

INTERVIEW: N SIVARAMAN
PRESIDENT, L&T FINANCE HOLDINGS

Credit quality should stabilise by year end

After L&T Finance declared a 8.8% y-o-y rise in its consolidated net profit, president and whole-time director of the company, N Sivaraman, spoke to FE about the performance and expectations going ahead.



What do you have to say on media reports that L&T Finance is looking to buy a stake in YES Bank?

We do not comment on market speculation.

What was the cost of funds during this quarter and where do you see it going ahead?

The average cost of funds was between 9.8% and 9.9%. This is about 10-15 bps more than the previous quarter. The environment is a bit of a concern for everybody with inflation going up and growth coming down; so, I don't know how interest rates are going to pan out.

What is your outlook on the credit quality?

Credit quality may be volatile in the initial quarters, but we should be able to see some stability by the end of the year.

Could you share details on your businesses with respect to geographies?

I think there has been a major turnaround in all geographies. In the construction equipment (CE) and commercial vehicles (CV) segment, we have seen growth across the country.

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In microfinance, we have not done any disbursement in Andhra Pradesh as you are aware of the reasons, otherwise, we are very well distributed in Tamil Nadu, Karnataka, Maharashtra, West Bengal and Odisha.

With a fair bit of delinquencies in the CV/CE segments, what are the loan-to-value (LTVs) ratios right now?

Average LTVs are in the range of 70% to 80% and it depends on the customer type.