

## Financial express

### Q3 RESULTS

# L&T Finance Holdings net increases 42%, NPAs dip

Board to meet on January 31 to consider fund raising via issue of equity shares

FE BUREAU  
Mumbai, January 25

**L&T FINANCE HOLDINGS** on Thursday reported a 41.79% increase in its third quarter consolidated net profit to ₹384.09 crore compared with the same period last year.

Income from operations grew 25.61% on a year-on-year basis in the third quarter to ₹2,630.17 crore. Total income rose by 24.94% to ₹2701.02 crore.

The growth in profits was achieved after taking accelerated credit cost of ₹307 crore in order to further strengthen its portfolio, the company stated in its press release.

The company is eyeing an equity issue to further strengthen its capital base, which presently comprises of 182.36 crore shares of ₹10 each. The company's board of directors is set to meet on January 31 to consider the fund raising, it said in an exchange notification. Asset quality improved in the quarter with gross non-performing assets (NPAs) declining 31 basis points sequentially to 5.49%, while net NPAs fell 44 basis points sequentially to 2.87%. The company's provision coverage ratio

#### Improved performance

(₹ crore)	Q3 FY17	Q3 FY18	% Chg	Q2 FY18	% Chg
Operating income	2,093.99	2,630.17	25.61	2,383.82	10.33
Total income	2,161.92	2,701.02	24.94	2,494.72	8.27
Net profit	270.89	384.09	41.79	360.24	6.62
Gross NPAs (%)	9.01	5.49	-3.52%	5.80	-0.31%
Net NPAs (%)	7.3	2.87	-4.43%	3.31	-0.44%

Source: BSE filing

**Asset quality improved with gross NPAs declining 31 basis points sequentially to 5.49%, while net NPAs fell 44 basis points sequentially to 2.87%**

stood at 49.11%. Return on equity (RoE) stood at 15.91%.

Managing director and CEO Dinanath Dubhashi stated that 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," he said.

The lending business witnessed an 88% growth in disbursements on a YoY basis with the rural finance segment growing 164%, housing finance 62% and wholesale finance 76%. Wholesale financing accounts for 44.74% of revenues, followed by rural (25%) and housing (20%). Profitability was highest in

the housing segment, which contributed 40% to total segmental profits in the quarter ended December 2017.

The defocused business revenues further fell to 2% of total revenues (₹52 crore) from 6% (₹128 crore) in the same quarter of the previous year, in line with the management's intent. But losses from the business stagnated at ₹48 crore in the quarter vis-a-vis the same quarter of the previous year. The defocused business includes commercial vehicle finance, construction equipment finance, SME term loans and leases. The firm has declared its intent to focus on rural, housing, wholesale, investment and wealth management businesses as its core areas.

Average assets under management (AAUM) in the investment management business increased by 71% to ₹60,313 crore. Average assets under service (AAUS) in the wealth management business saw a growth of 51% to ₹17,330 crore in the third quarter.

## MINT

### L&T Finance posts 42% rise in net profit during Dec quarter

**Mumbai:** L&T Financial Holdings Ltd on Thursday reported a consolidated net profit of Rs384 crore during the October-December quarter, a 42% rise from Rs271 crore during the corresponding period a year ago. The rise in profit was led by an increase in total revenues which rose from Rs2,162 crore to Rs2,701 crore during the period. The company also said that its board will meet on 31 January to discuss fund raising plans.

MALVIKA JOSHI

# L&T Fin's Q3 Net Up 42% on Loan Growth

Our Bureau

**Mumbai:** L&T Finance Holdings (LTFH) Thursday reported a 42% increase in its December-quarter consolidated net profit at ₹384 crore, paced by improvements in asset quality and loan growth in rural areas and to the housing sector.

In the year-ago quarter, the company had posted a net profit of ₹271 crore.

Rural lending expanded 48%, housing finance business rose 49%, and wholesale business climbed 14% in the quarter. The loan book stands at ₹75,000 crore, with wholesale business comprising 56% of the advances. Disbursements during the quarter rose 88%.

"This growth was made possible by focusing on the five lines of businesses, improving return on equity to 15.91% and focusing on collection efficiency through the use of digital and data collection analytics," said Dinanath Dubhashi, CEO, LTFH.

**THIRD QUARTER**

# L&T Fin Holdings net rises 42%, NPAs dip

Rural finance segment grows 164%, housing finance 62%

**ENSECONOMIC BUREAU**  
MUMBAI, JANUARY 25

L&T FINANCE Holdings on Thursday reported a 41.79 per cent increase in its third quarter consolidated net profit to Rs 384.09 crore compared with the same period last year.

Income from operations grew 25.61 per cent on a year-on-year basis in the third quarter to Rs 2,630.17 crore. Total income rose by 24.94 per cent to Rs 2701.02 crore.

The growth in profits was achieved after taking accelerated credit cost of Rs 307 crore in order to further strengthen its portfolio, the company stated in its press release.

The company is eyeing an equity issue to further strengthen its capital base, which presently comprises of 182.36 crore shares of Rs 10 each. The company's board of directors is set to meet on January 31 to consider the fund raising, it said in an exchange notification. Asset quality improved in the quarter with

## THE REVENUES

■ Wholesale financing accounts for 44.74 per cent of revenues, followed by rural (25 per cent) and housing (20 per cent). Profitability was highest in the housing segment

■ The defocused business revenues further fell to 2 per cent of total revenues from 6 per cent in the same quarter of the previous year, in line with the management's intent

gross non-performing assets (NPAs) declining 31 basis points sequentially to 5.49 per cent, while net NPAs fell 44 basis points sequentially to 2.87 per cent. The company's provision coverage ratio stood at 49.11 per cent. Return on equity (RoE) stood at 15.91 per cent.

Managing director and CEO Dinanath Dubhashi stated that 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," he said.

The lending business witnessed an 88 per cent growth in disbursements on a YoY ba-

sis with the rural finance segment growing 164 per cent, housing finance 62 per cent and wholesale finance 76 per cent. Wholesale financing accounts for 44.74 per cent of revenues, followed by rural (25 per cent) and housing (20 per cent). Profitability was highest in the housing segment, which contributed 40 per cent to total segmental profits in the quarter ended December 2017.

The defocused business revenues further fell to 2 per cent of total revenues (Rs 52 crore) from 6 per cent (Rs 128 crore) in the same quarter of the previous year, in line with the management's intent. **FE**