

May 02, 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: Audited Consolidated Financial Results for the quarter and financial year ended March 31, 2016**

Dear Sir/ Madam,

This has reference to our letter of even date for submitting Audited Standalone Financial Results of the Company for the quarter and financial year ended March 31, 2016.

Please find enclosed herewith the following:

- Audited Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2016 along with Report of Statutory Auditors
- Form A for audit report with unmodified opinion
- Press Release

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

## Independent Auditor's Report

To the board of directors of L&T Finance Holdings Limited

### Report on the statement of consolidated financial results

We have audited the accompanying statement of consolidated financial results of L&T Finance Holdings Limited ('the Company'), its subsidiaries and an associate (the Company, its subsidiaries and an associate together referred to as 'the Group'), for the quarter and year ended 31 March 2016 ('the statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('SEBI Regulation 2015'). This Statement, which is the responsibility of the Company's Management and approved by the board of directors, has been prepared on the basis of related consolidated financial statement, which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

We did not audit the financial statements of four subsidiaries included in the consolidated financial results, whose financial statement reflect total assets of Rs. 2,735,927.38 Lakhs as at 31 March 2016, total revenues of Rs. 279,642.61 Lakhs and net cash outflows amounting to Rs. 54,493.50 Lakhs for the year ended 31 March 2016, as considered in the consolidated financial results. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management and our opinion 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.

We further report that in respect of an associate, we did not carry out the audit. The consolidated financial results include the net carrying cost of investment of Rs. 4,750.87 Lakhs and current year share of net profit of Rs. 300.45 Lakhs in respect of an associate. These financial statements have been audited by another auditor whose report has been furnished to us, and our opinion on the Statement, to the extent it has been derived from such financial statements, is based solely on the report of such auditor.

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.

Tel. (22) 2204 7722/23, 6633 8343 - 47 Fax (22) 6633 8352 E-mail : admin.mumbai@sharptannan.com

Farook M. Kobla  
Edwin Augustine

Shreedhar T. Kunte  
Raghunath P. Acharya

Milind P. Phadke  
Firdosh D. Buchia

Ramnath D. Kare  
Thirtharaj A. Khôt

Ashwin B. Chopra  
Pavan K. Aggarwal

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

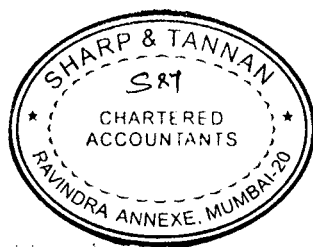
Our opinion is not qualified in respect of these matters

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- I. is presented in accordance with the requirements of the Regulation 33 of SEBI Regulations, 2015; and
- II. gives true and fair view in conformity with the aforesaid, Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial Information of the Group for the quarter and year ended 31 March 2016.

The Statement includes results for the quarter ended 31 March 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to nine months ended 31 December 2015, of the current financial year which were subjected to limited review by us.



Sharp & Tannan  
Chartered Accountants  
Firm's registration no. 109982W

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

Firdosh D. Buchia  
Partner  
Membership No. 38332

Mumbai, 02 May 2016

A small, circular stamp or mark, possibly a date stamp, with some illegible text inside.

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 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016						
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31,	December 31,	March 31,	March 31,	March 31,
		2016	2015	2015	2016	2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations	1,95,796.78	1,81,980.69	1,63,464.44	7,28,878.92	6,19,622.86
2	Expenses:					
	a) Employee benefits expense	10,696.33	13,479.64	10,766.05	48,768.77	35,227.05
	b) Professional fees	4,684.44	3,599.82	6,615.49	17,435.56	24,955.54
	c) Allowances and write-offs	20,628.18	20,350.24	19,861.83	78,102.13	66,167.50
	d) Depreciation and amortisation	2,105.61	2,006.24	2,211.70	8,281.38	9,550.41
	e) Administration and other expenses	16,797.61	12,911.49	8,663.69	56,800.95	37,972.85
	Total expenses (a+b+c+d+e)	54,912.17	52,347.43	48,118.76	2,09,388.79	1,73,873.35
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,40,884.61	1,29,633.26	1,15,345.68	5,19,490.13	4,45,749.51
4	Other income	5,277.00	4,421.60	3,612.09	18,190.04	14,122.07
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,46,161.61	1,34,054.86	1,18,957.77	5,37,680.17	4,59,871.58
6	Finance costs	1,12,735.93	1,01,463.56	92,908.20	4,12,413.64	3,56,778.73
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	33,425.68	32,591.30	26,049.57	1,25,266.53	1,03,092.85
8	Exceptional items (Refer note 3)	-	-	-	-	14,389.42
9	Profit from ordinary activities before tax (7+8)	33,425.68	32,591.30	26,049.57	1,25,266.53	1,17,482.27
10	Tax expense:					
	a) Current tax	14,274.96	16,322.36	9,428.26	53,339.24	41,781.13
	b) MAT credit	-	(825.66)	(2,267.69)	(2,492.67)	(2,267.69)
	c) Deferred tax	(4,447.40)	(4,029.86)	(1,428.74)	(10,948.85)	(7,102.64)
	Total tax expense (a+b+c)	9,827.56	11,466.84	5,731.83	39,897.72	32,410.80
11	Net profit from ordinary activities after tax (9-10)	23,598.12	21,124.46	20,317.74	85,368.81	85,071.47
12	Extraordinary items	-	-	-	-	-
13	Net profit before share in profit/(loss) of associates (11+/-12)	23,598.12	21,124.46	20,317.74	85,368.81	85,071.47
14	Share of profit of associates	87.11	72.04	238.17	300.45	396.43
15	Net profit for the period/ year (13+14)	23,685.23	21,196.50	20,555.91	85,669.26	85,467.90
16	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	1,75,339.86	1,75,319.81	1,72,028.59	1,75,339.86	1,72,028.59
17	Reserves excluding Revaluation Reserve	-	-	-	5,32,368.43	4,65,618.84
18	Earnings per share (EPS): (Refer note 9)					
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*1.08	*0.92	*1.01	3.79	4.30
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*1.08	*0.92	*1.01	3.79	4.29
19	Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)	23,685.23	21,196.50	20,555.91	85,669.26	73,603.48

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2016

(₹ Lakh)

Sr. No.	Particulars	As at	As at
		March 31,	March 31,
		2016	2015
		(Audited)	(Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds		
	(a) Share capital	2,96,679.86	3,08,368.59
	(b) Reserves and surplus	5,32,368.43	4,65,618.84
	(c) Money received against share warrants	11,806.88	-
	Sub-total - Shareholders' funds	8,40,855.17	7,73,987.43
2	Minority interest	10,030.00	10,030.00
3	Non-current liabilities		
	(a) Long-term borrowings	37,03,112.74	29,40,091.40
	(b) Other long-term liabilities	58,297.93	60,400.59
	(c) Long-term provisions	34,676.72	26,683.78
	Sub-total - Non-current liabilities	37,96,087.39	30,27,175.77
4	Current liabilities		
	(a) Short-term borrowings	6,69,552.90	5,98,869.67
	(b) Current maturities of long term borrowings	7,88,900.16	6,70,102.69
	(c) Trade payables	6,870.97	7,222.49
	(d) Other current liabilities	2,37,781.63	1,66,316.77
	(e) Short-term provisions	24,555.08	20,511.83
	Sub-total - Current liabilities	17,27,660.74	14,63,023.45
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>63,74,633.30</b>	<b>52,74,216.65</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	(a) Fixed assets	69,617.84	71,847.04
	(b) Goodwill on consolidation	63,891.06	63,891.06
	(c) Non-current investments	1,34,000.64	1,04,314.61
	(d) Deferred tax assets (net)	39,927.68	28,978.83
	(e) Long-term loans and advances	40,252.83	27,935.18
	(f) Long-term loans and advances towards financing activities	43,88,120.40	34,57,198.70
	(g) Other non-current assets	43,537.58	38,484.17
	Sub-total - Non-current assets	47,79,348.03	37,92,649.59
2	Current assets		
	(a) Current investments	2,22,326.72	1,60,607.01
	(b) Trade receivables	2,669.12	2,137.19
	(c) Cash and bank balances	40,153.43	86,232.95
	(d) Short-term loans and advances towards financing activities	3,11,468.07	2,71,122.76
	(e) Current maturities of long term loans and advances towards financing activities	9,06,949.55	8,47,991.90
	(f) Other current assets	1,11,718.38	1,13,475.25
	Sub-total - Current assets	15,95,285.27	14,81,567.06
	<b>TOTAL - ASSETS</b>	<b>63,74,633.30</b>	<b>52,74,216.65</b>

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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

Notes:

- 1 The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23.
- 2 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 audited 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 audited standalone financial results for the quarter and year ended March 31, 2016 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2016	2015	2015	2016	2015
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from operations	1,387.46	19,057.51	18,686.77	34,850.26	29,061.91
Profit from ordinary activities before tax for the period/year	1,583.42	19,712.34	18,058.29	36,809.29	25,202.77
Net profit for the period/year after tax	1,617.44	19,712.34	19,007.88	37,803.66	26,162.80

- 3 Exceptional items during the year ended March 31, 2015 represent the gain of ₹ 14,389.42 lakhs on sale of investment in City Union Bank Limited.
- 4 The Company, during the current quarter has allotted 200,487 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 and redemption premium for the year ended March 31, 2016 amounting to ₹ 2,877.41 lakh have been adjusted against Securities Premium Account.
- 6 During the year, the Company has paid interim dividend of ₹ 16,708.77 lakh on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100/- each fully paid.
- 7 The Board of Directors have recommended a final dividend of ₹ 0.80/- per Equity Share of ₹ 10/- each.
- 8 Earnings per share from normal operations (i.e. excluding exceptional and extraordinary items) (Refer note 9)

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2016	2015	2015	2016	2015
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(a) Basic EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*1.08	*0.92	*1.01	3.79	3.61
(b) Diluted EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*1.08	*0.92	*1.01	3.79	3.60

- 9 Earnings per share is calculated after adjusting annual dividend on outstanding preference shares.
- 10 The figures for the quarter ended March 31, 2016 and March 31, 2015 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 and December 31, 2014 respectively.
- 11 Pursuant to RBI's Circular no. DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 dated July 1, 2015, NPA recognition criteria is revised from 180 days past due to 150 days past due with effect from first quarter of financial year 2015-16. The below table provides NPA summary at 150 days past due (corresponding previous period numbers are management estimates) and 180 days past due (in brackets) for comparative purpose.

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2016	2015	2015	2016	2015
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
a) Amount of Gross NPA (₹ Lakh)	1,73,541.92	1,81,760.16	1,42,810.30	1,73,541.92	1,42,810.30
	(1,51,848.19)	(1,57,189.64)	(1,04,484.02)	(1,51,848.19)	(1,04,484.02)
b) Amount of Net NPA (₹ Lakh)	1,15,395.44	1,20,641.00	96,302.23	1,15,395.44	96,302.23
	(96,100.05)	(96,645.62)	(57,975.95)	(96,100.05)	(57,975.95)
c) Gross NPA (%)	3.05%	3.33%	3.08%	3.05%	3.08%
	(2.67%)	(2.88%)	(2.25%)	(2.67%)	(2.25%)
d) Net NPA (%)	2.05%	2.23%	2.10%	2.05%	2.10%
	(1.71%)	(1.79%)	(1.26%)	(1.71%)	(1.26%)

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.

- 12 Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- 13 The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 2, 2016.

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L&T FINANCE HOLDINGS LIMITED  
CIN. L67120MH2008PLC181833

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

(₹ Lakh)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>					
a	Retail and Mid Market Finance	1,07,180.07	1,00,065.13	91,099.07	4,06,959.38	3,62,817.38
b	Wholesale finance	81,035.46	74,223.98	66,901.32	2,93,450.41	2,39,417.55
c	Investment Management	6,859.36	6,784.87	4,246.57	25,706.99	13,912.00
d	Others	2,730.67	20,282.97	19,928.39	39,327.91	33,329.24
	<b>Total</b>	<b>1,97,805.56</b>	<b>2,01,356.95</b>	<b>1,82,175.35</b>	<b>7,65,444.69</b>	<b>6,49,476.17</b>
	Less: Inter Segment revenue	(2,008.78)	(19,376.26)	(18,710.91)	(36,565.77)	(29,853.31)
	<b>Net segment revenue from continuing operations</b>	<b>1,95,796.78</b>	<b>1,81,980.69</b>	<b>1,63,464.44</b>	<b>7,28,878.92</b>	<b>6,19,622.86</b>
	<b>Segment Result (Profit/(loss) before tax)</b>					
a	Retail and Mid Market Finance	18,684.95	15,755.59	15,771.05	64,828.60	59,411.59
b	Wholesale finance	13,600.30	15,956.71	9,923.48	57,903.08	46,807.14
c	Investment Management	1,096.64	644.26	498.38	2,718.98	1,199.79
d	Others (net of expenses)#	43.79	234.74	(143.34)	(184.13)	10,063.75
	<b>Profit before tax</b>	<b>33,425.68</b>	<b>32,591.30</b>	<b>26,049.57</b>	<b>1,25,266.53</b>	<b>1,17,482.27</b>
	<b>Capital employed (Segment assets less segment liabilities)*</b>					
a	Retail and Mid Market Finance	3,55,534.28	3,89,170.22	3,53,718.08	3,55,534.28	3,53,718.08
b	Wholesale finance	3,31,524.71	3,49,340.27	2,94,156.17	3,31,524.71	2,94,156.17
c	Investment Management	74,243.71	73,056.01	71,640.63	74,243.71	71,640.63
d	Others	79,552.47	1,12,258.04	54,472.55	79,552.47	54,472.55
	<b>Total capital employed</b>	<b>8,40,855.17</b>	<b>9,23,824.54</b>	<b>7,73,987.43</b>	<b>8,40,855.17</b>	<b>7,73,987.43</b>
	# Includes exceptional income of ₹ 14,389.42 lakh for the year ended March 31, 2015					
	* Includes Cumulative Compulsorily Redeemable Preference Share Capital of ₹ 121,340.00 lakh and Share Warrants of ₹ 11,806.88 lakh as on March 31, 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 :

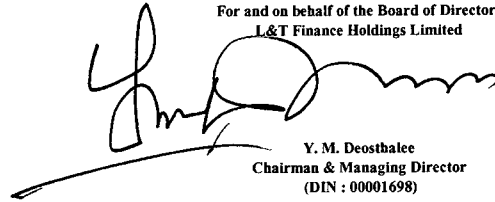
**Retail and Mid Market Finance** comprises of Rural Products Finance, Personal Vehicle Finance, Microfinance, Housing Finance, Commercial Vehicle Finance, Construction Equipment Finance, Loans & Leases, Loan Against Shares and Supply Chain Finance.

**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

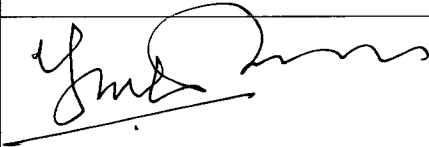


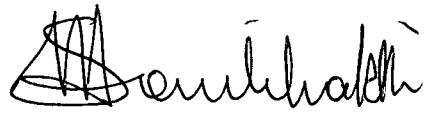


Y. M. Deosthalee  
Chairman & Managing Director  
(DIN : 00001698)

Place : Mumbai  
Date : May 2, 2016

SPT

**Form A**  
**(For Audited Consolidated Financial Results)**

1.	<b>Name of the Company</b>	L&T Finance Holdings Limited
2.	<b>Annual financial statements for the year ended</b>	March 31, 2016
3.	<b>Type of Audit observation</b>	Unmodified
4.	<b>Frequency of observation</b>	-
5.	<b>To be signed by:</b>	
	<b>Mr. Y. M. Deosthalee</b> Chairman & Managing Director	
	<b>Mr. Sachinn Joshi</b> Chief Financial Officer	
	<b>Mr. Firdosh D. Buchia</b> Partner, M/s. Sharp & Tannan, Statutory Auditors	
	<b>Mr. S. V. Haribhakti</b> Chairman - Audit Committee	



## Press Release

Monday, 2<sup>nd</sup> May 2016, Mumbai

### Financial Performance for the quarter and year ended 31<sup>st</sup> March, 2016

**Consolidated Profit for the quarter grows by 15%; Loans and Advances grow by 22%**

**Consolidated Profit (before exceptional items) for the year grows by 16%**

L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter and year ended 31<sup>st</sup> March, 2016.

### Result Highlights:

- Growth in assets:** Loans & Advances as on 31<sup>st</sup> March 2016 grew by 22% y-o-y to Rs. 57,831 Cr. as compared to Rs. 47,232 Cr as on 31<sup>st</sup> March 2015. This is despite the company moderating its growth in farm equipment business due to challenging environment in this sector. The growth has been led by healthy disbursements in our key focus areas i.e. operational projects in renewable energy and roads and retail products – housing, microfinance and two wheelers.

Operating projects account for 61% of the total loans outstanding in the wholesale business while B2C products constitute 61% of the total loans outstanding in the retail business.

Business	Disbursements (Rs Cr)					
	Q4 15	Q4 16	Y-o-Y (%)	FY15	FY16	Y-o-Y (%)
Retail Finance	6,297	7,284	16%	20,506	26,445	29%
Wholesale Finance	2,643	3,404	29%	11,975	15,320	28%
Total	8,940	10,688	20%	32,481	41,765	29%
Business	Loans & Advances (Rs Cr)					
	FY15		FY16		Y-o-Y (%)	
Retail Finance	24,993		29,186		17%	
Wholesale Finance	22,239		28,645		29%	
Total	47,232		57,831		22%	

**Investment Management:** The Average Assets under Management (AAUM) for the quarter of the investment management business grew by 15% to Rs 25,945 Cr as compared to Rs 22,497 Cr for the same period last year. The share of equity assets increased to 41% of the total AAUM, reaching Rs 10,316 Cr representing a 20% increase on a y-o-y basis.

- Profit after Taxes (PAT):** The Consolidated PAT for the quarter grew by 15% y-o-y to Rs. 237 Cr compared to Rs 206 Cr in the same period last year. Consolidated PAT before exceptional items for FY16 is Rs. 857 Cr which represents a 16% growth over Rs. 736 Cr in FY'15.

The operating performance has continued to remain steady with healthy margins, steady fee income and stable opex. The asset management business continues to contribute positively.

#### L&T Finance Holdings Ltd

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Growth in profits has been a result of consistent and steady improvement in key operating parameters along with stabilization in the overall asset quality in the lending business and positive contribution by the asset management business.

Business	PAT (Rs Cr)				PAT (Rs Cr)		
	Q4 15	Q3 16	Q4 16	Y-o-Y (%)	FY15	FY16	Y-o-Y (%)
Retail Finance	104	100	121	17%	394	417	6%
Wholesale Finance	67	104	106	59%	326	398	22%
Investment Management	3	5	7	-	5	19	-
Others	32	3	3	-	11	23	-
PAT before Exceptional Items	206	212	237	15%	736	857	16%

- **Asset Quality:** Gross NPA% has shown a marked improvement over Dec'15 with GNPA's reducing from 3.33% of book to 3.05% of book. This has been achieved by substantial improvement in GNPA's of the Farm portfolio while maintaining asset quality for the rest of the portfolio.

Rs Cr	Q4 15		Q3 16		Q4 16	
	180 days	150 days	180 days	150 days	180 days	150 days
Gross NPA	1,045	1,428	1,572	1,818	1,518	1,735
Net NPA	580	963	966	1,206	961	1,154
Gross NPA %	2.25%	3.08%	2.88%	3.33%	2.67%	3.05%
Net NPA %	1.26%	2.10%	1.79%	2.23%	1.71%	2.05%
Provision Coverage %	44%	33%	38%	34%	37%	34%

Our provisioning policy takes into account long term portfolio behavior based on the probability of default and loss given default of the portfolio. In line with our conservative provisioning policy, the Company carries ~Rs 238 Cr of provisions in excess of RBI norms.

### **Management Commentary**

Commenting on the results and financial performance, Mr. Y. M. Deosthalee, Chairman & Managing Director, L&T Finance Holdings, said, "We are happy to report a healthy 22% growth in loans and advances as on 31<sup>st</sup> March, 2016 along with a 15% growth in profits for the quarter on a y-o-y basis. This has been despite the 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 retail B2C products has enabled this. Our philosophy of being a sustainable financial services player is playing out positively in terms of maintaining a consistently healthy growth in assets and profitability over the last 8 quarters, with stabilization in the overall asset quality."

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### **Strategic re-orientation with focus on Return on Equity (RoE):**

We believe that the company is at an inflection point. The future strategy will be based on a single minded focus towards continuous improvement in Return on Equity (RoE).

Key pillars towards achieving this goal comprise driving profitable growth in select lending businesses; focus on asset quality and managing non-lending businesses for fee income generation and value creation. This has led to identification of key businesses that we would operate in. The criteria for this choice have been Industry attractiveness and our Ability to extract value.

We expect to further strengthen our position in operational infrastructure projects especially renewables and roads, structured corporate loans and in retail products like tractors, 2 Wheelers, microfinance and housing finance.

Sharp focus on cost optimization, reallocation of capital towards focused businesses and creating Centers of Excellence in the above chosen areas will enable the Company to deliver improved RoE.

### **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, Family Credit 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.

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