

July 22, 2016

**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**

**Security Code No.: 533519**

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

**Sub: Unaudited Consolidated Financial Results for the quarter ended June 30, 2016**

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, 2016.

Please find enclosed herewith Unaudited Consolidated Financial Results of the Company for the quarter ended June 30, 2016 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 & Compliance Officer**

 Encl: as above



# SHARP & TANNAN

Chartered Accountants

**Limited review report to the board of directors of  
L&T Finance Holdings Limited for the three month period ended 30 June 2016.**

We have reviewed the accompanying statement of unaudited consolidated financial results of L&T Finance Holdings Limited ('the Company') and its subsidiaries and associate ('the LTFH Group') for the three month period ended 30 June 2016. This statement is the responsibility of the Company's management and has been approved by the board of directors on 22 July 2016. Our responsibility is to issue a report on these financial statements based on our review.

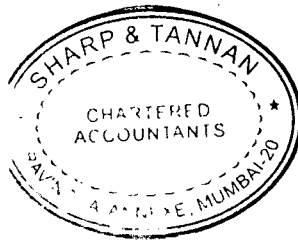
We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. 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.

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 prescribed by section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the financial statements of seven subsidiaries included in the consolidated financial results, whose interim financial statements reflect total assets of Rs.63,883.40 crores as at 30 June 2016; as well as the total revenue of Rs.1,935.80 crores and net cash flow amounting to Rs.265.63 crores for the three month period ended 30 June 2016. These interim financial statements and other financial information have been 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 one associate, 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 30 June 2016, which were compiled by management of the company, were not reviewed, any adjustments to their balances could have consequential effects on the condensed consolidated financial statements. However, the size of an associate in the consolidated position is not significant in relative terms. The consolidated financial statements include the net carrying cost of investment of Rs.50.15 crores and current period share of net profit of Rs.2.63 crores in respect of an associate. Our opinion is not qualified in respect of this matter.



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

A handwritten signature in black ink, appearing to read "F. Buchia".

Firdosh D. Buchia  
Partner  
Membership no. 38332

Mumbai, 22 July 2016

L&T FINANCE HOLDINGS LIMITED  
CIN. L67120MH2008PLC181833

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

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

(₹ Crore)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016					
Sr. No.	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2016	2016	2015	2016
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations	1,996.49	1,957.97	1,717.63	7,288.79
2	Expenses:				
	a) Employee benefits expense	109.45	106.96	114.77	487.69
	b) Allowances and write-offs	253.03	206.28	187.82	781.02
	c) Depreciation and amortisation	18.60	21.06	20.99	82.81
	d) Administration and other expenses	194.10	214.82	175.08	742.37
	Total expenses (a+b+c+d)	575.18	549.12	498.66	2,093.89
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,421.31	1,408.85	1,218.97	5,194.90
4	Other income	34.24	52.77	40.77	181.90
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,455.55	1,461.62	1,259.74	5,376.80
6	Finance costs	1,155.65	1,127.36	984.50	4,124.14
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	299.90	334.26	275.24	1,252.66
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	299.90	334.26	275.24	1,252.66
10	Tax expense:				
	a) Current tax	164.79	142.75	112.35	533.39
	b) MAT credit	-	-	(4.88)	(24.93)
	c) Deferred tax	(69.65)	(44.47)	(24.34)	(109.49)
	Total tax expense (a+b+c)	95.14	98.28	83.13	398.97
11	Net profit from ordinary activities after tax (9-10)	204.76	235.98	192.11	853.69
12	Extraordinary items	-	-	-	-
13	Net profit before share in profit/(loss) of associates (11+/-12)	204.76	235.98	192.11	853.69
14	Share of profit of associates	2.64	0.87	0.35	3.00
15	Net profit for the period / year (13+14)	207.40	236.85	192.46	856.69
16	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	1,753.79	1,753.40	1,720.70	1,753.40
17	Reserves excluding Revaluation Reserve				5,323.68
18	Earnings per share (EPS): (Refer note 5)				
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*1.00	*1.08	*0.84	3.79
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*1.00	*1.08	*0.84	3.79

Below table provides computation of net profit post preference dividend. This table is produced for information only:

(₹ Crore)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2016	2016	2015	2016
a	Net profit for the period / year (as above)	207.40	236.85	192.46	856.69
b	Preference dividend (on pro-rata basis) to be considered in the relevant board meeting	32.11		47.23	
c	Preference dividend paid		47.03		201.14
d	Net profit for the period / year (after preference dividend ) (a-b-c)	175.29	189.82	145.23	655.55

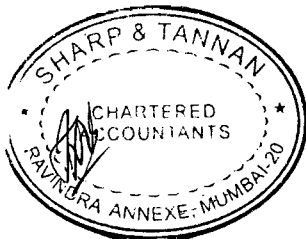
Notes:

- The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23.
- Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has opted to publish the consolidated financial results. The unaudited standalone financial results have been submitted separately 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, 2016 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

(₹ Crore)

Particulars	Quarter ended			Year ended
	June 30,	March 31,	June 30,	March 31,
	2016	2016	2015	2016
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income from operations	13.09	13.87	12.14	348.50
Profit before tax from ordinary activities for the period / year	4.30	15.83	17.54	368.09
Net profit for the period / year after tax	2.92	16.17	21.67	378.04

- The Company, during the current quarter has allotted 391,450 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).
- Share / Debenture issue expenses for the quarter ended June 30, 2016 amounting to ₹ 1.33 crore have been adjusted against Securities Premium Account.
- Earnings per share is calculated after adjusting annual dividend on outstanding preference shares.
- The figures for the quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the quarter ended December 31, 2015.



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7 Pursuant to RBI's Circular no. DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 dated July 1, 2015, Non performing advances (NPA) recognition criteria is revised from 150 days past due to 120 days past due with effect from first quarter of financial year 2016-17. The below table provides NPA summary at 120 days past due (corresponding previous period numbers are management estimates and excludes restructured accounts which have been provided separately as per applicable RBI guidelines to NBFCs). Further 150 days past due figures are produced in brackets for comparative purpose.

Particulars	Quarter ended			Year ended
	June 30,	March 31,	June 30,	March 31,
	2016	2016	2015	2016
a) Amount of Gross NPA (₹ Crore)	2,598.96 (2,404.75)	2,755.80 (1,735.42)	2,634.95 (1,473.58)	2,755.80 (1,735.42)
b) Amount of Net NPA (₹ Crore)	1,751.20 (1,578.70)	2,144.18 (1,153.95)	2,117.68 (957.50)	2,144.18 (1,153.95)
c) Gross NPA (%)	4.58% (4.24%)	4.85% (3.05%)	5.45% (3.05%)	4.85% (3.05%)
d) Net NPA (%)	3.13% (2.82%)	3.82% (2.05%)	4.43% (2.00%)	3.82% (2.05%)

Note : Above includes NPA for L&T Housing Finance Ltd (wholly owned subsidiary of L&T Finance Holdings Ltd) where recognition is at 90 days past due as per extant National Housing Bank (NHB) regulations.

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

9 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 22, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

10 Segment-wise Revenue, Results and Capital Employed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Quarter ended			Year ended
		June 30,	March 31,	June 30,	March 31,
		2016	2016	2015	2016
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>				
a	Retail and Mid Market Finance	1,085.00	1,071.80	974.89	4,069.59
b	Wholesale finance	825.82	810.35	677.72	2,934.51
c	Investment Management	74.61	68.60	57.54	257.07
d	Others	32.04	27.31	21.11	393.28
	<b>Total</b>	<b>2,017.47</b>	<b>1,978.06</b>	<b>1,731.26</b>	<b>7,654.45</b>
	Less: Inter Segment revenue	(20.98)	(20.09)	(13.63)	(365.66)
	<b>Net segment revenue from continuing operations</b>	<b>1,996.49</b>	<b>1,957.97</b>	<b>1,717.63</b>	<b>7,288.79</b>
	<b>Segment Result (Profit/(loss) before tax)</b>				
a	Retail and Mid Market Finance	157.17	186.85	137.60	648.29
b	Wholesale finance	136.63	136.00	130.41	579.02
c	Investment Management	10.36	10.97	3.72	27.19
d	Others (net of expenses)	(4.26)	0.44	3.51	(1.84)
	<b>Profit before tax</b>	<b>299.90</b>	<b>334.26</b>	<b>275.24</b>	<b>1,252.66</b>
	<b>Capital employed (Segment assets less segment liabilities)*</b>				
a	Retail and Mid Market Finance	4,037.88	3,555.34	3,520.23	3,555.34
b	Wholesale finance	3,486.92	3,315.25	3,049.05	3,315.25
c	Investment Management	748.90	742.44	726.41	742.44
d	Others	342.98	795.52	1,232.39	795.52
	<b>Total capital employed</b>	<b>8,616.68</b>	<b>8,408.55</b>	<b>8,528.08</b>	<b>8,408.55</b>

\* Includes Cumulative Compulsorily Redeemable Preference Share Capital of ₹ 1,213.40 crore and Share Warrants of ₹ 118.07 crore as on June 30, 2016

(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 which are not separately reportable have been grouped under "Others" segment.

(ii) Segment composition :

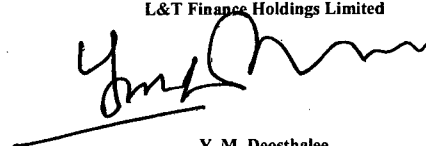
**Retail and Mid Market Finance** comprises of Rural Products Finance, Personal Vehicle Finance, Microfinance, Housing Finance, Commercial Vehicle Finance, Construction Equipment Finance, Loans & Leases, Loan Against Shares and Supply Chain Finance.

**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.

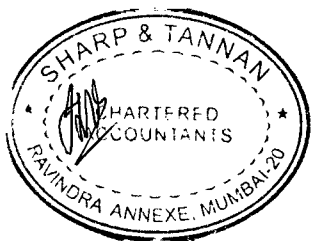
**Others** comprises of Wealth Management, Financial Product Distribution etc.

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



Y. M. Deosthalee  
Chairman  
(DIN : 00001698)

Place : Mumbai  
Mumbai, July 22, 2016



## Press Release

Friday, July 22, 2016, Mumbai

### Financial Performance for the quarter ended June 30, 2016

**Consolidated Profit to shareholders grows by 21%**

**Loans & Advances in the focused businesses grow by 23%**

### Update on strategic re-orientation

In April 2016, L&T Finance Holdings (LTFH) unveiled its strategy to reach top quartile Return on Equity (RoE) by FY 2020. As part of this strategy, LTFH realigned its focus on profitable growth in three lending businesses – Rural, Housing and Wholesale while de-emphasizing other products in its lending portfolio. The focus in Investment Management and Wealth Management businesses remains on enhancing value by increasing AUM and customer base.

The following are the key updates to the strategic roadmap achieved in this quarter:

- Cost to income ratio improves from 32% to 29%
- Divestment process for de-emphasized portfolio is on track
- Actions on Centres of Excellence for focused businesses initiated

### Result Highlights:

LTFH financial performance for the quarter ended June 30, 2016 is as below:

- **Increase in PAT from focused businesses:** Consolidated PAT to Shareholders\* grew by 21% to Rs. 175 Cr. for the quarter ended June 30, 2016 from Rs. 145 Cr. for the quarter ended June 30, 2015.

This improvement is mainly on account of a sharp profit growth in the focused businesses with a healthy RoE of 13.81% in the current quarter. The negative impact of the de-emphasized product portfolio on the overall RoE would see reduction in the subsequent quarters as this portfolio runs-down/ is divested.

Q1FY16		Business Segments (Rs Cr)	Q1FY17		PAT Y-o-Y (%)
PAT	RoE		PAT	RoE	
45	16.53%	Rural Business	67	21.99%	49%
16	9.66%	Housing Business	39	15.04%	141%
132	13.05%	Wholesale Business	129	11.36%	(2%)
<b>193</b>	<b>13.22%</b>	<b>Focused Business</b>	<b>235</b>	<b>13.81%</b>	21%
(16)	(6.82%)	De-emphasized Business	(36)	(21.70%)	-
<b>178</b>	<b>10.57%</b>	<b>Lending Businesses</b>	<b>198</b>	<b>10.66%</b>	12%
15	4.25%	Other Businesses**	9	3.47%	(43%)
192	9.48%	<b>LTFH Consol. (Reported)</b>	207	9.82%	8%
47	-	Less Preference Dividend*	32	-	(32%)
<b>145</b>	<b>9.09%</b>	<b>LTFH Consol. (To Shareholders)</b>	<b>175</b>	<b>9.78%</b>	21%

\*Consol. PAT and RoE to Shareholders is after considering dividend on preference shares on pro-rata basis; ; Net Worth excludes preference shares, pref. dividend on pro-rata basis and share warrant money

\*\*Other Businesses include Mutual Fund, Wealth Management, Private Equity, L&T Vrindavan, L&T Access and LTFH Standalone

#### L&T Finance Holdings Ltd

City 2, Plot No 177, Vidyanageri Marg  
CST Road, Kalina, Santacruz (E)  
Mumbai 400 098, India

#### Registered Office

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Ballard Estate, Mumbai 400 001, India  
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T +91 22 6621 7300/400

F +91 22 6621 7509

E [igr@ltfinanceholdings.com](mailto:igr@ltfinanceholdings.com) [www.ltfinanceholdings.com](http://www.ltfinanceholdings.com)

- Growth in loans & advances in the focused lending portfolio:** Loans & Advances in the focused businesses grew by 23% y-o-y to Rs.53,331 Cr as on June 30, 2016 as compared to Rs.43,256 Cr as on June 30, 2015. This growth was led by disbursements in housing finance, operational projects in renewable energy, microfinance and two-wheeler finance. In farm equipment business, based on robust analytics and risk framework, the Company ceded market share in some geographies.

In the de-emphasized portfolio, the loans & advances show a reduction of 26%. Consequently the overall growth in Loans & Advances is 17%.

Loans & Advances (Rs. Cr.)	Q1FY16	Q1FY17	Y-o-Y (%)
Rural Finance	7,486	8,586	15%
Housing Finance	6,781	10,408	53%
Wholesale Finance	28,989	34,336	18%
<b>Focused Products</b>	<b>43,256</b>	<b>53,331</b>	<b>23%</b>
<b>De-emphasized Products</b>	<b>5,962</b>	<b>4,405</b>	<b>(26%)</b>
<b>Total</b>	<b>49,218</b>	<b>57,736</b>	<b>17%</b>

- Improvement in asset quality:** As per regulatory requirements, LTFH has started recognizing NPAs at 120 days of delinquency. Gross NPA% has reduced from 5.45% as on June 30, 2015 to 4.58% of book at the end of the current quarter.

Rs. Cr.	Q1 FY'16	Q1 FY'17
Gross NPA	2,635	2,599
Net NPA	2,118	1,752
Gross NPA %	5.45%	4.58%
Net NPA %	4.43%	3.13%
Provision Coverage %	20%	33%

The Company's provisioning policy takes into account long term portfolio behaviour based on the probability of default and loss given default of the portfolio.

- Generating value through the Investment Management and Wealth Management businesses:** In the Investment Management business, Average Assets under Management (AAUM) for the quarter grew by 28% to Rs. 28,404 Cr as compared to Rs. 22,213 Cr for the same period last year. The share of equity assets is at 40% of the total AAUM, reaching Rs 11,381 Cr representing a 25% increase on a y-o-y basis from Rs.9,107 Cr. In the Wealth Management business, the Average Assets Under Service (AAUS) went up by 36% - from Rs. 7,143 cr. to Rs. 9,693 cr. y-o-y with client - base growing from 3,300 to 4,800.

## Management Commentary

Commenting on the results and financial performance, Mr. Y. M. Deosthalee, Chairman, L&T Finance Holdings, said, "We are happy to report a healthy 23% growth in loans and advances of our focused businesses along with 21% growth in PAT to shareholders for the quarter on a y-o-y basis. This has been despite slower than expected pick up in the overall economy and significant cash flow pressures in the rural markets. Our focus on financing operational projects in renewable energy and road sectors, and select segments of rural and housing finance has enabled this. Our philosophy of being a focused financial services player is playing out positively in terms of maintaining a consistently healthy growth in assets and profitability."

**About L&T Finance Holdings:**

LTFH is a financial holding company offering a diverse range of financial products and services across the 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 Infrastructure Finance Company Ltd, L&T Investment Management Ltd, L&T Capital Markets Ltd, L&T Housing Finance Ltd, Family Credit Ltd and L&T FinCorp Ltd. It is registered with the RBI as a CIC-ND-SI. LTFH 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, LTFH**  
**(9820340485, [Arijit.Sengupta@ltfinanceholdings.com](mailto:Arijit.Sengupta@ltfinanceholdings.com))**

**L&T Finance Holdings Ltd**

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