

# L&T Finance hopes to mop up ₹300 cr from de-focussed products portfolio

## OUR BUREAU

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L&T Finance Holdings Ltd is expecting to soon mop up ₹300-400 crore by selling loans from its 'de-focussed products portfolio,' which comprises car, three-wheeler and commercial vehicle loans.

Dinanath Dubhashi, Managing Director, said: "We tried (to sell loans from the de-focussed products portfolio) over the last nine months but we have not had success..."

"The reason for this is that nobody is quite as diversified as we are to buy a diversified 14 product portfolio. So, we have now started slicing and dicing this portfolio."

LTFH, which is the flagship holding company of the financial services business of the L&T Group, has been running down its de-focussed

products with no additional disbursements in this financial year.

While the focussed businesses portfolio has grown 24 per cent year-on-year to ₹57,081 crore in the quarter ended September 30, 2016, the de-focussed products loan portfolio has de-grown 31 per cent to ₹3,817 crore.

With effect from April 1, 2016, LTFHL discontinued financing 14 products (which the company now calls de-focussed products) including cars, three-wheelers, commercial vehicles (CVs), small CVs, diesel generator sets, leasing and receivable discounting.

"In these cases (de-focussed products), either the size of the business was not good enough or the profitability was not there..."

"Our first sale (from the de-focussed products loan



Dinanath Dubhashi, MD, L&T Finance Holdings

portfolio) might fructify this month itself, either in the form of a pass-through-certificate instrument or a direct sale... And then next quarter onwards, we will continue that model," said Dubhashi.

LTFHL's focussed businesses portfolio comprises rural finance (three products — tractors, two-wheelers, and

micro finance); housing finance (two products — developer funding and retail housing); and wholesale finance (two products — infrastructure finance and structured finance).

The company runs its lending businesses through five wholly-owned subsidiaries — L&T Finance Ltd, L&T Infrastructure Finance Company Ltd, L&T Housing Finance Ltd, Family Credit Ltd and L&T FinCorp Ltd.

The investment management and wealth management businesses are operated through wholly-owned subsidiaries L&T Investment Management Ltd (average assets under management: ₹32,667 crore in Q2FY17) and L&T Capital Markets Ltd (average assets under management: ₹12,875 crore), respectively.