



# THE ECONOMIC TIMES

## Higher Income from Ops Lifts L&T Finance Net

**Saloni.Shukla**  
@timesgroup.com

Mumbai: L&T Finance Holdings reported a 15% increase in consolidated net profit at ₹236.85 crore, as compared to ₹203.18 crore a year ago largely owing to higher income from operations. Income from operations increased to ₹1, 957.97 crore as compared to ₹1, 634.64 crore a year ago, a growth of over 19%.

The company's asset quality improved slightly on the back of recoveries in the farm equipment portfolio. Under the 150-day classification, it reported a gross non-performing ratio of 3.05% versus 3.33% in the December quarter last year. Its net non-performing ratio stood at 2.05%.

"The stress in the current year was largely from farm equipment business and that is because three successive failures of monsoon and drought," YM Deosthalee, MD, L&T Finance Holdings said.

The entire farm equipment sector has been very impacted in the current year. NPAs in the farm equipment sector were at a very elevated level in December so there has been some relief."

# Business Standard

## L&T Finance Holdings net rises 15% to ₹237 crore

**ABHIJIT LELE**  
Mumbai, 2 May

L&T Finance Holdings posted a 15 per cent increase in its consolidated net profit for the March 2016 quarter at ₹237 crore. It had posted a net profit of ₹206 crore in the January-March 2015 quarter.

The company's total income rose to ₹2,011 crore in the quarter under review from ₹1,671 crore a year ago.

Its net profit for FY16 rose 16 per cent to ₹857 crore from ₹855 crore in FY15. Total income grew to ₹7,471 crore in FY16 from ₹6,337 crore in the previous year. The board recommended dividend of ₹0.80 per equity share (of ₹10 face value) for 2015-16. The company's share closed five per cent higher at ₹75 apiece on the BSE on Monday.

Growth in profits has been a result of consistent and steady improvement in key operating parameters. The stabilisation in the overall asset quality in the lending business and positive contribution by the asset management business also added to the bottom line, the company stated.

YM Deosthalee, chairman and managing director of L&T Finance Holdings, said growth in loans and advances was healthy. He noted that profits rose despite the slower-than-expected pick-up in the overall economy and significant cash-flow pressures in the rural markets.

Loans and advances grew 22 per cent to ₹57,831 crore at the end of March 2016 from ₹47,232 crore in FY15. This was despite the company moderating its growth in farm equipment business due to challenging environment. The growth was led by healthy disbursements in focus areas such as operational projects in renewable energy, roads and retail products.

# L&T Finance Holdings Q4 consolidated net rises 15%

**fe Bureau**

**Mumbai, May 2:** L&T Finance Holdings on Monday reported a 15.22% rise in its consolidated net profit for the quarter ended March 2016 at ₹236.85 crore.

The company said its growth in profits was the result of consistent and steady improvement in key operating parameters along with stabilisation in the overall asset quality in the lending business and positive contribution by the asset management business.

Income from operations rose by 19.77% in the fourth quarter at ₹1,957.96 crore compared to the same period last year.

The average assets under management for the quarter of the investment management business grew by 15% to ₹25,945 crore from the same period last year.

Asset quality has improved with the gross non-performing assets (NPAs) as a percentage of total assets coming down by three basis points to 3.05% in the fourth quarter compared to the same period last year. Net NPAs also came down by five basis points to 2.05% on a year-on-year basis. It is note-

## L&T Finance Holdings Q4FY16 consolidated results

(In ₹ crore)	Q4 FY16	Q4 FY15	Change (yoy, %)	Q3 FY16	Change (qoq, %)
Income from operations	1,957.96	1,634.64	19.78	1,819.8	7.59
Net profit	236.85	205.55	15.23	211.96	11.74
Gross NPA	3.05%	3.08%	-3 bps	3.33%	-28 bps
Net NPA	2.05%	2.10%	-5 bps	2.23%	-18 bps

Source: L&T Finance Holdings BSE filing

NPA numbers are 150 days past due

worthy that the NPA figures under consideration are on 150 days past due.

The reduction in the NPA figures has been achieved by a substantial improvement in GNPA's of the farm portfolio while maintaining asset quality for the rest of the portfolio, the company indicated.

"In the last quarter we had decent collections, because of which there has been a small reduction in non-performing assets which is I think quite relieving given the current situation. So, the asset quality has not worsened. I am not suggesting here that there is no problem. Because we are still not out of woods as far as farm equipment is concerned. (In) the rural sector, everybody is awaiting monsoon," said YM Deosthalee, chairman and managing director.

Deosthalee indicated that

even after a good monsoon, it will take two good quarters for the situation to normalise. "While, we have done reasonably well in reducing the non-performing assets in the March-ended quarter, it doesn't mean that between the quarters there won't be any volatility. However, we do believe that, for the year as a whole, there may not be any significant deterioration in asset quality," he added.

The company pointed out that it carries (approximately) Rs 238 crore of provisions in excess of RBI norms.

L&T Finance said going forward it expects to strengthen its position in operational infrastructure projects especially renewables and roads, structured corporate loans, and in retail products like tractors, two-wheelers, microfinance and housing finance.

## MARCH QUARTER

# L&T Finance Q4 profit rises 15.22%

By RAVINDRA SONAVANE  
[raoindra.s@live.mint.com](mailto:raoindra.s@live.mint.com)

MUMBAI

L&T Finance Holdings Ltd said on Monday its consolidated net profit for the March quarter rose 15.22% from a year ago due to higher income from operations.

Net profit stood at ₹236.85 crore, as compared to ₹203.18 crore a year ago. Income from operations for the quarter rose 19.78% to ₹1957.97 crore as compared to ₹1634.64 crore a year ago.

"Growth in profits has been a result of consistent and steady improvement in key operating parameters along with stabilization in the overall asset quality in the lending business and positive contribution by the asset management business," the company said in a notice to BSE.

As of 31 March, loans and advances rose 22% from a year ago to ₹57831 crore. The company's wholesale loan book as of financial year 2016 rose 29% to ₹28,645 crore from a year ago while its retail loan book was at ₹29,186, up 17% year-on-year.

"We are happy to report a

healthy 22% growth in loans and advances as on 31 March, 2016, along with a 15% growth in profits for the quarter on a y-o-y basis. This has been despite the slower than expected pickup in the overall economy and significant cash flow pressures in the rural markets," said Y.M. Deosthalee, chairman and managing director of the company.

"Our focus on financing operational projects in renewable

Net profit stood  
at ₹236.85 crore,  
as compared to  
₹203.18 crore a  
year ago

energy and road sectors, and select segments of retail B2C products has enabled this. Our philosophy of being a sustainable financial services player is playing out positively in terms

of maintaining a consistently healthy growth in assets and profitability over the last 8 quarters, with stabilization in the overall asset quality," he added.

Gross non-performing assets as a percentage of the loan book fell to 3.05% as of March quarter, from 3.33% a year ago.

On Monday, shares of L&T Finance Holdings Ltd closed at ₹75.35 each on the BSE, up 5.24% from its previous close, while the benchmark Sensex index fell 0.66% to close at 25,436.97 points.

## L&T Finance Q4 net rises 15%

**FY16 profit growth flat; net interest margin steady**

**OUR BUREAU**

Mumbai, May 2

L&T Finance Holdings reported a 15 per cent increase in year-on-year consolidated net profit at ₹237 crore in the fourth quarter ended March 31, 2016, as compared with ₹206 crore in the year-ago quarter.

In the financial year ended March 31, the financial holding company's net profit was almost flat at ₹857 crore (₹855 crore in FY15).

The board of directors of the company recommended dividend of ₹0.80 per equity share of face value ₹10 each.

The Larsen & Toubro-promoted company, which is registered with the Reserve Bank of India as a 'non-deposit taking, systemically important, core investment company', has seven wholly-owned subsidiaries, including L&T Finance, L&T Infrastructure Finance Company, L&T Investment Management, L&T Capital Markets, and L&T Housing Finance.

**Loan disbursement**

Year-on-year (y-o-y), loan disbursements were up 20 per cent at ₹10,688 crore in the reporting quarter. Loans and advances grew 22 per cent y-o-y to ₹57,831 crore as on March-end 2016.

Dinanath Dubhashi, Deputy Managing Director, said



Dinanath Dubhashi,  
Deputy MD, L&T Finance

the company moderated its growth in the farm equipment business due to the challenging environment in this sector.

However, the growth has been led by healthy disbursements in key areas – oper-

ational projects in renewable energy and roads and retail products – housing, microfinance and two-wheelers.

Net interest margin has been maintained in the 5.5 per cent to 5.8 per cent band in the last eight quarters, said Dubhashi, and added that the company will focus on continuous improvement in return on equity.

The ROE growth, he said, will be achieved by driving profitable growth in select lending businesses, focus on asset quality and managing non-lending businesses for fee income generation and value creation.

The gross non-performing assets position improved a tad to 3.05 per cent (3.08 per cent as on March-end 2015).