

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, 2020 (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.

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.



4. 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
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 (divestment of entire stake from April 24, 2020)	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 Markets (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 7 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 draw attention to Note 7 to the consolidated financial results in which the Company describes the uncertainties arising from the COVID 19 pandemic.

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



7. We did not review the interim financial information/financial results of six subsidiaries included in the Statement, whose interim financial information/financial results reflect total revenues of ₹98.92 crore for the quarter ended June 30, 2020, total net profit after tax of ₹45.07 crore for the quarter ended June 30, 2020 and total comprehensive income of ₹45.59 crore for the quarter ended June 30, 2020, as considered in the Statement. These interim financial information/financial results have been reviewed by the other auditors whose reports have been furnished to us by the Management, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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



Rupen K. Bhatt

(Partner)

(Membership No. 046930)

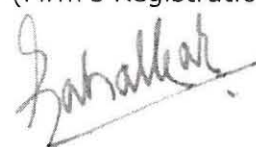
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Mumbai, July 16, 2020

For B. K. KHARE & CO.

Chartered Accountants

(Firm's Registration No. 105102W)



Shirish Rahalkar

(Partner)

(Membership No. 111212)

(UDIN:20111212AAAAKF7746)

Mumbai, July 16, 2020



L&T FINANCE HOLDINGS LIMITED

CIN: L67120MH2008PLC181833

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

Website: www.lfhs.com Email: igre@lfhs.com Phone: +91 22 6212 5000 Fax: +91 22 6212 5553

(₹ in Crore)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020					
Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited) (refer note 10)	(Unaudited)	(Audited)
	Revenue from operations				
(i)	Interest income	3,295.24	3,280.05	3,312.77	13,244.74
(ii)	Dividend income	0.01	0.02	0.03	0.12
(iii)	Rental income	1.51	1.63	3.77	9.03
(iv)	Fees and commission income	81.23	157.96	225.03	812.39
(v)	Net gain on fair value changes	9.07	(84.42)	52.94	109.22
(I)	Total revenue from operations	3,387.06	3,355.24	3,594.54	14,175.50
(II)	Other income	10.47	71.98	94.96	372.63
(III)	Total income (I+II)	3,397.53	3,427.22	3,689.50	14,548.13
	Expenses				
(i)	Finance costs	1,978.20	1,803.14	1,922.94	7,513.60
(ii)	Fees and commission expenses	-	11.17	3.22	17.51
(iii)	Net loss on fair value changes	138.81	37.69	-	107.53
(iv)	Net loss on derecognition of financial instruments under amortised cost category	45.87	102.39	49.91	274.22
(v)	Impairment on financial instruments	943.52	501.98	530.52	1,994.19
(vi)	Employee benefits expense	241.59	270.36	245.77	1,062.32
(vii)	Depreciation, amortisation and impairment	18.59	21.47	15.77	81.59
(viii)	Other expenses	157.30	223.08	178.74	817.09
(IV)	Total expenses	3,523.88	2,971.28	2,946.87	11,868.05
(V)	Profit/(loss) before exceptional items and tax (III-IV)	(126.35)	455.94	742.63	2,680.08
(VI)	Exceptional items (refer note 8)	225.61	-	-	-
(VII)	Profit before tax (V+VI)	99.26	455.94	742.63	2,680.08
(VIII)	Tax expense:				
(1)	Current tax	250.18	7.34	137.11	632.50
(2)	Deferred tax	(298.36)	63.74	56.10	(126.06)
(IX)	Profit before impact of change in the rate on opening deferred tax (VII-VIII)	147.44	384.86	549.42	2,173.64
(X)	Impact of change in the rate on opening deferred tax	-	-	-	473.38
(XI)	Profit after tax (IX-X)	147.44	384.86	549.42	1,700.26
(XII)	Add: Share in profit of associate company	-	-	-	-
(XIII)	Profit after tax and share in profit of associate company (XI+XII)	147.44	384.86	549.42	1,700.26
	Profit for the period/ year attributable to:				
	Owners of the company	148.31	386.15	548.79	1,700.17
	Non-controlling interest	(0.87)	(1.29)	0.63	0.09
(XIV)	Other comprehensive income	24.42	(116.12)	(29.69)	(159.36)
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans (net of tax)	0.82	(2.39)	(0.32)	(4.59)
	(b) Equity instruments through other comprehensive income	21.91	(36.00)	-	(56.16)
	B (i) Items that may be reclassified to profit or loss				
	(a) Debt instruments through other comprehensive income (net of tax)	13.22	5.31	(20.03)	0.16
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)	(11.50)	(83.67)	(9.29)	(99.54)
	(c) Exchange differences in translating the financial statements of foreign operations (net)	(0.03)	0.63	(0.05)	0.77
	Other comprehensive income for the period/ year attributable to:				
	Owners of the company	24.42	(116.12)	(29.69)	(159.36)
	Non-controlling interest	-	-	-	-
(XV)	Total comprehensive income (XIII+XIV)	171.86	268.74	519.73	1,540.90
	Total comprehensive income for the period/ year attributable to:				
	Owners of the company	172.73	270.03	519.10	1,540.81
	Non-controlling interest	(0.87)	(1.29)	0.63	0.09
(XVI)	Paid-up equity share capital (face value of ₹ 10 each) (refer note 4)	2,004.85	2,004.83	1,999.53	2,004.83
(XVII)	Other equity	-	-	-	12,687.59
(XVIII)	Earnings per share (*not annualised):				
(a)	Basic (₹)	* 0.74	* 1.93	* 2.74	8.50
(b)	Diluted (₹)	* 0.74	* 1.92	* 2.74	8.46

Notes:

- These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2020. 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.lfhs.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, 2020 are given below.

(₹ in Crore)

Particulars	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited) (refer note 10)	(Unaudited)	(Audited)
Total income from operations	24.68	412.75	25.18	522.38
Profit/(loss) before tax	174.30	341.69	(25.35)	283.74
Profit/(loss) after tax	125.91	339.81	(29.95)	266.81
Total comprehensive income	125.92	339.79	(29.98)	266.70

- The Company, during the quarter ended June 30, 2020 has allotted 18,000 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).
- During the quarter ended June 30, 2020, 8.15% Cumulative Compulsorily Redeemable Preference Shares (CRPS) amounting to ₹ 600.00 crore have been redeemed. The Company has paid final dividend of ₹ 4.99 crore on redeemed Preference Shares during the quarter.

- 6 Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:
The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has proposed to offer a moratorium on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. For all such accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).
- 7 Estimation uncertainty relating to COVID-19 global health pandemic:
In assessing the recoverability of loans, receivables, intangible assets (including goodwill) and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these consolidated financial results. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Group will continue to monitor any material changes to the future economic conditions. The Group has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets.
- 8 Exceptional item during the quarter ended June 30, 2020 represents net gain of ₹ 225.61 crore on the divestment of entire stake in the subsidiary company, L&T Capital Market Limited. The transaction concluded on April 24, 2020.
- 9 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.

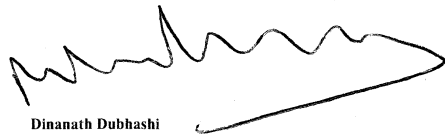
Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited) (refer note 10)	(Unaudited)	(Audited)
	Gross segment revenue from continuing operations				
(a)	Rural finance	1,337.58	1,374.64	1,239.88	5,308.80
(b)	Housing finance	858.37	782.92	879.72	3,366.42
(c)	Infrastructure finance	997.20	1,012.79	1,112.74	4,385.01
(d)	Defocused business	119.45	87.43	249.79	665.70
(e)	Others	120.65	522.86	149.99	1,027.24
	Segment revenue from continuing operations	3,433.25	3,780.64	3,632.12	14,753.17
	Less: Inter segment revenue	(46.19)	(425.40)	(37.58)	(577.67)
	Revenue as per the statement of profit and loss	3,387.06	3,355.24	3,594.54	14,175.50
	Segment result (Profit/(loss) before tax)				
(a)	Rural finance	123.19	188.46	344.32	1,225.87
(b)	Housing finance	12.85	102.22	280.22	871.13
(c)	Infrastructure finance	22.68	195.95	331.43	919.45
(d)	Defocused business	(304.10)	(95.35)	(258.43)	(554.87)
(e)	Others	244.64	64.66	45.09	218.50
	Profit before tax	99.26	455.94	742.63	2,680.08
	Segment assets				
(a)	Rural finance	28,442.49	28,491.28	26,464.84	28,491.28
(b)	Housing finance	30,693.14	30,410.87	28,403.91	30,410.87
(c)	Infrastructure finance	42,617.05	41,705.39	39,721.61	41,705.39
(d)	Defocused business	4,946.19	5,230.76	9,386.67	5,230.76
(e)	Others *	12,484.26	12,878.62	11,450.31	12,878.62
	Sub total	1,19,183.13	1,18,716.92	1,15,427.34	1,18,716.92
	Less: Inter segment assets	(11,703.70)	(11,548.39)	(9,937.26)	(11,548.39)
	Segment assets	1,07,479.43	1,07,168.53	1,05,490.08	1,07,168.53
(f)	Unallocated	2,493.75	2,360.49	2,348.35	2,360.49
	Total assets	1,09,973.18	1,09,529.02	1,07,838.43	1,09,529.02
	Segment liabilities **				
(a)	Rural finance	24,580.34	24,613.00	22,928.22	24,613.00
(b)	Housing finance	26,948.52	26,631.96	24,956.73	26,631.96
(c)	Infrastructure finance	37,289.37	36,435.59	35,944.12	36,435.59
(d)	Defocused business	4,389.37	4,489.67	8,198.50	4,489.67
(e)	Others *	3,368.69	3,987.22	2,547.51	3,987.22
	Sub total	96,576.29	96,157.44	94,575.08	96,157.44
	Less: Inter segment liabilities	(1,607.86)	(1,429.19)	(766.13)	(1,429.19)
	Segment liabilities	94,968.43	94,728.25	93,808.95	94,728.25
(f)	Unallocated	123.91	108.35	41.60	108.35
	Total liabilities	95,092.34	94,836.60	93,850.55	94,836.60

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

** Including non controlling interest

- (i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.
- (ii) Segment composition :
Rural finance comprises of Farm Equipment Finance, Two Wheeler Finance, Micro Loans and Consumer Finance.
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
- 10 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the third quarter of the respective financial year.
- 11 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period.

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


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

Place : Mumbai
 Date : July 16, 2020

Press Release

Thursday, July 16, Mumbai

L&T Finance Holdings Ltd. announces financial results for the quarter ended June 30, 2020

- **Faster than expected recovery in Rural segments; 19% YoY increase in Farm Equipment units financed during June**
- **Strong uptick in collections. Progressive improvement from April to June. QoQ reduction in debtors by Rs. 1,306 Cr. Collections further accelerated in July**
- **Reduction in Moratorium on Retail lending book from 79% in Mar-20 to 44% in Jun-20**
- **Decline in GS3 from 5.72% to 5.24% YoY. NS3 reduced from 2.48% to 1.71% YoY (PCR increased from 58% to 69%)**
- **Strengthened balance sheet further through provisions of Rs. 577 Cr over and above GS3 provisioning**
- **PAT at Rs. 148 Cr for Q1FY21 versus Rs. 549 Cr in Q1FY20. Adjusted for above provisions, PAT for Q1FY21 stood at Rs. 580 Cr**
- **Maintained enhanced structural liquidity at Rs. 16,669 Cr at group level**

L&T Finance Holdings (LTFH), a leading, well-diversified Non-Banking Financial Company (NBFC) announced the financial results for the quarter ended June 30, 2020. It is amongst the leading financiers across its focused businesses today and continues to leverage its strengths, built over the years, for building a stable and sustainable organization.

The company remained resilient in Q1FY21, enduring the challenges posed by COVID-19, by maintaining enhanced levels of liquidity, higher focus on restoring collection rhythm including digital modes of collection, and re-initiating disbursements with tightened credit norms. The company also prudently increased provisions to safeguard the balance sheet against uncertainties of the external environment. With roll out of moratorium 2.0, customer communication and engagement remained the key priority.

Key Highlights:

LTFH saw significant pick-up in collections and disbursements in June, thus highlighting the business robustness across the lending platforms. Businesses started returning to normalcy in the third month of the quarter and the company placed incremental focus on preserving asset quality, strengthening the balance sheet and further building on the business strengths.

- A. Moratorium:** LTFH followed the RBI's circulars of granting moratorium to customers and offered the option to all its customers. With the opening up and resumption of on-field collection, the team worked with customers to educate the benefits of timely payments. Consequently, the percentage of borrowers opting for moratorium drastically came down in Q1FY21 as against Q4FY20.
- Considerable reduction in portfolio under moratorium for retail products from 79% in March-20 to 44% in June -20
 - The overall moratorium for Infrastructure finance, IDF and Real Estate borrowers remained close to 40%, as majority of the Infrastructure portfolio is operational and has a 'must run' status.

L&T Finance Holdings Limited**Registered Office**

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Kalina, Santacruz (East)
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CIN: L67120MH2008PLC181833

T +91 22 6212 5000

F +91 22 6621 7509

E igrc@lifs.com

www.lifs.com

In addition, for projects under moratorium, the company has ensured that adequate liquidity is maintained in borrower's DSRA / TRA accounts.

B. Collections: LTFH placed higher focus on collection while educating the customers about the impact of moratorium. It's inherent strengths in data analytics were utilized to model propensity to pay and aid field collection efforts. On-ground collections started in all field locations except containment zones, with simultaneous push on digital collections and strengthening of collection infrastructure.

- Reduction in debtors by Rs.1,306 Cr and GS3 by Rs. 98 Cr on the back of improved 'on due date' collections primarily led by farm portfolio
- Consistent month on month increase in collection volumes, with retail collections till 14th July about 15% higher than similar period in June'20.
- Month on month increase in collections from wholesale portfolio, with toll collections in June reaching 80% and escrow collections in Real estate reaching 33% of pre-Covid levels.
- Increased push towards collections from digital modes including payment wallets. First time digital collections for our Microloans portfolio

C. Disbursements: The Company focused on increasing reach and gradual ramping up of business:

- Retail businesses have seen an improved momentum on month on month basis
- In wholesale, disbursements have been limited to tranches with focus towards completing existing projects
- Positive sentiments in rural India with timely onset of monsoon and above normal reservoir storage
- Financed over 10,000 Farm Equipments in June (19% YoY increase)
- Retail disbursements expected to accelerate in Q2F20, Infrastructure and Real estate disbursements will depend upon the growth in the sector

D. Liquidity: LTFH is comfortably placed with adequate liquidity even after factoring the effect of moratorium and difficult conditions in the debt market. It's prudent ALM framework and well-diversified liability mix helped it navigate the market situation:

- Maintained positive liquidity gaps in all buckets up to 1 year, enabling us to tide over liquidity challenges
- Enhanced liquidity of Rs. 16,669 Cr including liquid assets of Rs. 9,082 Cr, undrawn bank lines of Rs. 5,587 Cr and back up line of Rs. 2,000 Cr from L&T Ltd.
- Received the first tranche of \$ 50 million of the total \$ 100 million ECB loan from Asian Infrastructure Investment Bank (AIIB). This development marks AIIB's first loan to a non-banking financial company (NBFC) in India

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E igrc@lfs.com

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E. Strong Balance Sheet: The Gross Stage 3 assets of the company stood at 5.24% of its book, showing a reduction of 48 bps on YoY basis. The company also strengthened the PCR on stage 3 assets from 59% in Q4FY20 to 69% in Q1FY21.

Period	Q1FY20	Q4FY20	Q1FY21
Gross Stage 3	5,460	5,037	4,939
Net Stage 3	2,287	2,078	1,553
Gross Stage 3 %	5.72	5.36	5.24
Net Stage 3 %	2.48	2.28	1.71
Provision Coverage %	58	59	69

The company, in addition to above, prudently created an incremental provision of Rs. 577 Crs against its standard assets book in this quarter. It, resultantly, carries Rs. 1,244 Cr of provisions on account of macro prudential provisions, COVID-19 and accelerated ECL provisions on stage 1&2 assets, which are over and above the expected credit losses on GS3 and Stage 1&2 assets. The additional provisions translate to 1.39% of the standard book.

With this, the company firmly remains well prepared to deal with external uncertainties on account of COVID -19 and other macro-economic concerns.

LTFH continues to maintain strong capital adequacy of 21.18%

F. Focused Lending Book: The lending book of the focused businesses has remained flat, mainly to the extent of reduction in disbursements and moratorium on collections across businesses.

(Rs. Cr)	Q1FY20	Q1FY21	Book Growth (%)
Focused Lending Businesses			
Rural Finance	25,845	27,476	6
Housing Finance	26,033	26,954	4
Infrastructure Finance	38,623	39,276	2
Total Focused Book	90,500	93,706	4
Defocused Businesses	9,403	5,173	-45
Total Lending Book	99,904	98,879	-1

The Average Assets under Management (AAUM) of the Investment Management business stood at Rs.58,362 Cr in Q1FY21. The AUM for Equity and High-Quality Fixed income asset classes as on 30th June 2020 stood at Rs. 33,295 Cr and Rs. 12,442 Cr, with a growth of 19% and 14% respectively on QoQ basis

Financial Performance:

Profitability for the quarter was largely impacted due to interest cost on enhanced liquidity, lower fee income and most importantly, incremental provisions taken to strengthen the balance sheet against the after effect of the pandemic

The consolidated PAT is Rs. 148 Cr for Q1FY21 from Rs. 549 Cr in Q1FY20 on account of:

- Lower NIMs +Fees at 5.78% (Q1FY21) vs 6.76% (Q1FY20)
 - Negative carry on account of maintaining higher liquidity buffer of Rs 6,600 Cr carried as a prudent measure – Rs.84 Cr
 - Lower fee income because of lower disbursements across businesses
- Incremental provisions of Rs. 577 Crs in Q1FY21 to strengthen balance sheet. Credit Cost in Q1FY21 is shown at Rs. 896 Cr Vs Rs. 595 Cr in Q1FY20
 - COVID-19 provision of Rs. 277 Cr. in Q1FY21 (5% of 1-90 DPD book with moratorium, along with Rs 209 Cr in Q4FY20)
 - Macro-prudential provisions of Rs. 300 Cr

Adjusted for the above incremental provisions, the PAT for Q1FY21 stood at Rs. 580 Cr.

Management Commentary:

Commenting on the financial results **Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH**, said,

" The results of this quarter should be seen less as a quarterly result and more from the viewpoint of fortifying the company from any challenges arising in post-Covid scenario. Also, the various parameters should not be viewed on absolute levels but on the basis of progressive development from April to June as the company took advantage of gradual unlocking of markets.

As the world embraces the 'new normal' by adapting to the radical changes brought about by the pandemic, LTFH with its prudent business initiatives & proactive response mechanism, aided by the definite green shoots in the rural economy, is well poised to take it in its stride. This quarter, we focused on restoring the collection rhythm and maintaining the asset quality, especially through on-field customer outreach in non-containment zones. Our investments in digitalization and data-analytics capabilities over the past few years helped us switch gears seamlessly and enabled all our stakeholders to engage electronically. Enhanced provisioning, stronger risk controls, ample liquidity, along with a resilient business model and the revival seen in the rural economy from June onwards, give us the confidence that we will bounce back faster to the pre-Covid levels than anticipated."

About L&T Finance Holdings: LTFH (www.ltfh.com) is a financial holding company offering a focused range of financial products and services across rural, housing and infrastructure finance sectors, as well as in mutual fund products, 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 and L&T Investment Management Ltd. LTFH is registered with RBI as a CIC-ND-SI (1) L&T Infrastructure Debt Fund is indirectly wholly-owned subsidiary of LTFH with 100% of its shareholding held by LTFH along with its wholly-owned subsidiaries

LTFH is promoted by Larsen & Toubro Ltd. ("L&T") (www.larsentoubro.com), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

L&T Finance Holdings Limited

Registered Office

Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

T +91 22 6212 5000

F +91 22 6621 7509

E igrc@ltfh.com

www.ltfh.com

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

Follow us:



For further information, please contact:

Shveta Singh – Head, Group Marketing and Corporate Communications

shvetasingh@lfs.com

Ph: +91 9004287034

Sporshita Goswami – Sr. Manager, Corporate Communications

sporshitagoswami@lfs.com

Ph: +91 992088323

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