

January 24, 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: Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2016

Dear Sir/ Madam,

This has reference to our letter of even date for submitting Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2016.

Please find enclosed Unaudited Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2016 along with Limited Review Report of Statutory Auditors and Press Release thereon.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For L&T Finance Holdings Limited



**Apurva Rathod
Company Secretary & 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' 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 Consolidated Unaudited 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/loss of its associate for the Quarter and Nine Months ended December 31, 2016 ("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 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:

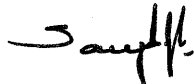
Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Limited	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	Family Credit Limited	Subsidiary
4	L&T Housing Finance Limited	Subsidiary
5	L&T Access Distribution Services Limited	Subsidiary
6	L&T FinCorp Limited	Subsidiary
7	L&T Infra Debt Fund Limited	Subsidiary
8	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
9	L&T Infra Investment Partners Trustee Private Limited	Subsidiary

Kun
R.

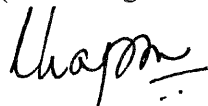
Sr. No.	Name of the Company	Nature of relationship
10	L&T Investment Management Limited	Subsidiary
11	L&T Mutual Fund Trustee Limited	Subsidiary
12	L&T Capital Market Limited	Subsidiary
13	L&T Financial Consultants Limited (formerly known as L&T Vrindavan Properties Limited).	Subsidiary
14	Mudit Cement Private Limited	Subsidiary
15	Feedback Infra Private Limited	Associate

4. We did not review the interim financial statements / information/ results of 8 subsidiaries, whose interim financial results reflect total revenues of ₹115.27 crore and ₹318.70 crore for the Quarter and Nine Months ended December 31, 2016, respectively, and total profit after tax of ₹9.80 crore and loss of ₹0.30 crore for the Quarter and Nine Months ended December 31, 2016 respectively, as considered in the consolidated financial results. These interim financial statements / information / results 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, jointly controlled entities and associates, is based solely on the reports of the other auditors.
5. The consolidated financial results also includes the Group's share of loss after tax of ₹1.60 crore and profit after tax ₹2.49 crore for the Quarter and Nine Months ended December 31, 2016, respectively, as considered in the consolidated financial results, in respect of an associate, based on their interim financial statements/information/results which have not been reviewed/audited by their auditors.
6. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above and except for the possible effects of the matter described in paragraph 5 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.

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)


Ravi Kapoor
Partner
(Membership No. 040404)

MUMBAI, January 24, 2017

(₹ in Crore)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016							
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2016	2016	2015	2016	2015	2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations	2,093.99	2,087.55	1,819.81	6,178.03	5,330.82	7,288.79
2	Expenses:						
	a) Employee benefits expense	122.60	127.70	134.80	359.75	380.72	487.69
	b) Allowances and write-offs	328.18	320.23	203.50	901.44	574.74	781.02
	c) Depreciation and amortisation	15.75	18.00	20.06	52.35	61.76	82.81
	d) Administration and other expenses	177.01	186.96	165.12	558.07	527.54	742.37
	Total expenses (a+b+c+d)	643.54	652.89	523.48	1,871.61	1,544.76	2,093.89
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,450.45	1,434.66	1,296.33	4,306.42	3,786.06	5,194.90
4	Other income	67.93	54.02	44.22	156.19	129.13	181.90
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,518.38	1,488.68	1,340.55	4,462.61	3,915.19	5,376.80
6	Finance costs	1,160.16	1,153.24	1,014.64	3,469.05	2,996.78	4,124.14
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	358.22	335.44	325.91	993.56	918.41	1,252.66
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	358.22	335.44	325.91	993.56	918.41	1,252.66
10	Tax expense:						
	a) Current tax	182.87	131.23	163.22	478.89	390.64	533.39
	b) MAT credit	(9.13)	(12.50)	(8.26)	(21.63)	(24.93)	(24.93)
	c) Deferred tax	(92.66)	(29.90)	(40.30)	(192.21)	(65.01)	(109.49)
	Total tax expense (a+b+c)	81.08	88.83	114.66	265.05	300.70	398.97
11	Net profit from ordinary activities after tax (9-10)	277.14	246.61	211.25	728.51	617.71	853.69
12	Extraordinary items (net of taxes)	-	-	-	-	-	-
13	Net profit before minority interest and share in profit/(loss) of associates (11+/-12)	277.14	246.61	211.25	728.51	617.71	853.69
14	Share of profit/(loss) of associates	(1.60)	1.45	0.72	2.49	2.13	3.00
15	Share of minority interest	4.65	-	-	4.65	-	-
16	Net profit after minority interest and share of profit of associates (13+14-15)	270.89	248.06	211.97	726.35	619.84	856.69
17	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 3)	1,754.95	1,754.12	1,753.20	1,754.95	1,753.20	1,753.40
18	Reserves excluding Revaluation Reserve	-	-	-	-	-	5,323.68
19	Earnings per share before and after extraordinary items (EPS): (Refer note 5)						
	a) Basic EPS (₹) (* not annualised)	*1.38	*1.23	*0.92	*3.61	*2.70	3.79
	b) Diluted EPS (₹) (* not annualised)	*1.37	*1.22	*0.92	*3.57	*2.70	3.79

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

(₹ in Crore)							
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
		2016	2016	2015	2016	2015	2016
a	Net profit for the period / year (as above)	270.89	248.06	211.97	726.35	619.84	856.69
b	Preference dividend (on pro-rata basis) to be considered in the relevant board meeting	27.89	32.49	53.44	92.49	154.10	-
c	Preference dividend paid	-	-	-	-	-	201.14
d	Net profit for the period / year (after preference dividend) (a-b-c)	243.00	215.57	158.53	633.86	465.74	655.55

Notes:

- The consolidated financial results are prepared using the recognition and measurement criteria prescribed in the Accounting Standard for Interim Financial Reporting (AS 25) and the consolidation procedures prescribed in Accounting Standards 21 and 23.
- 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, 2016 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

(₹ in Crore)						
Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2016	2016	2015	2016	2015	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from operations	11.43	13.58	190.58	38.10	334.63	348.50
Profit before tax from ordinary activities for the period / year	3.63	4.08	197.12	12.01	352.26	368.09
Net profit for the period / year after tax	11.67	5.22	197.12	19.81	361.86	378.04

- The Company, during the quarter and nine months ended December 31, 2016 has allotted 825,074 and 1,548,048 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).
- Share / Debenture issue expenses for the nine months ended December 31, 2016 amounting to ₹ 3.87 crore have been adjusted against Securities Premium Account.
- Earnings per share is calculated after adjusting pro-rata dividend on outstanding preference shares.
- 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			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2016	2016	2015	2016	2015	2016
a) Amount of Gross NPA (₹ in Crore)	2,940.07	2,747.76	2,716.42	2,940.07	2,716.42	2,755.80
b) Amount of Net NPA (₹ in Crore)	1,843.60	1,766.00	2,105.23	1,843.60	2,105.23	2,144.18
c) Gross NPA (%)	4.86%	4.70%	4.97%	4.86%	4.97%	4.85%
d) Net NPA (%)	3.10%	3.07%	3.90%	3.10%	3.90%	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.

Handwritten signature/initials

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

8 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 24, 2017. The Joint Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.


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

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross segment revenue from continuing operations						
a	Rural Business	462.18	449.34	392.49	1,350.04	1,169.90	1,603.89
b	Housing Business	397.70	344.01	233.29	982.61	623.32	951.94
c	Wholesale Business	1,026.73	1,060.31	933.00	3,123.32	2,717.15	3,732.27
d	Defocused Business	106.89	136.38	184.22	390.02	616.45	773.62
e	Others	124.52	122.13	270.57	401.67	549.57	592.72
	Total	2,118.02	2,112.17	2,013.57	6,247.66	5,676.39	7,654.44
	Less: Inter Segment revenue	(24.03)	(24.62)	(193.76)	(69.63)	(345.57)	(365.65)
	Net segment revenue from continuing operations	2,093.99	2,087.55	1,819.81	6,178.03	5,330.82	7,288.79
	Segment Result (Profit/(loss) before tax)						
a	Rural Business	110.77	114.27	68.78	326.91	227.29	322.58
b	Housing Business	132.82	93.66	52.62	285.22	121.56	201.86
c	Wholesale Business	171.96	168.04	214.67	525.29	619.32	795.29
d	Defocused Business	(47.04)	(54.07)	(22.06)	(156.09)	(78.26)	(109.91)
e	Others	(10.29)	13.54	11.90	12.23	28.50	42.84
	Profit before tax	358.22	335.44	325.91	993.56	918.41	1,252.66
	Segment assets						
a	Rural Business	10,140.49	9,615.53	8,512.92	10,140.49	8,512.92	9,029.95
b	Housing Business	11,972.28	12,002.83	8,335.42	11,972.28	8,335.42	9,755.70
c	Wholesale Business	40,199.18	38,267.69	36,543.89	40,199.18	36,543.89	37,442.30
d	Defocused Business	3,370.06	3,978.50	5,375.92	3,370.06	5,375.92	5,150.33
e	Others	2,344.31	2,190.96	2,724.50	2,344.31	2,724.50	2,422.78
	Total segment assets	68,026.32	66,055.51	61,492.65	68,026.32	61,492.65	63,801.06
	Segment liabilities*						
a	Rural Business	8,891.86	8,415.48	7,492.99	8,891.86	7,492.99	7,942.54
b	Housing Business	10,795.12	10,866.40	7,546.82	10,795.12	7,546.82	8,898.55
c	Wholesale Business	35,712.18	34,000.03	32,383.83	35,712.18	32,383.83	33,232.19
d	Defocused Business	2,953.77	3,482.04	4,731.71	2,953.77	4,731.71	4,526.74
e	Others	538.01	432.32	99.05	538.01	99.05	792.49
	Total segment liabilities	58,890.94	57,196.27	52,254.40	58,890.94	52,254.40	55,392.51
	Capital employed (Segment assets less segment liabilities)*						
a	Rural Business	1,248.63	1,200.05	1,019.93	1,248.63	1,019.93	1,087.41
b	Housing Business	1,177.16	1,136.43	788.60	1,177.16	788.60	857.15
c	Wholesale Business	4,487.00	4,267.66	4,160.06	4,487.00	4,160.06	4,210.11
d	Defocused Business	416.29	496.46	644.21	416.29	644.21	623.59
e	Others	1,806.30	1,758.64	2,625.45	1,806.30	2,625.45	1,630.29
	Total capital employed	9,135.38	8,859.24	9,238.25	9,135.38	9,238.25	8,408.55

- (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 period, 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.

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


Sanjiv V. Pilgaonkar
Partner

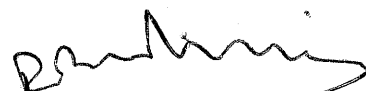
Place : Mumbai
Date : January 24, 2017

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


Ravi Kapoor
Partner

Place : Mumbai
Date : January 24, 2017

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


Dinanath Dubhashi
Managing Director
(DIN : 03545900)

Place : Mumbai
Date : January 24, 2017

Press Release

Tuesday, January 24, 2017, Mumbai

Financial Performance for quarter ended December 31, 2016

Consolidated Profit at Rs. 271 cr. – YoY growth of 28%

Third successive quarter of ROE improvement – 12.81% in Q3FY17 as compared to 9.29% in Q3FY16

Result Highlights:

Despite a challenging environment, L&T Finance Holdings Ltd (LTFH) remained committed to its strategy to reach top quartile Return on Equity (RoE) by FY20. With RoE of 12.81%, an improvement of 352 bps YoY, Q3FY17 marked the third continuous quarter of RoE growth. LTFH also reported steady progress on the initiatives that are aimed at ensuring profitable growth.

- **Strong PAT growth:** LTFH's Consolidated PAT increased 28%, from Rs. 212 cr. in Q3FY16 to Rs. 271 cr. for Q3FY17. This is on the back of profitable asset growth and strong traction in fee income across all the businesses. This growth was achieved despite substantial amount of Rs.214 cr. voluntary credit cost taken in order to further strengthen the balance sheet.
- **Profitable asset growth:** In line with strategic objectives, 15% growth was recorded in the focused businesses, while de-focused businesses has de-grown by 39%. As a percentage of total assets, the de-focused book has come down from 9% to 5% between Q3FY16 and Q3FY17. This trend is expected to continue in the future leading to better profitability.

Business Assets (Rs. Cr.)	Q3FY16	Q3FY17	YoY (%)
Rural Finance	8,197	9,565	17%
Housing Finance	8,658	11,565	34%
Wholesale Finance	34,081	37,660	10%
Focused Businesses	50,936	58,790	15%
De-focused Products	5,183	3,180	-39%
Total	56,119	61,970	10%

- **Cost Optimization:** Cost/Income ratio has come down from 30% in Q3FY16 to 25% in Q3FY17. LTFH intends to maintain its controls on cost but at the same time increase its investment in digitization and automation.
- **Improvement in asset quality:** Demonetization impacted the collections in this quarter, especially in microfinance and farm businesses. While situation is normalizing, reported GNPA has reduced by 12 bps considering the dispensation given by RBI. Although LTFH has reported GNPA as per extant RBI dispensation, it continues to carry provisions not considering the dispensation.

(Rs. Cr.)	Q3FY16	Q3FY17
Gross NPA	2,716	2,940
Net NPA	2,103	1,843
Gross NPA %	4.97%	4.85%
Net NPA %	3.89%	3.10%
Provision Coverage %	23%	37%

- Generating value through Investment Management and Wealth Management businesses:** In the Investment Management business, Average Assets under Management (AAUM) for the quarter grew by 40%, from Rs. 25,059 cr. in Q3FY16 to Rs. 35,191 cr. in Q3FY17. Share of equity assets is at 39% of the total AAUM, reaching Rs. 13,796 cr. representing a 34% YoY increase from Rs. 10,331 cr.

In the Wealth Management business, Average Assets under Service (AAUS) went up by 37%, from Rs. 8,363 cr. in Q3FY16 to Rs. 11,471 cr. in Q3FY17 with client base growing from ~ 4,100 to ~ 5,400.

Management Commentary

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director, L&T Finance Holdings, said, “Q3 tested the organizational resilience to not deviate from the strategy despite challenging environment. I mentioned in the last quarter that focus on RoE is now culturally ingrained and the results this quarter have gone a long way in demonstrating the same. With the situation on ground constantly evolving after demonetization, the employees were empowered to take decisions and in turn, they responded by taking ownership and working in a solution oriented manner. Their constant focus was on delivering results that the organization has committed to deliver to its shareholders.”

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 Infrastructure Finance Company Ltd, L&T Investment Management Ltd, L&T Capital Markets Ltd, L&T Housing Finance Ltd, Family Credit Ltd, L&T FinCorp Ltd. and L&T Financial Consultants Ltd. It 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.

For Details, Contact: Arijit Sengupta, LTFH (9820340485, Arijit.Sengupta@ltfs.com)