

May 4, 2017

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,
1st 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, 2017

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, 2017.

Please find enclosed the following:

- Audited Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2017 along with Report of Statutory Auditors.
- Declaration regarding Audit Reports 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**



Apurva Rathod
Company Secretary and Compliance Officer

Encl: as above

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 AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
L&T FINANCE HOLDINGS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **L&T FINANCE HOLDINGS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of the profit of its associate for the year ended 31st March, 2017 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which is in accordance with the Accounting Standards 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 an opinion on the Statement based on our audit of such consolidated financial statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph 4 below, is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiaries and associate referred to in paragraphs 4 below, the Statement:

a. includes the results of the following entities:

Sr No.	Name of the Company	Nature of relationship
1	L&T Finance Limited (formerly Family Credit Limited)	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	L&T Housing Finance Limited	Subsidiary

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Sr No.	Name of the Company	Nature of relationship
4	L&T Access Distribution Services Limited	Subsidiary
5	L&T Infra Debt Fund Limited	Subsidiary
6	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
7	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
8	L&T Investment Management Limited	Subsidiary
9	L&T Mutual Fund Trustee Limited	Subsidiary
10	L&T Capital Market Limited	Subsidiary
11	L&T Financial Consultants Limited (formerly known as L&T Vrindavan Properties Limited).	Subsidiary
12	Mudit Cement Private Limited	Subsidiary
13	Feedback Infra Private Limited	Associate

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- c. gives a 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 year ended 31st March, 2017.
4. We did not audit the financial statements of 8 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of ₹1,115.13 crore as at 31st March, 2017, total revenues of ₹451.77 crore for the year ended 31st March, 2017 and total (loss) after tax of ₹(4.23 crore) for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit of ₹5.75 crore for the year ended 31st March, 2017, as considered in the consolidated financial results, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

4. The Statement includes the results for the Quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mukesh Jain
Partner
(Membership No. 108262)
Mumbai, 4th May, 2017

For B. K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)



Ravi Kapoor
Partner
(Membership No. 040404)
Mumbai, 4th May, 2017

(₹ in Crore)

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017						
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Unaudited) (see note 10)	(Unaudited)	(Unaudited) (see note 10)	(Audited)	(Audited)
1	Income:					
	(a) Revenue from operations	2,162.56	2,093.99	1,957.97	8,340.59	7,288.79
	(b) Other income	75.53	67.93	52.77	231.72	181.90
	Total Income (a+b)	2,238.09	2,161.92	2,010.74	8,572.31	7,470.69
2	Expenses:					
	(a) Finance costs	1,157.98	1,160.16	1,127.36	4,627.03	4,124.14
	(b) Employee benefits expense	133.77	122.60	106.96	493.52	487.69
	(c) Other Expenses	157.59	177.01	214.82	715.66	742.37
	(d) Allowances and contingencies	688.46	328.18	206.28	1,589.90	781.02
	(e) Depreciation and amortisation	14.95	15.75	21.06	67.30	82.81
	Total expenses (a+b+c+d+e)	2,152.75	1,803.70	1,676.48	7,493.41	6,218.03
3	Profit before exceptional and extraordinary items and taxes (1-2)	85.34	358.22	334.26	1,078.90	1,252.66
4	Exceptional items	-	-	-	-	-
5	Profit before extraordinary items and taxes (3-4)	85.34	358.22	334.26	1,078.90	1,252.66
6	Extraordinary items	-	-	-	-	-
7	Profit from ordinary activities before tax (5-6)	85.34	358.22	334.26	1,078.90	1,252.66
8	Tax expense:					
	(a) Current tax	(79.66)	182.87	142.75	399.23	533.39
	(b) MAT Credit	(0.20)	(9.13)	-	(24.83)	(24.93)
	(c) Deferred tax	(148.75)	(92.66)	(44.47)	(340.96)	(109.49)
	Total tax expense (a+b+c)	(228.61)	81.08	98.28	36.44	398.97
9	Net profit from ordinary activities after tax (7-8)	313.95	277.14	235.98	1,042.46	853.69
10	Share in profit / (loss) of associate company	3.26	(1.60)	0.87	5.75	3.00
11	Share of minority interest	1.38	4.65	-	6.03	-
12	Net profit after minority interest and share of profit of associates (9+10-11)	315.83	270.89	236.85	1,042.18	856.69
13	Paid-up equity share capital (Face value of ₹ 10 - each) (Refer note 3)	1,755.72	1,754.95	1,753.40	1,755.72	1,753.40
14	Reserves excluding Revaluation Reserve	-	-	-	6,020.15	5,323.68
15	Earnings per share before and after extraordinary items (EPS): (Refer note 3 & 7)					
	(a) Basic EPS (₹) (* not annualised)	*1.60	*1.38	*1.08	5.21	3.79
	(b) Diluted EPS (₹) (* not annualised)	*1.58	*1.37	*1.08	5.14	3.79
	(c) Face value per equity share (₹)	10.00	10.00	10.00	10.00	10.00

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

(₹ in Crore)						
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Unaudited) (see note 10)	(Unaudited)	(Unaudited) (see note 10)	(Audited)	(Audited)
(a)	Net profit for the period / year (as above)	315.83	270.89	236.85	1,042.18	856.69
(b)	Preference dividend (on pro-rata basis) to be considered in the relevant board meeting	-	27.89	-	-	-
(c)	Preference dividend paid	35.33	-	47.03	124.44	201.14
(d)	Net profit for the period / year (after preference dividend) (a-b-c)	280.50	243.00	189.82	917.74	655.55

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

(₹ in Crore)

Sr. No.	Particulars	As at	As at
		March 31, 2017	March 31, 2016
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,969.12	2,966.80
	(b) Reserves and surplus	6,020.15	5,323.68
	(c) Money received against share warrants	118.07	118.07
	Sub-total - Shareholders' funds	9,107.34	8,408.55
2	Minority interest	118.57	100.30
3	Non-current liabilities		
	(a) Long-term borrowings	43,230.34	37,031.13
	(b) Deferred tax liabilities (net)	2.39	1.71
	(c) Other long-term liabilities	732.06	582.98
	(d) Long-term provisions	263.83	346.20
	Sub-total - Non-current liabilities	44,228.62	37,962.02
4	Current liabilities		
	(a) Short-term borrowings	11,764.10	6,695.53
	(b) Current maturities of long term borrowings	4,816.61	7,889.00
	(c) Trade payables	72.64	68.71
	(d) Other current liabilities	2,302.77	2,378.38
	(e) Short-term provisions	102.94	298.57
	Sub-total - Current liabilities	19,059.06	17,330.19
	TOTAL - EQUITY AND LIABILITIES	72,513.59	63,801.06
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	618.85	696.18
	(b) Goodwill on consolidation	638.91	638.91
	(c) Non-current investments	2,676.02	1,340.01
	(d) Deferred tax assets (net)	742.63	400.99
	(e) Long-term loans and advances	589.67	571.22
	(f) Long-term loans and advances towards financing activities	49,334.79	43,881.19
	(g) Other non-current assets	364.35	319.70
	Sub-total - Non-current assets	54,965.22	47,848.20
2	Current assets		
	(a) Current investments	3,335.51	2,223.27
	(b) Trade receivables	78.85	26.69
	(c) Cash and bank balances	594.38	401.53
	(d) Short-term loans and advances	76.31	75.07
	(e) Short-term loans and advances towards financing activities	2,171.25	3,114.68
	(f) Current maturities of long term loans and advances towards financing activities	10,142.46	9,069.50
	(g) Other current assets	1,149.61	1,042.12
	Sub-total - Current assets	17,548.37	15,952.86
	TOTAL - ASSETS	72,513.59	63,801.06

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L&T FINANCE HOLDINGS LIMITED
CIN: L67120MH2008PLC181833

Regd. Office : L&T House, N.M.Marg, Ballard Estate, Mumbai - 400 001
Website: www.ltfh.com Email: igrc@lthfinanceholdings.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, 2017 are summarized below and detailed financial results are also available on the Company's website www.ltfh.com.

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2017	2016	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Income from operations	239.48	11.43	13.87	277.58	348.50
Profit/(loss) before tax from ordinary activities for the period / year	233.10	3.63	15.83	245.11	368.09
Net profit for the period / year after tax	228.85	11.67	16.17	248.66	378.04

- 3 The Company, during the quarter and year ended March 31, 2017 has allotted 775,262 and 2,327,310 equity shares respectively of ₹ 10/- each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- 4 Share / Debenture issue expenses (net of tax) for the year ended March 31, 2017 amounting to ₹ 5.15 crore have been adjusted against Securities Premium Account.
- 5 During the year, the holding company has paid interim dividend (including dividend distribution tax) of ₹ 124.44 crore on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100/- each fully paid.
- 6 The Board of Directors have recommended a final dividend of ₹ 0.80 - per Equity Share of ₹ 10 - each (previous year ₹ 0.80/- per share) subject to approval of shareholders in ensuing Annual General Meeting. In terms of revised Accounting Standard (AS-4) 'Contingencies and events occurring after Balance Sheet' as notified by Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendments Rules, 2016 dated March 30, 2016, proposed dividend of ₹ 145.56 crore and dividend distribution tax (net) thereon is not recognised as liability as on March 31, 2017.
- 7 Earnings per share is calculated after adjusting annual dividend on outstanding preference shares.
- 8 Pursuant to RBI's Circular no.DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, the criteria for reporting Non Performing Advances (NPA) was revised from 150 days past due to 120 days past due with effect from first quarter of financial year 2016-17. In the below table, previous period's numbers have been restated by the management on the basis of the revised criteria.

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2017	2016	2016	2017	2016
a) Amount of Gross NPA (₹ in Crore)	3,146.09	2,940.07	2,755.80	3,146.09	2,755.80
b) Amount of Net NPA (₹ in Crore)	1,798.51	1,843.60	2,144.18	1,798.51	2,144.18
c) Gross NPA (%)	4.95%	4.86%	4.85%	4.95%	4.85%
d) Net NPA (%)	2.89%	3.10%	3.82%	2.89%	3.82%

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.

- 9 Pursuant to order of National Company Law Tribunal, Mumbai Bench ("NCLT") dated January 24, 2017 and Hon'ble High Court of Calcutta dated February 6, 2017, the Scheme of Amalgamation for merger of two wholly owned subsidiaries of the Company, L&T Finance Limited and L&T Fincorp Limited into another wholly owned subsidiary Family Credit Limited is effected from April 01, 2016. Accordingly, L&T Finance Limited and L&T Fincorp Limited cease to exist as subsidiaries of the Company. Subsequently, as mentioned in the Scheme of Amalgamation, Family Credit Limited is renamed as L&T Finance Limited.
- 10 Additionally, on approval of Hon'ble High Court of Bombay vide its Order dated July 10, 2015 and of Hon'ble High Court of Delhi vide its Order dated August 29, 2016, Company's wholly owned subsidiary Consumer Financial Services Limited merged into another wholly owned Subsidiary L&T Housing Finance Limited with effect from April 01, 2015.
- 11 The figures for the quarter ended March 31, 2017 and 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 nine months ended December 31, 2016 and December 31, 2015 respectively and were subjected to limited review by the Statutory Auditors.
- 12 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 4, 2017. The Joint Statutory Auditors of the Company have carried out an audit for the year ended March 31, 2017 and of the Statement of Assets and Liabilities of that date.
- 13 Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period/year.

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L&T FINANCE HOLDINGS LIMITED
CIN. L67120MH2008PLC181833

Regd. Office : L&T House, N.M.Marg, Ballard Estate, Mumbai - 400 001
Website: www.ltfh.com Email: lgrc@lthfinanceholdings.com Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

13 Segment-wise Revenue, Results, Assets and Liabilities in terms of Regulation 33 of the Listing Regulations:

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31,	December 31,	March 31,	March 31,	March 31,
		2017	2016	2016	2017	2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Gross segment revenue from continuing operations					
(a)	Rural Business	455.75	462.18	417.46	1,803.52	1,587.37
(b)	Housing Business	399.30	397.70	302.08	1,466.60	925.40
(c)	Wholesale Business	1,156.67	1,026.73	1,114.76	4,236.61	3,831.90
(d)	Defocused Business	80.36	106.89	103.70	477.33	720.15
(e)	Others	235.18	124.52	40.05	590.86	589.62
	Total	2,327.26	2,118.02	1,978.08	8,574.92	7,654.44
	Less: Inter Segment revenue	(164.70)	(24.03)	(20.08)	(234.33)	(365.65)
	Net segment revenue from continuing operations	2,162.56	2,093.99	1,957.97	8,340.59	7,288.79
	Segment Result (Profit/(loss) before tax)					
(a)	Rural Business	29.15	110.94	95.30	356.22	322.58
(b)	Housing Business	134.38	132.82	80.31	419.60	201.86
(c)	Wholesale Business	(44.69)	144.49	175.97	453.13	795.29
(d)	Defocused Business	(56.91)	(48.10)	(31.65)	(214.06)	(109.91)
(e)	Others	23.41	18.07	14.33	64.01	42.84
	Profit before tax	85.34	358.22	334.26	1,078.90	1,252.66
	Segment assets					
(a)	Rural Business	10,261.67	10,057.12	9,030.31	10,261.67	9,030.31
(b)	Housing Business	13,229.27	12,074.38	9,794.28	13,229.27	9,794.28
(c)	Wholesale Business	47,731.63	40,448.47	37,444.28	43,731.63	37,444.28
(d)	Defocused Business	2,489.12	3,101.70	5,042.93	2,489.12	5,042.93
(e)	Others	1,551.01	1,311.73	1,726.83	1,551.01	1,726.83
(f)	Unallocated	1,250.89	1,032.92	762.43	1,250.89	762.43
	Total segment assets	72,513.59	68,026.32	63,801.06	72,513.59	63,801.06
	Segment liabilities					
(a)	Rural Business	9,080.23	8,696.77	7,902.26	9,080.23	7,902.26
(b)	Housing Business	11,926.84	10,906.69	8,936.17	11,926.84	8,936.17
(c)	Wholesale Business	39,175.94	35,961.69	33,189.98	39,175.94	33,189.98
(d)	Defocused Business	2,202.54	2,682.16	4,412.86	2,202.54	4,412.86
(e)	Others	995.87	491.27	898.22	995.87	898.22
(f)	Unallocated	24.83	152.36	53.02	24.83	53.02
	Total segment liabilities	63,406.25	58,890.94	55,392.51	63,406.25	55,392.51

(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) During the current year, segment wise reporting has been realigned to be in line with the strategic focus of the Organisation. Accordingly, previous periods year numbers have been regrouped/reclassified.

(iii) Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

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

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

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

Unallocated represents tax assets and tax liabilities.

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

Mukesh Jain
Partner

Place : Mumbai
Date : May 4, 2017

In terms of our report attached,
For B. K. KHARE & CO.
Chartered Accountants

Ravi Kapoor
Partner

Place : Mumbai
Date : May 4, 2017

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

Dinanath Dubhashi
Managing Director
(DIN : 03543900)

Place : Mumbai
Date : May 4, 2017

May 4, 2017

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,
1st 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: Declaration regarding Audit Reports with unmodified opinion for the Audited Consolidated Financial Results

Dear Sir/Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby declare that M/s. B. K. Khare & Co, Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Joint Statutory Auditors of the Company have submitted the Audit Reports for Audited Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2017 with unmodified opinion.

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**



Sachinn Joshi
Chief Financial Officer

Press Release

Thursday, May 4th, 2017, Mumbai

Performance for quarter and financial year ended March 31, 2017

Consolidated PAT at Rs 1,042 crore – YoY growth of 22%
Consolidated PAT to Equity Shareholders grew 40%

Fourth successive quarter of RoE improvement; Full year RoE at 12.31% - improvement of 253 bps

Result Highlights:

L&T Finance Holdings Ltd (LTFH) has remained steadfast in its journey to reach top quartile RoE by 2020. In FY17, LTFH improved its RoE by 253 bps – from 9.78% in FY16 to 12.31% in FY17. Consolidated PAT grew from Rs. 857 cr. in FY16 to Rs. 1042 cr in FY17 – a growth of 22%. Consolidated PAT to equity shareholders increased from Rs. 656 cr. in FY16 to Rs. 918 cr. in FY17 – a growth of 40%.

This performance has been achieved through a combination of (a) growth in the focused businesses, (b) exit from non-core businesses, (c) an increase in fee income, and (d) reduction in cost- income ratio.

- **Growth in focused businesses:** In its focused lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, LTFH recorded a 20% increase in assets. Developing these businesses as Centers of Excellence, LTFH relied on its ability to structure transactions, robust risk management framework and industry leading turnaround time as levers for growth.

<u>Disbursements</u>	<u>FY16</u>	<u>FY17</u>	<u>Growth</u>
Rural Finance	6,526	7,405	13.5%
Housing Finance	5,805	6,904	18.9%
Wholesale Finance	27,831	34,996	25.7%
Focused Lending Businesses	40,161	49,305	22.8%

LTFH also witnessed strong growth in its Investment & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased from Rs. 25,945 cr. in Q4FY16 to Rs. 39,300 cr. in Q4FY17 – a growth of 51%. Average Assets under Service (AAUS) in Wealth Management business increased from Rs. 9,316 cr. in Q4FY16 to Rs. 13,623 cr. in Q4FY17 – a growth of 46%.

- **Exit from non-core businesses:** LTFH has been running down its assets in non-core businesses. In addition, Rs. 327 cr. of this portfolio was sold in Q4FY17 in order to accelerate the exit. With this, only Rs. 2,671 cr. of this portfolio remains, which as a percentage of total assets constitutes merely 4.0% in Q4 FY17 as against 8.5% in Q4FY16.

- **Increase in Fee and Other Income:** LTFH focused on enhancing systemic capabilities to increase its fee and other income as one of the key levers to reach top quartile RoE. Using its strong underwriting ability, structuring and syndication capabilities, and by selling-down loans, LTFH has increased its fee and other income from Rs. 495 cr. in FY16 to Rs. 722 cr. in FY17 – a growth of 46%. As a percentage of assets, fee income has increased from 0.94% in FY16 to 1.18% in FY17.
- **Reduction in Cost-Income Ratio:** By optimizing operating costs, LTFH’s Cost to Income ratio has reduced from 31% in FY16 to 26% in FY17 – a reduction of 477 bps. LTFH intends to maintain controls on cost while increasing its investment in digitization and automation.

Asset Quality:

Amidst a challenging environment in the second half of FY17, the Gross Non-Performing Assets (GNPA) ratio increased marginally from 4.85% at the end of Q4FY16 to 4.94% at the end of Q4FY17. However, LTFH has been strengthening its balance sheet throughout FY17 by making accelerated provisions in addition to those required under regulations. In Q4FY17, LTFH made Rs. 491 cr. of accelerated principle provisions and Rs. 47 cr. of accelerated interest provisions. Subsequently, the coverage on GNPA increased from 22.19% in Q4FY16 to 42.82% in Q4FY17 indicating a much stronger balance sheet. As a result of this, Net NPA ratio has reduced substantially from 3.82% to 2.89% over the same period.

<i>(Rs. Cr.)</i>	Q4FY16	Q4FY17
Gross NPA	2,757	3,146
Net NPA	2,145	1,799
Gross NPA %	4.85%	4.94%
Net NPA %	3.82%	2.89%
Provision Coverage %	22.19%	42.82%

Management Commentary:

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “FY17 was a year of turnaround, a year of decisive changes in businesses and in the organization’s culture. This has also been a year where we re-built credibility with shareholders. The single goal that drives us at LTFH is that of achieving top quartile RoE with execution centered on what we call “Results and not Reasons”. FY18 will be a year where we would be investing in strengthening our competitiveness. The strengths we have built would enable us to take dominant positions in select products and drive our growth engine. I am confident that we will reach our goal of delivering top quartile RoE to our shareholders by FY2020 or even earlier.”

About L&T Finance Holdings Ltd.:

LTFH is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd. (erstwhile Family Credit Ltd.), L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd., L&T Capital Markets Ltd. and L&T Financial Consultants Ltd. LTFH is registered with 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