

**DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
Indiabulls Finance Centre, Tower 3  
27th – 32nd Floor, Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai 400013.

**B. K. KHARE & CO.**

Chartered Accountants  
706/708, Sharda Chambers  
New Marine Lines  
Mumbai 400004.

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF L&T FINANCE HOLDINGS LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **L&T FINANCE HOLDINGS LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), for the quarter ended June 30, 2019 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Limited	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	L&T Housing Finance Limited	Subsidiary
4	L&T Infra Debt Fund Limited	Subsidiary

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Sr. No.	Name of the Company	Nature of relationship
5	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
6	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
7	L&T Investment Management Limited	Subsidiary
8	L&T Mutual Fund Trustee Limited	Subsidiary
9	L&T Capital Markets Limited	Subsidiary
10	L&T Financial Consultants Limited	Subsidiary
11	Mudit Cement Private Limited	Subsidiary
12	L&T Infra Investment Partners Fund	Subsidiary
13	L&T Capital Market (Middle East) Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of 6 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of ₹128.00 crore for the quarter ended June 30, 2019, total net profit after tax of ₹58.91 crore for the quarter ended June 30, 2019 and total comprehensive income of ₹58.91 crore for the quarter ended June 30, 2019, as considered in the Statement. These interim 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.

Our conclusion on the Statement is not modified in respect of these matters.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*RU* Rupen K. Bhatt  
(Partner)  
(Membership No. 046930)  
UDIN: 19046930AAAABD7459

MUMBAI, July 19, 2019

**For B. K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)



Ravi Kapoor  
(Partner)  
(Membership No. 040404)  
UDIN: 19040404AAAAL7693

MUMBAI, July 19, 2019

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 ENDED JUNE 30, 2019

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Revenue from operations</b>				
(i)	Interest income	3,312.77	3,058.32	2,669.90	11,637.90
(ii)	Dividend income	0.03	0.02	0.01	0.21
(iii)	Rental income	3.77	3.98	6.97	18.84
(iv)	Fees and commission income	225.03	234.37	401.70	1,277.11
(v)	Net gain on fair value changes	52.94	7.54	27.52	55.66
(I)	<b>Total revenue from operations</b>	<b>3,594.54</b>	<b>3,304.23</b>	<b>3,106.10</b>	<b>12,989.72</b>
(II)	Other income	94.96	79.69	64.32	311.80
(III)	<b>Total income (I+II)</b>	<b>3,689.50</b>	<b>3,383.92</b>	<b>3,170.42</b>	<b>13,301.52</b>
	<b>Expenses</b>				
(i)	Finance costs	1,922.94	1,832.50	1,512.20	6,860.03
(ii)	Fees and commission expenses	3.22	-	149.16	325.71
(iii)	Net loss on fair value changes	-	132.27	100.97	383.16
(iv)	Net loss on derecognition of financial instruments under amortised cost category	49.91	85.78	169.45	384.01
(v)	Impairment on financial instruments	530.52	151.58	153.86	700.88
(vi)	Employee benefits expense	245.77	215.76	165.11	824.73
(vii)	Depreciation, amortisation and impairment	15.77	13.86	11.66	49.62
(viii)	Other expenses	178.74	202.81	178.83	721.40
(IV)	<b>Total expenses</b>	<b>2,946.87</b>	<b>2,634.56</b>	<b>2,441.24</b>	<b>10,249.54</b>
(V)	<b>Profit before exceptional items and tax (III-IV)</b>	<b>742.63</b>	<b>749.36</b>	<b>729.18</b>	<b>3,051.98</b>
(VI)	Exceptional items	-	-	-	-
(VII)	<b>Profit before tax (V-VI)</b>	<b>742.63</b>	<b>749.36</b>	<b>729.18</b>	<b>3,051.98</b>
(VIII)	Tax expense:				
(1)	Current tax	137.11	263.56	142.57	749.49
(2)	Deferred tax	56.10	(66.32)	46.78	70.46
(IX)	<b>Net profit after tax (VII-VIII)</b>	<b>549.42</b>	<b>552.12</b>	<b>539.83</b>	<b>2,232.03</b>
(X)	Add: Share in profit of associate company	-	-	-	-
(XI)	<b>Net profit after tax and share in profit of associate company (IX+X)</b>	<b>549.42</b>	<b>552.12</b>	<b>539.83</b>	<b>2,232.03</b>
	<b>Profit/(loss) for the period attributable to:</b>				
	Owners of the company	548.79	547.58	538.38	2,226.30
	Non-controlling interest	0.63	4.54	1.45	5.73
(XII)	<b>Other comprehensive income</b>	<b>(29.69)</b>	<b>(34.47)</b>	<b>(1.73)</b>	<b>(2.41)</b>
	<b>A (i) Items that will not be reclassified to profit or loss</b>				
	(a) Remeasurements of the defined benefit plans (net of tax)	(0.32)	(0.89)	(0.22)	(1.50)
	(b) Exchange differences in translating the financial statements of foreign operations, net	(0.05)	(0.23)	-	(0.23)
	<b>B (i) Items that may be reclassified to profit or loss</b>				
	(a) Debt instruments through other comprehensive income (net of tax)	(20.03)	(33.35)	(1.51)	(0.68)
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)	(9.29)	-	-	-
	<b>Other comprehensive income for the period attributable to:</b>				
	Owners of the company	(29.69)	(34.47)	(1.73)	(2.41)
	Non-controlling interest	-	-	-	-
(XIII)	<b>Total comprehensive income (XI+XII)</b>	<b>519.73</b>	<b>517.65</b>	<b>538.10</b>	<b>2,229.62</b>
	<b>Total comprehensive income for the period attributable to:</b>				
	Owners of the company	519.10	513.11	536.65	2,223.89
	Non-controlling interest	0.63	4.54	1.45	5.73
(XIV)	Paid-up equity share capital (face value of ₹ 10 each) (Refer note 4)	1,999.53	1,998.81	1,995.75	1,998.81
(XV)	Other equity attributable to owners of the Company	-	-	-	11,449.79
(XVI)	<b>Earnings per share (*not annualised): (Refer note 4)</b>				
(a)	Basic (₹)	*2.74	*2.74	*2.70	11.15
(b)	Diluted (₹)	*2.74	*2.73	*2.68	11.10

- These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India
- The results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 19, 2019. The Joint Statutory Auditors of the Company have carried out limited review of the aforesaid results.
- 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 ended June 30, 2019 are given below.

(₹ in Crore)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income from operations	25.18	310.55	53.35	526.48
Profit/(loss) before tax	(25.35)	260.27	10.60	304.03
Profit/(loss) after tax	(29.95)	227.26	10.35	267.06
Total comprehensive income	(29.98)	226.65	10.50	266.74

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- 4 The Company, during the quarter ended June 30, 2019 has allotted 722,500 equity shares of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- 5 During the quarter ended June 30, 2019, 8.50% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 124.40 crore have been redeemed and 8.00% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 145.40 crore and 7.95% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 63.70 crore have been issued. The Company has paid final dividend of ₹ 2.83 crore on Redeemed Preference Shares during the quarter.
- 6 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			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>				
(a)	Rural finance	1,239.88	1,126.44	835.45	4,064.18
(b)	Housing finance	879.72	872.91	671.53	3,018.71
(c)	Infrastructure finance	1,112.74	885.35	984.07	3,784.24
(d)	Defocused business	249.79	307.50	378.85	1,395.72
(e)	Others	149.99	444.54	287.86	1,303.00
	<b>Segment revenue from continuing operations</b>	<b>3,632.12</b>	<b>3,636.74</b>	<b>3,157.76</b>	<b>13,565.85</b>
	Less: Inter segment revenue	(37.58)	(332.51)	(51.66)	(576.13)
	<b>Revenue as per the statement of profit and loss</b>	<b>3,594.54</b>	<b>3,304.23</b>	<b>3,106.10</b>	<b>12,989.72</b>
	<b>Segment result (Profit/(loss) before tax)</b>				
(a)	Rural finance	344.32	328.15	227.40	1,151.50
(b)	Housing finance	280.22	322.23	223.99	1,084.10
(c)	Infrastructure finance	331.43	140.88	117.89	466.30
(d)	Defocused business	(258.43)	(78.77)	129.69	202.45
(e)	Others	45.09	36.87	30.21	147.63
	<b>Profit before tax</b>	<b>742.63</b>	<b>749.36</b>	<b>729.18</b>	<b>3,051.98</b>
	<b>Segment assets</b>				
(a)	Rural finance	26,464.84	25,517.39	18,826.51	25,517.39
(b)	Housing finance	28,403.91	27,575.72	20,974.45	27,575.72
(c)	Infrastructure finance	39,721.61	38,232.98	32,944.34	38,232.98
(d)	Defocused business	9,386.67	10,568.47	13,209.88	10,568.47
(e)	Others	11,450.31	11,650.33	11,754.00	11,650.33
	<b>Sub total</b>	<b>1,15,427.34</b>	<b>1,13,544.89</b>	<b>97,709.18</b>	<b>1,13,544.89</b>
	Less: Inter segment assets	(9,937.26)	(9,909.91)	(10,058.54)	(9,909.91)
	<b>Segment assets</b>	<b>1,05,490.08</b>	<b>1,03,634.98</b>	<b>87,650.64</b>	<b>1,03,634.98</b>
(f)	Unallocated	2,348.35	2,420.12	2,403.30	2,420.12
	<b>Total assets</b>	<b>1,07,838.43</b>	<b>1,06,055.10</b>	<b>90,053.94</b>	<b>1,06,055.10</b>
	<b>Segment liabilities*</b>				
(a)	Rural finance	22,925.17	22,181.29	16,208.60	22,181.29
(b)	Housing finance	25,628.48	24,321.31	18,577.43	24,321.31
(c)	Infrastructure finance	36,410.83	34,757.97	30,779.98	34,757.97
(d)	Defocused business	8,196.39	9,238.06	11,516.45	9,238.06
(e)	Others	1,414.21	2,800.57	3,118.38	2,800.57
	<b>Sub total</b>	<b>94,575.08</b>	<b>93,299.20</b>	<b>80,200.84</b>	<b>93,299.20</b>
	Less: Inter segment liabilities	(766.13)	(731.40)	(2,146.46)	(731.40)
	<b>Segment liabilities</b>	<b>93,808.95</b>	<b>92,567.80</b>	<b>78,054.38</b>	<b>92,567.80</b>
(f)	Unallocated	41.60	38.70	47.64	38.70
	<b>Total liabilities</b>	<b>93,850.55</b>	<b>92,606.50</b>	<b>78,102.02</b>	<b>92,606.50</b>

\*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 :

**Rural finance** comprises of Farm Equipment Finance, Two Wheeler Finance and Micro Loans.

**Housing finance** comprises of Home Loans, Loan against Property and Real Estate Finance.

**Infrastructure finance** comprises of Infrastructure business.

**Defocused Business** comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

**Others** comprises of Asset Management, Wealth Management etc.

**Unallocated** represents tax assets and tax liabilities

7 Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period.

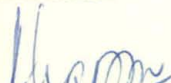
In terms of our report attached,  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



**Rupen K. Bhatt**  
Partner

Place : Mumbai  
Date : July 19, 2019

In terms of our report attached,  
For **B. K. KHARE & CO.**  
Chartered Accountants  
FRN: 105102W



**Ravi Kapoor**  
Partner  
Membership no. 040404

Place : Mumbai  
Date : July 19, 2019

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 : July 19, 2019

## Financial performance for the quarter ended June 30, 2019

<p><b>PAT stands at Rs. 549 Cr</b></p> <p><b>RoE stands at 15.99%</b></p> <p><b>Gross Stage 3 declined to 5.72% in Q1FY20 from 7.93% in Q1FY19</b></p> <p><b>IL&amp;FS: Rs. 1,696 Cr out of Rs. 1,816 Cr exposure will now be 'Green'</b></p> <p><b>Proactively diversified funding sources through ECB and Retail NCD</b></p>
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**Mumbai, July 19, 2019:** L&T Finance Holdings (LTFH), a leading diversified Non-Banking Financial Company (NBFC), announced its results for the quarter ended June 30, 2019. While Q1FY20 was a tough quarter for the NBFC sector, LTFH with its advantage of strong parentage, robust balance sheet and significant business strengths, was able to deliver results on key parameters.

**Liquidity:** While the liquidity for the sector remained tight, LTFH was able to raise requisite long term and short term funds at competitive rates to meet its growth requirements.

### 1. Robust ALM Framework

- ✓ LTFH maintains positive ALM gaps in all buckets upto 1 year
- ✓ Maintained liquidity of Rs. 13,133 Cr (including Rs. 4,855 Cr in the form of cash, FDs and other liquid instruments)
- ✓ Already in compliance with key features of Draft Liquidity Risk Management Framework for NBFCs and CICs issued by RBI

### 2. Proactively diversified funding sources

- ✓ Raised Rs. 1,000 Cr through retail NCD (in addition to Rs. 1,500 Cr in Q4FY19)
- ✓ Raised USD 275 Mn in Tranche 1 as part of USD 550 Mn ECB issuance programme, led by IFC

**Growth in businesses:** With focus on businesses where it has prominent market share and a clear 'Right to Win', the company continues to build strength in its core lending businesses i.e. Rural Finance, Housing Finance and Infrastructure Finance.

- ✓ Focused lending book saw a growth of 24% in Q1FY20
- ✓ Overall lending book saw a growth of 16% in Q1FY20

	Q1FY19 (Rs. Cr)	Q1FY20 (Rs. Cr)	Book Growth
<b>Focused Lending Businesses</b>			
Rural Finance	19,079	25,845	35%
Housing Finance	20,356	26,033	28%
Infrastructure Finance	33,843	38,623	14%
<b>Total Focused book</b>	<b>73,278</b>	<b>90,500</b>	<b>24%</b>
Defocused Lending Businesses (incl. Structured Finance & DCM)	13,043	9,403	(28%)
<b>Total Lending Book</b>	<b>86,321</b>	<b>99,904</b>	<b>16%</b>

- ✓ Investment Management: Average Assets under Management (AAUM) has increased to Rs.73,497 Cr in Q1FY20 from Rs.71,118 Cr in Q1FY19 – growth of 3%
- ✓ Wealth Management: Assets under Service (AUS) has increased to Rs. 25,589 Cr in Q1FY20 from Rs. 18,866 Cr in Q1FY19 – growth of 36%

In order to concentrate better on businesses where LTFH has 'Right to Win', the Company has de-emphasized Structured Finance and DCM book, where it is a marginal player, and made them part of defocused book.

**Improved Asset Quality:** In line with LTFH's strategy, primary focus remains on portfolio quality and profitability, by consistently strengthening the risk profile. The portfolio quality of LTFH has improved year-on-year with conservative underwriting, robust early-warning signals, and strong project-monitoring metrics. The company has shown a steady reduction in Stage 3 assets, both in absolute and percentage terms.

(Rs. Cr)	Q1FY19	Q4FY19	Q1FY20
Gross Stage 3	6,480	5,549	5,460
Net Stage 3	2,463	2,174	2,287
Gross Stage 3 %	7.93%	5.90%	5.72%
Net Stage 3 %	3.17%	2.40%	2.48%
Provision Coverage %	61.99%	60.83%	58.11%

In addition to the provisions mentioned above, macro-prudential provisions stand at Rs. 350 Cr These provisions are against unanticipated future event risks and are over and above the expected credit losses on GS3 assets and standard asset provisions.

#### **Profitability:**

- ✓ IL&FS: As per the latest resolution plan submitted by IL&FS management, 5 out of 6 SPVs amounting to Rs. 1696 Cr out of Rs. 1816 Cr will now be 'Green'. Consequently, interest income of Rs. 84 Cr that was deferred in Q4FY19 is now being recognised.
- ✓ Exposure to a specific HFC: Considering the recent developments with a Housing Finance Company, LTFH has taken conservative and commercially prudent view to mark down 50% (Rs. 284 Cr) of the total exposure (including principal and accrued interest).

With IL&FS being primarily resolved and adequate provisions made for the exposure to the Housing Finance Company, LTFH believes that both these issues are behind us. Profits for Q1FY20 have been arrived at after considering onetime adjustment for these two matters.

- ✓ The consolidated PAT is Rs. 549 Cr for Q1FY20, up 2% from Rs. 538 Cr in Q1FY19
- ✓ 'NIM + Fees' stands at 6.76% from 6.58% YoY (after normalizing for the impact of IL&FS)
- ✓ Pre-provisioning operating profit (PPOP) stands at Rs. 1342 for Q1FY20, up 24% YoY
- ✓ Retailisation increased to 52% from 46% YoY
- ✓ Maintained market share by leveraging on business strengths

### **Management Commentary:**

Commenting on the financial results Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said, “A strong liability franchise, backed by prudent ALM and diverse sources of funding, is key to building a sustainable organization. We remain partners of choice for global financial institutions which is reflected in our recent fund-raising from IFC and other leading global financiers. Our focus on liability management and asset quality helps us to preserve and build strengths in our focused businesses. We continue to invest in footprint expansion, team quality enhancement, technology infrastructure and data analytics framework.”

### **About L&T Finance Holdings:**

LTFH ([www.ltfs.com](http://www.ltfs.com)) is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Infra Debt Fund Limited, L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI[1]. LTFH is promoted by Larsen & Toubro Ltd. (“L&T”) ([www.larsentoubro.com](http://www.larsentoubro.com)), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

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[1] Systemically Important Core Investment Company, a classification of Non-Banking Financial Company (NBFC) by RBI