

**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  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
L&T FINANCE HOLDINGS LIMITED**

1. We have reviewed the accompanying Statement of Unaudited 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 Quarter and Nine months ended December 31, 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 prepared in accordance with the recognition and measurement principles laid down in Accounting standard 25 for "Interim Financial Reporting" ("AS 25"), 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 issue a report on the Statement based on our review.
2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Nature of relationship</b>
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	Subsidiary

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<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Nature of relationship</b>
10	L&T Financial Consultants Limited	Subsidiary
11	Mudit Cement Private Limited	Subsidiary
12	Feedback Infra Private Limited	Associate

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards 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, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial statements of 7 subsidiaries included in the unaudited consolidated financial results, whose interim financial statements reflect total revenues of ₹222.94 crore and ₹559.75 crore for the Quarter and Nine Months ended December 31, 2017 respectively, and total profit after tax of ₹17.32 crore and ₹42.29 crore for the Quarter and Nine Months ended December 31, 2017 respectively as considered in the unaudited consolidated financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our report 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.

Our report 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 other auditors.

6. The Statement also includes the Group's share of profit after tax of ₹1.26 crore and ₹2.34 crore for the Quarter and Nine Months ended December 31, 2017 respectively, as considered in the unaudited consolidated financial results, in respect of an associate, based on their interim financial information which have not been reviewed by their auditors.

Our report on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

**For DELOITTE HASKINS & SELLS LLP**

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

Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

**For B. K. KHARE & CO.**

Chartered Accountants  
(Firm's Registration No. 105102W)

Padmini Khare Kaicker  
Partner  
(Membership No. 044784)

MUMBAI, January 25, 2018

(₹ in Crore)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017							
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2017	2017	2016	2017	2016	2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income:</b>						
	(a) Revenue from operations	2,630.17	2,383.82	2,093.99	7,272.69	6,178.03	8,340.59
	(b) Other income	70.85	110.90	67.93	288.81	156.19	231.72
	<b>Total Income (a+b)</b>	<b>2,701.02</b>	<b>2,494.72</b>	<b>2,161.92</b>	<b>7,561.50</b>	<b>6,334.22</b>	<b>8,572.31</b>
2	<b>Expenses:</b>						
	(a) Finance costs	1,359.56	1,296.74	1,160.16	3,888.86	3,469.05	4,627.03
	(b) Employee benefits expense	133.64	114.08	122.60	358.16	359.75	493.52
	(c) Administration and other expenses	254.11	215.59	177.01	673.24	558.07	715.66
	(d) Allowances and write offs	492.82	470.65	328.18	1,422.14	901.44	1,589.90
	(e) Depreciation and amortisation	12.85	12.18	15.75	38.74	52.35	67.30
	<b>Total expenses (a+b+c+d+e)</b>	<b>2,252.98</b>	<b>2,109.24</b>	<b>1,803.70</b>	<b>6,381.14</b>	<b>5,340.66</b>	<b>7,493.41</b>
3	<b>Profit before exceptional and extraordinary items and taxes (1-2)</b>	<b>448.04</b>	<b>385.48</b>	<b>358.22</b>	<b>1,180.36</b>	<b>993.56</b>	<b>1,078.90</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit before extraordinary items and taxes (3-4)</b>	<b>448.04</b>	<b>385.48</b>	<b>358.22</b>	<b>1,180.36</b>	<b>993.56</b>	<b>1,078.90</b>
6	Extraordinary items	-	-	-	-	-	-
7	<b>Profit from ordinary activities before tax (5-6)</b>	<b>448.04</b>	<b>385.48</b>	<b>358.22</b>	<b>1,180.36</b>	<b>993.56</b>	<b>1,078.90</b>
8	Tax expense:						
	(a) Current tax	137.70	74.02	182.87	277.79	478.89	399.23
	(b) MAT Credit	(0.63)	(1.14)	(9.13)	(2.39)	(21.63)	(21.83)
	(c) Deferred tax	(67.40)	(49.87)	(92.66)	(144.89)	(192.21)	(340.96)
	(d) Short/(Excess) provision relating to earlier years	(6.09)	-	-	(6.09)	-	-
	<b>Total tax expense (a+b+c+d)</b>	<b>63.58</b>	<b>23.01</b>	<b>81.08</b>	<b>124.42</b>	<b>265.05</b>	<b>36.44</b>
9	<b>Net profit from ordinary activities after tax (7-8)</b>	<b>384.46</b>	<b>362.47</b>	<b>277.14</b>	<b>1,055.94</b>	<b>728.51</b>	<b>1,042.46</b>
10	Add: Share in profit/(loss) of associate company	1.26	(0.65)	(1.60)	2.34	2.49	5.75
11	Less: Share of minority interest	1.63	1.58	4.65	4.79	4.65	6.03
12	<b>Net profit after minority interest and share of profit of associate (9+10-11)</b>	<b>384.09</b>	<b>360.24</b>	<b>270.89</b>	<b>1,053.49</b>	<b>726.35</b>	<b>1,042.18</b>
13	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 3 & 4)	1,823.61	1,821.71	1,754.95	1,823.61	1,754.95	1,755.72
14	<b>Reserves excluding Revaluation Reserve</b>						6,020.15
15	<b>Earnings per share before and after extraordinary items (EPS): (Refer note 3, 4 &amp; 6)</b>						
	(a) Basic EPS (₹) (* not annualised)	*1.96	*1.83	*1.38	*5.35	*3.61	5.21
	(b) Diluted EPS (₹) (* not annualised)	*1.95	*1.82	*1.37	*5.30	*3.57	5.14
	(c) Face value per equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00

**Notes:**

- The consolidated financial statements are prepared in accordance with Accounting Standards (AS) 21 - on Consolidated Financial Statements and AS 23 - on Accounting for Investments in Associates in Consolidated Financial Statements.
- Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has opted to publish the consolidated financial results. The unaudited standalone financial results have been submitted separately to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the equity shares of the Company are listed. The unaudited standalone financial results for the quarter and nine months ended December 31, 2017 are summarized below and detailed Financial Results are also available on the Company's website www.ltf.com.

(₹ in Crore)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2017	2017	2016	2017	2016	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from operations	20.52	13.50	11.43	49.83	38.10	277.58
Profit before tax from ordinary activities for the period / year	1.25	5.00	3.63	14.65	12.01	245.11
<b>Net profit for the period / year after tax</b>	<b>6.98</b>	<b>4.83</b>	<b>11.67</b>	<b>20.01</b>	<b>19.81</b>	<b>248.66</b>

- The Company, during the quarter 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 ₹ 472.28 crore of which ₹ 354.21 crore is received in the quarter ended June 30, 2017 (being 75% of total consideration).
- Share / Debenture issue expenses (net of tax) for the quarter and nine months ended December 31, 2017 amounting to ₹ 1.25 crore and ₹ 7.52 crore respectively have been adjusted against Securities Premium Account.
- Earnings per share is calculated after adjusting pro-rata dividend on outstanding preference shares.

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L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

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

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Gross segment revenue from continuing operations</b>							
(a) Rural Business	667.11	527.08	455.16	1,700.14	1,347.77	1,803.52	
(b) Housing Business	530.20	434.58	390.08	1,397.15	1,067.30	1,466.60	
(c) Wholesale Business	1,176.89	1,198.41	985.99	3,492.70	3,079.94	4,236.61	
(d) Defocused Business	51.59	55.38	127.98	178.66	396.97	477.33	
(e) Others	243.37	195.28	158.81	609.58	355.68	590.86	
<b>Total</b>	<b>2,669.16</b>	<b>2,410.73</b>	<b>2,118.02</b>	<b>7,378.23</b>	<b>6,247.66</b>	<b>8,574.92</b>	
Less: Inter Segment revenue	(38.99)	(26.91)	(24.03)	(105.54)	(69.63)	(234.33)	
<b>Net segment revenue from continuing operations</b>	<b>2,630.17</b>	<b>2,383.82</b>	<b>2,093.99</b>	<b>7,272.69</b>	<b>6,178.03</b>	<b>8,340.59</b>	
<b>Segment Result (Profit/loss) before tax</b>							
(a) Rural Business	173.98	133.22	110.94	413.75	327.07	356.22	
(b) Housing Business	179.05	146.36	132.82	470.43	285.22	419.60	
(c) Wholesale Business	101.95	99.65	144.48	326.20	497.82	453.13	
(d) Defocused Business	(47.80)	(38.35)	(48.16)	(148.28)	(157.15)	(214.06)	
(e) Others	40.86	44.60	18.14	118.26	40.60	64.01	
<b>Profit before tax</b>	<b>448.04</b>	<b>385.48</b>	<b>358.22</b>	<b>1,180.36</b>	<b>993.56</b>	<b>1,078.90</b>	
<b>Segment assets</b>							
(a) Rural Business	14,207.05	12,088.36	10,057.12	14,207.05	10,057.12	10,261.67	
(b) Housing Business	17,964.68	16,261.46	12,074.38	17,964.68	12,074.38	13,229.27	
(c) Wholesale Business	45,967.93	45,479.43	40,448.47	45,967.93	40,448.47	43,731.63	
(d) Defocused Business	1,495.55	1,787.60	3,101.70	1,495.55	3,101.70	2,489.12	
(e) Others	1,434.12	1,488.31	1,311.73	1,434.12	1,311.73	1,551.01	
(f) Unallocated	1,646.96	1,543.88	1,032.92	1,646.96	1,032.92	1,250.89	
<b>Total segment assets</b>	<b>82,716.29</b>	<b>78,649.04</b>	<b>68,026.32</b>	<b>82,716.29</b>	<b>68,026.32</b>	<b>72,513.59</b>	
<b>Segment liabilities</b>							
(a) Rural Business	12,653.54	10,780.51	8,696.77	12,653.54	8,696.77	9,080.23	
(b) Housing Business	16,376.19	14,841.50	10,906.69	16,376.19	10,906.69	11,926.84	
(c) Wholesale Business	41,348.70	40,780.93	35,961.69	41,348.70	35,961.69	39,175.94	
(d) Defocused Business	1,332.03	1,594.20	2,682.16	1,332.03	2,682.16	2,202.54	
(e) Others	630.15	724.20	491.27	630.15	491.27	995.87	
(f) Unallocated	5.53	9.85	152.36	5.53	152.36	24.83	
<b>Total segment liabilities</b>	<b>72,346.14</b>	<b>68,731.19</b>	<b>58,890.94</b>	<b>72,346.14</b>	<b>58,890.94</b>	<b>63,406.25</b>	

(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 :

**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 etc.

**Unallocated** represents tax assets and tax liabilities

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

9 The above Financial Results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 25, 2018. The Joint Statutory Auditors of the Company have carried out Limited Review for aforesaid Results of that date.

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



Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai  
Date : January 25, 2018

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



Padmini Khare Kaicker  
Partner

Place : Mumbai  
Date : January 25, 2018

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 : January 25, 2018

## Press Release

Thursday, January 25, 2018, Mumbai

### Financial Performance for the quarter ended December 31, 2017

**Consolidated PAT at Rs. 384 cr. – YoY growth of 42%**

**RoE at 15.91% - YoY growth of 310 bps**

#### Results highlights:

L&T Finance Holdings Ltd. (LTFH) declared consolidated profit after tax of Rs. 384 cr. for quarter ended 31<sup>st</sup> December, 2017 (Q3FY18) – a growth of 42% from Rs. 271 cr. in the same quarter of previous year (Q3FY17). RoE for Q3FY18 was 15.91% as against 12.81% in Q3FY17 – improvement by 310 bps.

- **Growth in businesses:** In its focus lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, for Q3FY18, LTFH recorded 88% YoY increase in disbursements and 26% YoY increase in assets. This growth was made possible through the use of digital and data analytics along with deployment of a robust risk management framework.

<u>Focus Businesses</u>	<u>Disbursements Growth Q3FY18 vs Q3FY17</u>	<u>Loans &amp; Advances Growth Q3FY18 vs Q3FY17</u>
Rural Finance	164%	48%
Housing Finance	62%	49%
Wholesale Finance	76%	14%
<b>TOTAL</b>	<b>88%</b>	<b>26%</b>

LTFH also witnessed strong growth in its Investment & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased from Rs. 35,191 cr. in Q3FY17 to Rs. 60,313 cr. in Q3FY18 – a growth of 71%. Average Assets under Service (AAUS) in Wealth Management business increased from Rs. 11,471 cr. in Q3FY17 to Rs. 17,330 cr. in Q3FY18 – a growth of 51%.

- **Profitability:** LTFH consol PAT for Q3FY18 was Rs. 384 cr. – growth of 42% over Rs. 271 cr. in Q3FY17. This growth has been achieved after taking accelerated credit cost of Rs. 307 cr. in order to further strengthen its portfolio. For Q3FY18, LTFH delivered 15.91% ROE.
- **Asset Quality:** LTFH had proactively moved to recognition of GNPA at 90 days past due (DPD) since Q1FY18. LTFH has continued to maintain its asset quality along with strengthening its balance sheet by taking accelerated provisions.

(Rs. Cr.)	Q3FY17*	Q2FY18	Q3FY18
Gross NPA	5,446	3,986	3,969
Net NPA	4,333	2,274	2,020
Gross NPA %	9.01%	5.80%	5.49%
Net NPA %	7.30%	3.31%	2.87%
Provision Coverage %	20.44%	42.96%	49.11%

\* Restated to 90 DPD recognition of NPA

### **Management Commentary:**

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “The deliverables promised at the beginning of the strategic plan period are on track. We endeavor to maintain strong earnings and continuously improve Return on Equity (RoE).”

### **About L&T Finance Holdings:**

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., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI. LTFH is promoted by Larsen & Toubro Ltd. (L&T), 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**

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Kalina, Santacruz (East)  
Mumbai 400 098

#### **Registered Office**

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