

# L&T Fin Q4 Net Up 21.8% on Loan Growth

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L&T Finance Holdings reported 21.8% year-on-year increase in its fourth quarter (January to March) net profit at ₹171 crore, supported by strong loan growth and rise in other income. The net interest income, or the difference between interest earned and expended, rose 27% to ₹478 crore during the quarter. Net interest margins dropped 15 ba-

sis points to 5.64 % from 5.81%. One basis point is one-hundredth of a percentage point.

Disbursements in construction equipment and commercial vehicle segments fell 31.4% and 40.3%, respectively, the company said. However, rural product finance and infrastructure financing for the transportation sector showed healthy rise. "The poor disbursement growth on a yearly basis is a reflection of the general slowdown in the economy, absence of new capital expenditure cycle and stretched

working capital cycles," the company said. "We expect demand to come from renewable energy, project finance, auto and refinance business," said N Sivaraman, president and whole-time director of L&T Finance. The company restructured loans worth ₹450-₹500 crore. The asset quality of the holding company declined due to deterioration in corporate loans, including infrastructure and SME sectors. The net non-performing loans increased to ₹406.3 crore, or 1.26%, of total advances.