained strong business growth in line with Lakshya 2026 strategic plan:
 - **Highest-ever quarterly retail disbursements at Rs. 10,238 Cr, up 15% QoQ and 84% YoY**
 - **Retail portfolio mix at 58%** (up from 47% in Q2FY22)
 - **Retail Book stands at Rs. 52,040 Cr, up 9% QoQ and 27% YoY** – in line with Lakshya 2026 strategic plan
 - Best in class collections with robust performance across businesses
 - **Powering up with Digital technology and new products to support future growth:** Continued scale-up of end-to-end digital products - Disbursements of **Rs. 1,328 Cr** in Consumer Loans, up by **32% QoQ**; Steady uptick in **SME Loans** with quarterly disbursements crossing Rs. 200 Cr in Q2FY23 (portfolio size - Rs. 321 Cr). Pilot was launched in Q3FY22
- **Continued performance on business levers:**
 - **NIM + Fees at 8.43%** in **Q2FY23**, up **85 bps** YoY
 - Quarterly WAC at **7.33%**, down by 20 bps YoY, even in a phase of increasing interest rate regime
 - **GS3 at 4.02%** in **Q2FY23**; **NS3 at 1.85%** with **PCR of 55%**
 - Impact of OTR in unsecured loans business largely over
 - **Adequate additional provisions of Rs. 1,096 Cr (1.28% of standard assets)** over and above GS3 and ECL provisions
- **Poised for medium to long-term growth with:**
 - **Capital adequacy** at 22.65% (Tier 1: 19.85%)
 - **D/E ratio at 4.18x** in Q2FY23
- Received no objection from SEBI for divestment of the Mutual Fund business. Transaction expected to be completed by Q3FY23
- **Rated 'AAA' by CRISIL, ICRA, CARE and India Ratings**

The Board of **LTFH**, a leading Non-Banking Financial Company (NBFC), today announced the financial results for the second quarter ended September 30, 2022. LTFH being a Core Investment Company (CIC), carries out its businesses through its wholly-owned subsidiaries.

LTFH is among the market leaders in Farm Equipment finance, Two-Wheeler finance, as well as Rural Business Finance (erstwhile Micro Loans). With a sustainable business model, data analytics led collection and disbursements, and a sharp focus on asset quality, the Company remains committed to building a stable and sustainable organization for all its stakeholders.

Commenting on the financial results Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings, said, “LTFH’s results in Q2FY23 showcase our steadfast commitment towards accelerated retailisation, in line with our strategic plan Lakshya 2026. Retail disbursements are at an all time high, even surpassing the highest ever retail disbursements registered last quarter. Our retail portfolio mix has reached 58%, up from 47% in Q2FY22, aided by the steady growth witnessed across business segments. Driven by data analytics-led business rule engines, we saw robust disbursements in our chosen ‘Right to Win’ market leading retail products, with two of them registering highest ever disbursements during the quarter, namely Rural Business Finance and Two-Wheeler Finance. Our sustained focus on our business strengths as well as deep integration of data analytics in the decision-making process across the customer lifecycle helped us hit new milestones in our Home Loan segment while scaling up Consumer and SME Loans”

Key Highlights:

The Company witnessed a strong business momentum with improvement in disbursements and collections in Q2FY23. LTFH continued to focus on stated business levers of maintaining prudent liquidity, strengthening the balance sheet, following a data analytics-based collections approach, and rigorous adherence to collection led disbursement strategy. This is strongly reflected in the business volumes registered in our retail businesses and the accelerated pace of retailisation. The Company’s retail portfolio mix now stands at **58%** (up from 54% in Q1FY23 and 47% in Q2FY22), in line with our Lakshya 2026 strategic plan. This, coupled with a strengthened balance sheet, stable asset quality, impact of OTR on our unsecured loan portfolio being largely over and adequate additional provisioning, positions the Company for solid growth in retail businesses.

A. Disbursements: In Q2FY23, retail businesses continued to witness a robust disbursement momentum with **highest ever quarterly disbursements at Rs.10,238 Cr**, up **15% QoQ** and **84% YoY**. Retail Finance book grew by **27% YoY**, on the back of highest ever quarterly disbursements, surpassing Q1FY23 levels

Retail Businesses

a. Rural Business Finance (including erstwhile Micro Loans): This business, which enables sustainable livelihoods at the grassroot level continued its trend of strong business momentum in disbursements and recorded the highest ever quarterly disbursements of **Rs. 4,418 Cr** during the quarter, with the book growing by **40% YoY**. The Company continued its expansion into newer geographies and deepening its presence in existing markets. Going forward the Company expects to sustain the momentum by further launching new products under the business segment, in line with the Lakshya 2026 strategy

b. Farmer Finance: The business showcased steady performance with disbursements of **Rs. 1,304 Cr**, up by **14% YoY**, by focusing on preferred dealer / OEM strategy, enhanced customer service, improved customer retention and dominating counter share. The Company is focused on increasing volumes and gaining market share with higher contributions from the existing borrower segment

c. Urban Finance:

○ **Consumer Loans:** LTFH continued to grow its first 'digital native' Consumer Loans business, achieving a monthly run-rate of over Rs. 400+ Cr during the quarter (total disbursements of **Rs. 1,328 Cr** in Q2FY23, up **32% QoQ**). The Company increased its customer funnel through new channels namely, new partnerships with e-aggregators and insta loans offerings to potential customers. Additionally, the business continues to build a significant scale by cross-selling to LTFH's existing as well as to open market customers.

○ **Two-Wheeler Finance:** The business saw the highest ever quarterly disbursements at **Rs. 1,721 Cr, up 38% YoY**. Our market share increased in the quarter led by the *Sabse Khas loan* and *Income proof loan offerings* along with continued focus on deepening geo-presence. By maintaining a strong focus on customer value and building preferred dealer / OEM relationships to grow market share, the business is delivering on a strategy built around dominating counter share of preferred partners and offering mutual value by leveraging the increased application of data analytics.

○ **Retail Housing (Home Loans & LAP):** The Retail Housing Finance business segment witnessed an excellent growth momentum with disbursements reaching **Rs. 1,118 Cr, up 19% QoQ**. We remain focused on enhancing disbursement volumes through strategic measures like deepening geographic presence, solid DSA partnerships & increasing customer retention through pro-active & improved service proposition

d. Small and Medium Enterprise Loans (SME): Our latest offering, whose pilot was launched in Q3FY22 witnessed a steady uptick in Q2FY23 with quarterly disbursements crossing Rs. 200 Cr and the portfolio size reaching Rs. 321 Cr, led by significant geographical and channel expansion. This segment, with the use of analytics will deliver value-added proposition for our customers and channels while contributing towards accelerated retailisation of the loan portfolio

Wholesale Businesses

a. Infrastructure Finance: During the quarter, the business continued with its stated asset-light model strategy, albeit with a reduced capital allocation and focused primarily on tranche disbursements

b. Real Estate Finance (RE): In line with our Lakshya strategy, no new sanctions were made during the quarter and focus remained only on project completion.

B. Collections: LTFH witnessed best in class collections in Q2FY23, across retail businesses, led by the Company's concerted on-field efforts, analytics led prioritization and use of propensity-based data analytics to channelize resources. Total collections across Retail Businesses stood at **Rs. 7,587 Cr** in **Q2FY23**, up **17% YoY**

Retail Businesses: The portfolio focus continued towards boosting 0 DPD collections and managing early bucket delinquencies

- a. **Rural Business Finance:** Regular CE maintained at ~99.7% in Q2FY23 with continuous improvement in On Due Date collections on account of consistent on-ground efforts and management of early bucket delinquencies
- b. **Farmer Finance:** Best ever Q2 CDCE, achieving more than 91% on MoM basis, despite the cyclical effect seen in this segment
- c. **Urban Finance:**
 - o **Two-Wheeler Finance:** Collection efficiency maintained at ~99% through focus on digital collections, enhanced resolutions through call center and on-field resources
 - o **Consumer Loans:** Maintaining portfolio performance with regular CE at ~ 99%, with focus on arresting early delinquencies
 - o **Home Loans/LAP:** Collection performance continued to be over 99% through strengthened on-field support and use of data analytics

Wholesale Businesses: Collections in the wholesale portfolio continued as per plan, with **YoY reduction** in wholesale book by **Rs. 5,935 Cr.** Higher Real Estate collections were registered during the quarter on account of increase in project monitoring and resolutions (Principal repayment / pre-payments of Rs 852 Cr)

C. Fintech @ Scale: In line with the strategic plan Lakshya 2026 unveiled in FY22, LTFH continued on its path to becoming a 'customer' focused company from a 'product' focused one. During the quarter, the Company continued to emphasize on customer facing applications, with a clear focus on expanding the existing channels and ecosystems, and creating newer channels.

- a. **PLANET app** – Our customer facing application – PLANET – which was soft-launched in Q4FY22 has shown a steady uptick with close to 7 lakh downloads (up from ~2 lakh downloads till Q1FY23). While the application was limited to onboarding and servicing customers till Q1FY23, we achieved disbursements of more than Rs. 126 Cr in Q2FY23 while servicing more than 7.5 lakh customers. The application is available on both Appstore and Playstore and the Company expects to continue scaling it in coming quarters to make it a full fledged and reimagined customer engagement engine
- b. **WhatsApp for Business:** The WhatsApp channel for Consumer Loan customers launched in Q1FY23 (in addition to the already existing WhatsApp Bot functioning as a servicing channel) continued to witness traction in Q2FY23 with disbursements of ~Rs. 4 Cr. We expect it to scale up in the coming quarters in our bid to enhance D2C proposition by providing instant Consumer Loan journey to our customers
- c. **Leveraging data analytics for customer retention:** The Company continued on the path of actively working towards leveraging its 7 crores plus database developed over the course of its business to enhance its cross-sell reach. At present, 47% of the Company's disbursements in Rural Business Finance and 28% in Farmer Finance are driven by cross-sell offers generated by the Company. Our Consumer Loans book of Rs. 3,979 Cr was largely driven by loans to our retail loyalty customer base. In addition to this, based on data analysis, the Company is also

working on identifying and addressing pockets of currently untapped potential across customer segments and will be launching additional products in the next couple of quarters.

D. Liability Management: With the change in interest rate trajectory through successive rate hikes in overall market interest rates in FY23 so far, the Company continued its approach of locking-in adequate medium to long-term borrowings which helped us control the impact of successive policy rate hikes on our cost of borrowing in Q2FY23

- Quarterly WAC at **7.33%**, up by **6bps QoQ**, though lower by **20bps YoY**
- Continued to tap long term funds at attractive rates. Raised long term funding of Rs. 8,256 Cr in Q2FY23 vs. Rs.1,135 Cr in Q1FY23 and Rs. 5,030 Cr in Q2FY22
- NIM + Fees up at 8.43 % (up 85 bps YoY), on back of highest quarterly retail disbursements

LTFH and all its lending subsidiaries have long-term ratings of 'AAA' (Stable Outlook) by all four credit rating agencies: LTFH and LTF rated by CRISIL (latest reviewed in Sep-22), CARE (Sep-22), ICRA (Aug-22) and India Ratings (Apr-22). LTICL rated by CRISIL (Sep-22), CARE (Sep-22) and ICRA (Aug-22).

E. Balance Sheet Strength: GS3 in absolute terms stood at **Rs. 3,591 Cr** with overall GS3 reducing YoY to **4.02%** in Q2FY23 on EAD basis from 6.48% in Q2FY22 with NS3 at **1.85%** and PCR at **55%**

Rs. Cr	Q2FY22	Q1FY23	Q2FY23
Gross Stage 3	5,534	3,559	3,591
Net Stage 3	2,398	1,591	1,615
Gross Stage 3 %	6.48%	4.08%	4.02%
Net Stage 3 %	2.92%	1.87%	1.85%

F. Asset Mix: Retail assets contributed to **58%** of the portfolio mix in Q2FY23 as against 47% in Q2FY22. The retail book saw a growth of **27% YoY** and the **Total Book stood at Rs. 90,098 Cr** in Q2FY23.

Rs. Cr	Q2FY22	Q1FY23	Q2FY23	Book Growth QoQ %
Retail Businesses	40,934	47,794	52,040	9%
Wholesale Businesses	43,532	39,795	37,597	-6%
Total Focused Book	84,466	87,589	89,637	2%
Defocused	2,470	489	461	-6%
Total Book	86,936	88,078	90,098	2%

In the Investment Management business, the overall average AUM for Q2FY23 stood at **Rs. 71,703 Cr.**

Unlocking value from the Mutual Fund Divestment

The Company received no objection from SEBI to divest its Mutual Fund Business in the month of October : The divestment of Mutual Fund business is in line with the strategic objective of LTFH of unlocking value from its subsidiaries to strengthen its balance sheet

G. ESG/CSR Initiatives:

- **ESG:** LTFH progressed in its ESG commitments and achieved the following:
 - Electric Vehicle (EV) financing jumped **100%** with 8500 EVs financed
 - **Helped** avoid 6.60 Lakh+ tCO₂e emissions through renewable financing in Q2FY23
 - Signed the **WASH Pledge and demonstrated its** commitment to Human Rights
 - Village outreach increased by 73% (410 villages)
 - Received prestigious awards in Q2FY23. Recipient of the Mahatma Award under the category “Reporting & Transparency”
- **CSR:** Apart from expanding the Digital Sakhi programme to Karnataka and Kerala, the CSR outreach of the Company encompassed:
 - Creating financial literacy awareness programmes for **5,19,000+** community members
 - Increased green cover through **Project Prakruti (1,00,000+** saplings planted)

H. Financial Performance Summary:

Continued delivery of Retailisation strategy plan, powered by Fintech@Scale:

- Retail portfolio mix at **58%** (up from 47% in Q2FY22) with over 27% YoY increase in retail book
- **Highest-ever quarterly retail disbursements at Rs. 10,238 Cr**, up 15% QoQ and **84% YoY**
- Growth in **NIM+ Fees** to 8.43% (up 85bps YoY)
- **Increase in PAT** to Rs.406 Cr, up 81% YoY
- Reduction in GS3 to **4.02%** in **Q2FY23** with **NS3 at 1.85%** and **PCR at 55%**

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

About L&T Finance Holdings (LTFH):

LTFH (www.lfhs.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 (LTFS) 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. LTFS 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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