

L&T Fin Net Up 7%, Asset Quality Dips

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L&T Finance Holdings on Wednesday said net profit rose 7% year-on-year to ₹187 crore in the quarter to March amid higher credit cost and deteriorating asset quality.

Consolidated profit for the full fiscal grew 7% to ₹597 crore. Net interest income, or the difference between interest earned and interest expended, grew 10% to ₹536 crore.

The non-bank finance company said loans and advances grew 20% to ₹40,080 crore qoq, driven by demand from rural products finance, personal vehicle finance and housing finance segments in retail business. Net interest margin was at 5.6% compared with 5.32%.

Asset quality of the company deteriorated with gross non-performing loans rising to 3.18% as a percentage of gross advance or ₹1,243 crore, from 2.93% or ₹1,065 crore in the December quarter. "The continuing stress in the economy has resulted in slippages in asset quality," said N Sivaraman, president and whole-time director.