

July 23, 2014

**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,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

**Symbol: L&TFH**

**Scrip Code No.: 533519**

**Kind Attn: Head – Listing Department / Dept of Corporate Communications**

**Sub: Unaudited Consolidated Financial Results under Clause 41 of the Equity Listing Agreement**

Dear Sir/ Madam,

This has reference to our letter of even date for submitting Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2014.

Please find enclosed herewith Unaudited Consolidated Financial Results of the Company for the quarter ended June 30, 2014 along with Limited Review Report of Statutory Auditors and Press Release thereon.


Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For L&T Finance Holdings Limited

  
**N. Suryanarayanan**  
**Company Secretary**

 Encl: as above



**SHARP & TANNAN**  
Chartered Accountants

**L&T Finance Holdings Limited**

**Limited review report to the board of directors for the three month period ended June 30, 2014**

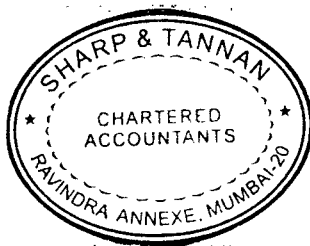
We have reviewed the accompanying statement of unaudited consolidated financial results of L&T Finance Holdings Limited ("the Company") and its subsidiaries and associates ("the LTFH Group") for the three month period ended June 30, 2014 except for the disclosures regarding 'Public Shareholdings' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the board of directors on July 23, 2014. Our responsibility is to issue a report on these financial statements based on our review.

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 financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not audit/review the financial statements of ten subsidiaries included in the consolidated financial results, whose interim financial statements reflect total assets of Rs. 2,416,137.62 Lakhs as at June 30, 2014; as well as the total revenue of Rs. 75,121.14 Lakhs and net cash inflow amounting to Rs.1,281.00 Lakhs for the three month period ended June 30, 2014. These interim financial statements and other financial information have been audited/reviewed by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such auditors.

We further report that in respect of two associates, we did not carry out the review. These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of an associate are based solely on these certified financial statements.

Since the financial statements for the three month period ended June 30, 2014, which were compiled by management of these companies, were not reviewed, any adjustments to their balances could have consequential effects on the attached condensed consolidated financial statements. However, the size of these associates in the consolidated position is not significant in relative terms. The consolidated financial statements include the net carrying cost of investment of Rs. 4,152.39 Lakhs and current period share of net profit of Rs. 29.40 Lakhs in respect of these associates. Our opinion is not qualified in respect of this matter.



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Farook M. Kobla Shreedhar T. Kunte Milind P. Phadke Ramnath D. Kare Ashwin B. Chopra  
Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal

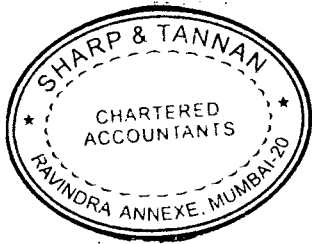
Also at Pune. Associate Offices : Bangalore, Chennai, Goa, Hyderabad & New Delhi

# SHARP & TANNAN

LETTER NO: \_\_\_\_\_

SHEET NO: \_\_\_\_\_

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



Mumbai, 23 July, 2014

SHARP & TANNAN  
Chartered Accountants  
Firm's registration no. 109982W  
by the hand of

A handwritten signature in black ink, appearing to read "Firdosh D. Buchia", written over a horizontal line.

Firdosh D. Buchia  
Partner  
Membership no. 38332

L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

Regd. Office : L&T House, Ballard Estate, Mumbai - 400 001

Website: www.ltfinanceholdings.com Email: igrc@ltfinanceholdings.com Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

(₹ Lakh)

**PART I : STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014**

Sr. No.	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations	143,778.62	139,966.65	115,359.02	505,593.81
2	Expenses:				
	a) Employee benefits expense	7,820.78	6,733.03	6,487.06	27,364.65
	b) Professional fees	5,155.15	6,587.24	4,205.63	21,465.55
	c) Allowances and write-offs	12,683.97	11,522.43	9,088.66	42,610.93
	d) Depreciation and amortisation	2,957.30	2,193.88	1,829.07	8,014.27
	e) Administration and other expenses	8,473.66	9,108.88	7,370.12	34,387.18
	<b>Total expenses</b>	<b>37,090.86</b>	<b>36,145.46</b>	<b>28,980.54</b>	<b>133,842.58</b>
3	Profit from operations before other income, finance costs and exceptional items (1-2)	106,687.76	103,821.19	86,378.48	371,751.23
4	Other income	3,076.34	3,169.28	2,540.54	18,124.61
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	109,764.10	106,990.47	88,919.02	389,875.84
6	Finance costs	86,071.81	81,796.12	68,762.36	307,387.77
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	23,692.29	25,194.35	20,156.66	82,488.07
8	Exceptional items (Refer note 3)	14,389.42	-	-	-
9	Profit from ordinary activities before tax (7+8)	38,081.71	25,194.35	20,156.66	82,488.07
10	Tax expense:				
	a) Current tax	10,078.06	8,725.83	9,244.29	32,057.22
	b) Deferred tax	(554.64)	(2,113.92)	(3,557.49)	(9,053.31)
	<b>Total tax expense</b>	<b>9,523.42</b>	<b>6,611.91</b>	<b>5,686.80</b>	<b>23,003.91</b>
11	Net profit from ordinary activities after tax (9-10)	28,558.29	18,582.44	14,469.86	59,484.16
12	Extraordinary items	-	-	-	-
13	Net profit before share in profit/(loss) of associates (11+/-12)	28,558.29	18,582.44	14,469.86	59,484.16
14	Share of profit of associates	29.40	71.73	24.03	205.17
15	Net profit for the period/ year (13+14)	28,587.69	18,654.17	14,493.89	59,689.33
16	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	171,867.18	171,844.90	171,684.24	171,844.90
17	Reserves excluding Revaluation Reserve				410,720.39
18	Earnings per share (EPS):				
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*1.54	*0.96	*0.75	3.03
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*1.53	*0.96	*0.75	3.03
19	Non-Performing Assets (NPA) Ratios:				
	a) Amount of Gross NPA	142,053.38	124,300.00	84,641.51	124,300.00
	b) Amount of Net NPA	105,238.50	88,954.18	55,106.19	88,954.18
	c) Gross NPA (%)	3.57%	3.18%	2.54%	3.18%
	d) Net NPA (%)	2.67%	2.29%	1.67%	2.29%
20	Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)	16,723.27	18,654.17	14,493.89	59,689.33

**PART II : SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014**

A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of shares	429,667,955	401,859,366	299,818,142	401,859,366
	- Percentage of shareholding	25.00%	23.39%	17.46%	23.39%
2	Promoters and Promoter Group shareholding				
	a) Pledged / encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA	NA
	- Percentage of shares (as a % of the total share capital of the Company)	NA	NA	NA	NA
	b) Non-encumbered				
	- Number of shares	1,289,003,865	1,316,589,609	1,417,024,221	1,316,589,609
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	75.00%	76.61%	82.54%	76.61%

	Particulars	Quarter ended June 30, 2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	1
	Received during the quarter	1
	Disposed off during the quarter	2
	Remaining unresolved at the end of the quarter	Nil

Notes:

1 The consolidated financial statements are prepared in accordance with Accounting Standards (AS 21 and AS 23) notified by the Companies (Accounting Standards) Rules, 2006.

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2 Pursuant to Clause 41 of the Equity Listing Agreement, the Company has opted to publish the consolidated financial results. Both the unaudited consolidated and standalone financial results have been submitted to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the equity shares of the Company are listed. The unaudited standalone financial results for the quarter ended June 30, 2014 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

Particulars	Quarter ended			Year ended
	June 30,	March 31,	June 30,	March 31,
	2014	2014	2013	2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income from operations	897.06	990.44	1,160.90	25,757.14
Profit/(loss) from ordinary activities before tax	(565.25)	109.22	(91.57)	19,689.23
Net profit/(loss) for the period/year after tax	(557.95)	96.08	(122.71)	19,638.31

- 3 Exceptional items during the current quarter represent gains of ₹ 14,389.42 lakh on sale of investment in City Union Bank Limited.
- 4 The Company, during the current quarter has allotted 222,845 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 Share / Debenture issue expenses for the quarter ended June 30, 2014 amounting to ₹ 405.05 lakh net of tax have been adjusted against Securities Premium Account.
- 6 Effective April 1, 2014, the Company has revised the useful life of fixed assets based on Schedule II to the Companies Act, 2013 or actual useful life of assets, whichever is lower. Consequently, the depreciation for the quarter ended June 30, 2014 is higher and the profit before tax is lower to the extent of ₹ 923.14 lakh.

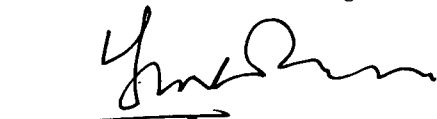
Earnings per share from normal operations (i.e. excluding exceptional and extraordinary items)	Quarter ended			Year ended
	June 30,	March 31,	June 30,	March 31,
	2014	2014	2013	2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(a) Basic EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*0.84	*0.96	*0.75	3.03
(b) Diluted EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*0.84	*0.96	*0.75	3.03

- 8 Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- 9 The Financial results for the quarter ended March 31, 2014 are balancing figures between audited results for the full financial year and the published year to date figures upto third quarter.
- 10 The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 23, 2014.
- 11 Segment-wise Revenue, Result and Capital Employed in terms of clause 41 of the listing agreement:

Sr. No.	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>				
a	Retail and Mid Market Finance	86,927.83	84,834.39	67,383.62	300,095.61
b	Wholesale finance	53,386.55	51,663.63	45,416.11	194,448.99
c	Investment Management	2,678.96	2,704.35	1,949.48	9,477.48
d	Others	1,886.15	2,138.50	1,796.72	28,649.37
	<b>Total</b>	<b>144,879.49</b>	<b>141,340.87</b>	<b>116,545.93</b>	<b>532,671.45</b>
	Less: Inter Segment revenue	(1,100.87)	(1,374.22)	(1,186.91)	(27,077.64)
	<b>Net segment revenue from continuing operations</b>	<b>143,778.62</b>	<b>139,966.65</b>	<b>115,359.02</b>	<b>505,593.81</b>
	<b>Segment Result (Profit/(loss) before tax)</b>				
a	Retail and Mid Market Finance	13,059.75	12,251.67	10,217.88	40,954.63
b	Wholesale finance	11,694.95	13,322.00	11,088.36	47,462.15
c	Investment Management	156.39	187.50	(476.54)	(21.36)
d	Others (net of expenses)#	13,170.62	(566.82)	(673.04)	(5,907.35)
	<b>Profit before tax</b>	<b>38,081.71</b>	<b>25,194.35</b>	<b>20,156.66</b>	<b>82,488.07</b>
	<b>Capital employed (Segment assets less segment liabilities)*</b>				
a	Retail and Mid Market Finance	335,362.49	323,939.69	309,524.17	323,939.69
b	Wholesale finance	260,505.21	246,280.09	211,731.51	246,280.09
c	Investment Management	70,567.90	71,443.37	71,570.54	71,443.37
d	Others	70,338.03	40,902.14	43,424.36	40,902.14
	<b>Total capital employed</b>	<b>736,773.63</b>	<b>682,565.29</b>	<b>636,250.58</b>	<b>682,565.29</b>
	# Includes exceptional income of ₹ 14,389.42 lakh for the quarter ended June 30, 2014.				
	* Includes Cumulative Compulsorily Redeemable Preference Share Capital of ₹ 126,340.00 lakh				

- (i) Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering the risk/return profiles of the businesses, their organisational structures and the internal reporting systems. The smaller business segments not separately reportable have been grouped under "Others" segment.
- (ii) Segment composition :
- Retail and Mid Market Finance** comprises of Rural Products Finance, Personal Vehicle Finance, Microfinance, Housing Finance, Commercial Vehicle Finance, Construction Equipment Finance, Loans & Leases, Loan Against Shares and Supply Chain Finance,
- Wholesale Finance** comprises of project finance and non-project corporate finance to infra and non-infra segments across Power – Thermal and Renewable; Transportation – Roads, Ports and Airports; Telecom and Other non-infra segments,
- Investment Management** comprises of Assets Management of Mutual Fund and Private Equity Fund,
- Others** comprises of Wealth Management, Financial Product Distribution etc.

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

  
Y. M. Deosthale  
Chairman & Managing Director

Place : Mumbai  
Date : July 23, 2014

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## Press Release

Wednesday, 23<sup>rd</sup> July 2014, Mumbai

### Financial Performance for the quarter ended 30<sup>th</sup> June, 2014

**Consolidated Profit (excluding exceptional items) for the quarter grows by 15%**

L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter ended 30<sup>th</sup> June, 2014.

#### Highlights of the quarter:

- **Growth in assets:** Loans & Advances as on 30<sup>th</sup> June 2014 grew by 19% year on year to Rs. 40,764 Cr. as compared to Rs. 34,340 Cr as on 30<sup>th</sup> June 2013. This has been led largely by continued momentum in disbursements of rural products finance, personal vehicle finance and housing finance in the retail business, while focusing on operational assets in the wholesale business.

The investment management business witnessed the Average Assets under Management (AAUM) growing by 44% on a year on year basis to Rs. 19,895 Cr, while the wealth management business achieved average assets under service of Rs. 6,139 Cr as on 30<sup>th</sup> June 2014.

- **Profit after Taxes (PAT):** The Consolidated PAT (excluding exceptional items) for the quarter grew by 15% y-o-y to Rs. 167 Cr compared to Rs 145 Cr in the same period last year. The Consolidated PAT for the quarter including gain (~Rs 119 Cr net of tax) from the sale of shares in City Union Bank Ltd. grew by 97% y-o-y to Rs. 286 Cr. Profit before taxes is lower by Rs 9.23 Cr due to higher depreciation provisions as there is a reduction in useful life of assets in line with Schedule II of Companies Act, 2013.
- **Asset Quality:**
  - The seasonal pressures in retail assets and prevailing stress in the infrastructure related segments have resulted in an increase in GNPA's. Gross NPA stood at 3.57% as a percentage of gross advances as on 30th June 2014 as against 3.18% as on 31st March 2014. Net NPA stood at 2.67% as a percentage of gross advances as on 30th June 2014 as against 2.29 % as on 31st March 2014.
  - We continue to remain cautious in lending to stressed segments such as CE/CV and corporates, while continuing to follow a conservative provisioning policy with contingent and voluntary provisions of ~Rs. 190 Cr over and above RBI norms.

Commenting on the results and financial performance, Mr. Y. M. Deosthalee, Chairman & Managing Director, L&T Finance Holdings, said, "The conscious focus on operating project assets in wholesale business and B2C products in retail business has helped maintain Y-o-Y asset growth of 19%. Margins in the retail business continued to improve and the overall credit costs have stabilized. There has been an increase in the overall GNPA % arising from the seasonality seen in the retail portfolio during the first quarter and existing stress in infrastructure sector. Our efforts and the positive outlook for the medium term should bring about a gradual improvement in asset quality in the upcoming quarters."

#### **L&T Finance Holdings Ltd**

8<sup>th</sup> Floor, City 2, Plot No 177, Vidyanagari Marg,  
C.S.T Road, Kalina, Santacruz (E), Mumbai 400 098  
CIN: L67120MH2008PLC181833

[www.ltfinanceholdings.com](http://www.ltfinanceholdings.com)

### Assets

We continue to see growth in the B2C segments in retail business and operating assets in the wholesale business. The proportion of B2C segment in the retail and mid-market book has increased to 41% from 33% last year and operating assets account for 42% of the wholesale book compared to 28% last year. IDF-NBFC is now fully operational with the first disbursement being completed in this quarter.

Being extremely selective in lending to CE/CV segment and the corporate segment is reflected in the low disbursement growth in the retail and mid-market business.

Business	Disbursements (Rs Cr)			Loans & Advances (Rs Cr)			GNPA %	
	Q1'14	Q1'15	Growth %	Q1'14	Q1'15	Growth %	Q1'14	Q1'15
Retail & Mid-Market Finance	4,278	4,172	(2%)	18,590	20,568	11%	3.25%	3.79%
Housing Finance	206	353	71%	520	2,110	-	0.43%	2.00%
Wholesale Finance	1,376	2,017	47%	15,231	18,086	19%	1.53%	3.51%
Total	5,859	6,542	12%	34,340	40,764	19%	2.54%	3.57%

### Profit after Taxes

The profit growth has been aided by continued improvement in margins in the retail business offset by dip in margins in the wholesale business, while operating expenses and credit costs have remained stable. Net Interest Margins (NIMs) for the lending business have kept pace with asset growth at Rs 558 Cr (5.53%) this quarter compared to Rs 473 Cr (5.59%) in the same quarter last year. The asset management business has maintained break even status.

Business	PAT (Rs Cr)		Y-o-Y Growth
	Q1FY14	Q1FY15	
Retail & Mid-Market Finance	74	82	11%
Housing Finance	2	9	-
Wholesale Finance	79	88	12%
Investment Management	(4)	(0)	-
Others	(6)	(12)	-
PAT (before exceptional items)	145	167	15%

**Outlook:**

Emergence of a stable government post elections has resulted in a positive business sentiment and heightened expectations of a faster recovery in the overall economy. The focus of the budget in terms of creating enabling framework for PPPs, REITs, Infrastructure Investment Trusts and relaxation in regulations to raise long term bonds for the infrastructure funding are positives. Increasing FDI limits in the defence manufacturing and insurance sector is expected to bring in further investments. The monetary environment remains stable with some positive news flows on IIP growth and continuing momentum in exports, supported by healthy global demand.

Inflation remains a key challenge, though there have been positive surprises in terms of downward movement in June. The delay in monsoon resulting in a deficiency in excess of 35% is a cause of concern. The trajectory and distribution of rainfall in the next few months along with any unexpected shocks in crude oil price due to geopolitical tensions in Iraq would be key to the overall direction of inflation.

In the current environment where implementation of policy decisions would be crucial to drive economic growth going ahead, we would continue to focus on building a quality portfolio by focusing on retail B2C segments, housing finance and operating projects in the infrastructure segment. While business sentiment is positive, the pace of fresh meaningful capex is expected to be more gradual. We would look to maintain overall book growth at ~20% levels and expect improved return metrics on back of improving margins and lower opex in retail business, while overall credit costs begin to taper.

**About L&T Finance Holdings:**

L&TFH is a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd, L&T Infrastructure Finance Company Ltd, L&T Investment Management Ltd, L&T Capital Markets Ltd, L&T Housing Finance Ltd, FamilyCredit Ltd and L&T FinCorp Ltd. It is registered with the RBI as a CIC-ND-SI. L&TFH is promoted by Larsen & Toubro (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

**For Details, Contact: Arijit Sengupta, L&TFH**  
**(9820340485, [Arijit.Sengupta@lftfinanceholdings.com](mailto:Arijit.Sengupta@lftfinanceholdings.com))**