

**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.

**REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION****TO THE BOARD OF DIRECTORS  
L&T FINANCE HOLDINGS LIMITED****Introduction**

We have reviewed the accompanying Interim Condensed Consolidated Financial Information 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 in the profit of its associate as at and for the period of nine months ended December 31, 2017 which comprise Condensed Consolidated Balance Sheet as at December 31, 2017, the Condensed Consolidated Statement of Profit and Loss for the period of nine months ended December 31, 2017, the Condensed Consolidated Cash Flow Statement of the Company for the period of nine months ended December 31, 2017 and selected explanatory notes (the “Interim Condensed Consolidated Financial Statements”) annexed thereto. These Interim Condensed Consolidated Financial Statements have been approved by the Board of Directors of the Company and are the responsibility of the Company’s Management. Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 (Interim Financial Reporting), notified by the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.

**Scope of Review**

We conducted our review in accordance with 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

**Conclusion**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements have not been prepared, in all material respects, in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies, or that it contains any material misstatement.

## **Other matters**

We did not review the interim financial information of 7 subsidiaries, whose financial information reflect total assets of Rs. 117,531.00 lakh as at December 31, 2017, total revenues of Rs. 55,975.37 lakh and net cash inflows amounting to Rs. 58.57 lakh for the nine months period ended December 31, 2017, as considered in the Interim Condensed Consolidated Financial Statements. These financial information of subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Interim Consolidated Financial Statements, 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.

The Interim Condensed Consolidated Financial Statements also include the Group's share of net profit of Rs. 233.95 lakh for the nine months ended December 31, 2017, as considered in the Interim Condensed Consolidated Financial Statements, in respect of an associate, whose financial information is not reviewed by its auditors and have been furnished to us by the Management and our conclusion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, the financial information of the associate is not material to the Group.

Our conclusion on the Interim Condensed Consolidated Financial Statements 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 and the financial information certified by the Management.

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

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

Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

Padmini Khare Kaicker  
Partner  
(Membership No. 044784)

MUMBAI, January 25, 2018

## L&amp;T Finance Holdings Limited

## Condensed Consolidated Balance Sheet as at December 31, 2017

₹ in Lakh

	As at December 31, 2017	As at March 31, 2017
<b>EQUITY AND LIABILITIES:</b>		
<b>Shareholders' funds</b>		
Share capital	285,801.11	296,912.20
Reserves and surplus	751,193.86	602,014.70
Money received against share warrants	-	11,806.88
	1,036,994.97	910,733.78
<b>Minority interest</b>	11,701.68	11,856.64
<b>Non-current liabilities</b>		
Long-term borrowings	5,146,144.26	4,323,034.62
Deferred tax liabilities	293.02	238.87
Other long term liabilities	66,423.72	73,205.64
Long-term provisions	27,001.79	26,382.84
	5,239,862.79	4,422,861.97
<b>Current liabilities</b>		
Short-term borrowings	981,366.56	1,176,409.93
Current maturities of long term borrowings	719,122.40	481,660.93
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,930.78	7,263.62
Other current liabilities	269,135.24	232,382.50
Short-term provisions	7,514.66	8,189.83
	1,983,069.64	1,905,906.81
<b>TOTAL</b>	<b>8,271,629.08</b>	<b>7,251,359.20</b>
<b>ASSETS:</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	49,929.54	58,046.39
Intangible assets	1,602.35	1,049.31
Capital work-in-progress	3,935.06	2,596.75
Intangible assets under development	150.15	192.42
Goodwill on consolidation	63,891.06	63,891.06
Non-current investments	257,714.34	267,601.95
Deferred tax assets	88,805.30	74,262.65
Long-term loans and advances	86,540.33	58,887.42
Long-term loans and advances towards financing activities	5,685,197.96	4,933,479.05
Other non-current assets	50,920.53	36,514.74
	6,288,686.62	5,496,521.74
<b>Current assets</b>		
Current investments	339,410.49	333,551.16
Trade receivables	15,841.91	7,884.92
Cash and bank balances	96,599.67	59,438.28
Short-term loans and advances	27,528.72	11,840.71
Short-term loans and advances towards financing activities	198,009.60	217,124.52
Current maturities of long term loans and advances towards financing activities	1,111,391.53	1,014,246.42
Other current assets	194,160.54	110,751.45
	1,982,942.46	1,754,837.46
<b>TOTAL</b>	<b>8,271,629.08</b>	<b>7,251,359.20</b>

See selected explanatory notes forming part of condensed financial statements

Note 1

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

In terms of our report attached  
For **B. K. KHARE & CO.**  
Chartered Accountants  
Firm's registration no. 105102W  
by the hand of

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

**Sanjiv V. Pilgaonkar**  
Partner

**Padmini Khare Kaicker**  
Partner  
Membership no.044784

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

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

Place : Mumbai  
Date : January 25, 2018

Place : Mumbai  
Date : January 25, 2018

**Apurva Rathod**  
Company Secretary  
Place : Mumbai  
Date : January 25, 2018

**Sachinn Joshi**  
Chief Financial Officer

L&T Finance Holdings Limited

Condensed Consolidated Statement of Profit and Loss for the nine months ended December 31, 2017

₹ in Lakh

	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
<b>INCOME:</b>				
Revenue from operations	263,017.26	209,398.58	727,269.53	617,802.72
Other income	7,085.37	6,793.06	28,881.03	15,619.29
<b>Total Income</b>	<b>270,102.63</b>	<b>216,191.64</b>	<b>756,150.56</b>	<b>633,422.01</b>
<b>EXPENSES:</b>				
Finance costs	135,956.02	116,015.89	388,885.97	346,905.04
Employee benefits expense	13,364.04	12,260.18	35,816.44	35,974.89
Administration and other expenses	25,411.14	17,700.29	67,324.47	55,806.78
Allowances and write offs	49,281.71	32,818.02	142,214.05	90,144.07
Depreciation and amortisation	1,285.20	1,575.10	3,873.65	5,235.45
<b>Total expenses</b>	<b>225,298.11</b>	<b>180,369.48</b>	<b>638,114.58</b>	<b>534,066.23</b>
<b>Profit before exceptional and extraordinary items and taxes</b>	<b>44,804.52</b>	<b>35,822.16</b>	<b>118,035.98</b>	<b>99,355.78</b>
Exceptional items	-	-	-	-
<b>Profit before extraordinary items and taxes</b>	<b>44,804.52</b>	<b>35,822.16</b>	<b>118,035.98</b>	<b>99,355.78</b>
Extraordinary items	-	-	-	-
<b>Profit before tax</b>	<b>44,804.52</b>	<b>35,822.16</b>	<b>118,035.98</b>	<b>99,355.78</b>
<b>Tax expense:</b>				
Current tax	13,769.55	18,287.62	27,778.55	47,889.12
MAT Credit	(62.57)	(913.43)	(238.79)	(2,163.33)
Deferred tax	(6,739.46)	(9,265.96)	(14,488.50)	(19,220.98)
Short/(Excess) provision relating to earlier years	(609.11)	-	(609.11)	-
<b>Tax expense</b>	<b>6,358.41</b>	<b>8,108.23</b>	<b>12,442.15</b>	<b>26,504.81</b>
<b>Profit after tax</b>	<b>38,446.11</b>	<b>27,713.93</b>	<b>105,593.83</b>	<b>72,850.97</b>
Add : Share in profit of associate company	125.08	(159.60)	233.95	249.01
Less : Share of minority interest	162.72	465.07	478.72	465.07
<b>Profit for the period attributable to the shareholders of the Company</b>	<b>38,408.47</b>	<b>27,089.26</b>	<b>105,349.06</b>	<b>72,634.91</b>
<b>Earnings per equity share:</b>				
Basic earnings per equity share before and after extraordinary items (₹) (not annualised)	1.96	1.38	5.35	3.61
Diluted earnings per equity share before and after extraordinary items (₹) (not annualised)	1.95	1.37	5.30	3.57
Face value per equity share (₹)	10.00	10.00	10.00	10.00
See selected explanatory notes forming part of condensed financial statements	<b>Note 1</b>			

In terms of our report attached  
For DELOITTE HASKINS & SELLS LLP  
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For B. K. KHARE & CO.  
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Firm's registration no. 105102W  
by the hand of

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

Sanjiv V. Pilgaonkar  
Partner

Padmini Khare Kaicker  
Partner  
Membership no.044784

S. V. Haribhakti  
Non-Executive Chairman  
(DIN: 00007347)

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

Apurva Rathod  
Company Secretary  
Place : Mumbai  
Date : January 25, 2018

Sachinn Joshi  
Chief Financial Officer

Place : Mumbai  
Date : January 25, 2018

Place : Mumbai  
Date : January 25, 2018

## L&amp;T Finance Holdings Limited

## Condensed Consolidated Cash Flow Statement for the nine months ended December 31, 2017

₹ in Lakh

	Nine months ended December 31, 2017	Nine months ended December 31, 2016
<b>A. Cash flow from operating activities</b>		
Net cash used in operating activities (A)	(867,641.31)	(287,595.18)
<b>B. Cash flow from investing activities</b>		
Net cash from/(used in) investing activities (B)	46,483.95	(7,626.58)
<b>C. Cash flow from financing activities</b>		
Net cash from financing activities (C)	865,710.16	333,872.12
Net cash increase in cash and cash equivalents (A+B+C)	44,552.80	38,650.36
Cash and cash equivalents as at beginning of the period	46,658.58	39,816.74
Cash and cash equivalents as at end of the period	91,211.38	78,467.10

**Reconciliation of Cash and Cash Equivalents**

Closing Balance as per Balance Sheet	96,599.67	122,749.76
Less : Deposits with original maturity for more than 3 months	5,388.29	44,282.66
<b>Cash and cash equivalents as at end of the period*</b>	<b>91,211.38</b>	<b>78,467.10</b>

**Notes:**

1. Net cash used in operating activities is determined after adjusting the following:

Interest received	615,345.25	548,231.52
Dividend received	66.33	56.85
Interest paid	337,181.61	299,811.67

\* Includes balances in earmarked accounts ₹ 948.27 lakh (Previous period balance ₹ 779.52 lakh)

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For and on behalf of Board of Directors of  
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**Sachinn Joshi**  
Chief Financial Officer

Place : Mumbai  
Date : January 25, 2018

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**L&T Finance Holdings Limited**
**Selected explanatory notes to Condensed Consolidated Financial Statements as at December 31, 2017**
**Note 1**

- 1 These Condensed Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 25 Interim Financial Reporting prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These Condensed Financial Statements should be read in conjunction with the annual financial statements of the Company as at / for the year ended March 31, 2017. In the opinion of the Management, all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in the presentation of the Condensed Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements. The results of the interim period are not necessarily an indication of the result that may be expected for any interim period / full year.
- 2 Earnings per share (Not annualised):

Particulars		Three months ended 31-Dec-17	Three months ended 31-Dec-16	Nine months ended 31-Dec-17	Nine months ended 31-Dec-16
<b>Basic</b>					
Profit after tax as per Statement of Profit and Loss (₹ lakh)		38,408.47	27,089.26	105,349.06	72,634.91
Less:- Dividend and Dividend Distribution Tax on Cumulative Compulsorily Redeemable Preference Shares		2,638.82	2,789.01	8,387.47	9,249.43
Profit attributable to equity share holders (₹ lakh)	<b>A</b>	35,769.65	24,300.25	96,961.59	63,385.48
Number of equity shares		1,823,611,084	1,754,946,599	1,823,611,084	1,754,946,599
Weighted average number of equity shares outstanding	<b>B</b>	1,823,095,062	1,754,731,362	1,811,088,913	1,754,146,396
Basic EPS before and after extraordinary items (₹)	<b>A/B</b>	1.96	1.38	5.35	3.61
<b>Diluted</b>					
Profit attributable to equity share holders (₹ lakh)	<b>A</b>	35,769.65	24,300.25	96,961.59	63,385.48
Weighted average number of equity shares outstanding	<b>B</b>	1,823,095,062	1,754,731,362	1,811,088,913	1,754,146,396
Add: Weighted average no. of potential equity shares	<b>C</b>	15,541,500	18,865,567	19,299,454	18,921,448
Weighted average number of shares outstanding for diluted EPS	<b>D=B+C</b>	1,838,636,562	1,773,596,929	1,830,388,367	1,773,067,844
Diluted EPS before and after extraordinary items (₹)	<b>A/D</b>	1.95	1.37	5.30	3.57
Face value of shares (₹)		10.00	10.00	10.00	10.00

- 3 Disclosure pursuant to Accounting Standard (AS) 17 Segment Reporting

**a) Primary Segment (Business Segment)**

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural, Housing, Wholesale, Defocused and Other businesses. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

b) **Segment composition :**

**Rural Business** comprises of Farm Equipments, Micro Loans 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

₹ in lakh

Sr. No.	Particulars	Three months ended		Nine months ended	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	<b>Gross segment revenue from continuing operations</b>				
a	Rural Business	66,710.94	45,515.52	170,013.79	134,776.81
b	Housing Business	53,019.95	39,008.18	139,714.95	106,730.18
c	Wholesale Business	117,689.48	98,599.02	349,269.86	307,994.02
d	Defocused Business	5,159.43	12,797.57	17,866.39	39,696.77
e	Others	24,336.24	15,880.53	60,958.48	35,567.59
	<b>Total</b>	<b>266,916.04</b>	<b>211,800.82</b>	<b>737,823.47</b>	<b>624,765.37</b>
	Less: Inter Segment revenue	(3,898.78)	(2,402.24)	(10,553.94)	(6,962.65)
	<b>Net segment revenue from continuing operations</b>	<b>263,017.26</b>	<b>209,398.58</b>	<b>727,269.53</b>	<b>617,802.72</b>
	<b>Segment Result (Profit/(loss) before tax)</b>				
a	Rural Business	17,397.97	11,094.02	41,374.61	32,707.02
b	Housing Business	17,904.92	13,281.93	47,043.20	28,521.66
c	Wholesale Business	10,195.15	14,448.09	32,619.85	49,782.09
d	Defocused Business	(4,780.01)	(4,815.50)	(14,827.54)	(15,714.50)
e	Others	4,086.49	1,813.62	11,825.86	4,059.51
	<b>Profit before tax</b>	<b>44,804.52</b>	<b>35,822.16</b>	<b>118,035.98</b>	<b>99,355.78</b>

₹ in lakh

Sr. No.	Particulars	As at December 31, 2017	As at March 31, 2017
	<b>Capital employed</b>		
A	Rural Business	155,331.43	118,144.22
B	Housing Business	158,848.86	130,242.96
C	Wholesale Business	461,923.69	455,569.19
D	Defocused Business	16,351.42	28,657.62
E	Unallocated	164,141.96	122,606.47
F	Others	80,397.61	55,513.32
	<b>Total capital employed</b>	<b>1,036,994.97</b>	<b>910,733.78</b>

- Share / Debenture issue expenses (net of tax) for the three months and nine months ended December 31, 2017 amounting to ₹ 125.46 lakh and ₹ 752.11 lakh respectively have been adjusted against Securities Premium Account.
- During the nine months ended December 31, 2017, the final dividend (including DDT) of ₹ 1049.04 lakh on Redeemable Preference Shares of ₹ 100/- each has been paid.
- During the nine months ended December 31, 2017, the Company has paid dividend of ₹ 14,573.70 lakh on Equity Shares of ₹ 10/- each fully paid.
- The Company, during the three months and nine months ended December 31, 2017 has allotted 1,898,962 and 4,068,233 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).
- During the nine months ended December 31, 2017, 63,820,990 share warrants had become due for conversion. The investor has exercised the rights for conversion of share warrants into equity shares and accordingly equivalent number of equity shares of Face value of ₹ 10 each are issued at premium of ₹ 64 each. The Company has received a total consideration of ₹ 47,227.54 lakh of which ₹ 35,420.65 lakh is received in the quarter ended June 30, 2017 (being 75% of total consideration).
- Contingent liabilities and commitments:**

₹ in lakh

Particulars	As at December 31, 2017	As at March 31, 2017
<b>Contingent liabilities</b>		
a) Claims against the Company not acknowledged as debt		
• Income Tax matter in dispute	1,321.64	1,317.15
• Service Tax / Sales Tax / VAT matters in dispute	3,481.04	2,859.37
• Legal matters in dispute	122.75	109.09
• Other claim not acknowledged as debt	-	-
b) Bank Guarantees	16,791.79	7,120.00
c) Other money for which the Company is contingently liable; Letter of Credit/ Letter of Comfort	262,641.39	79,516.30
<b>Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	20,296.77	765.83
b) Other Commitments		
• Undrawn Commitments (standby facilities)	68,188.82	99,533.47

- 10 During the nine months ended December 31, 2017, 8.40% Cumulative Compulsory Redeemable Preference Shares (CRPS) amounting ₹ 13,900 lakh and 8.35% Cumulative Compulsory Redeemable Preference Shares (CRPS) amounting ₹ 4,000 lakh have been redeemed.
- 11 Previous period/year figures are regrouped / reclassified wherever necessary.

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

**S. V. Haribhakti**  
Non-Executive Chairman  
(DIN: 00007347)

**Dinanath Dubhashi**  
Managing Director & Chief Executive Officer  
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Place : Mumbai  
Date : January 25, 2018