



## L&T Finance Holdings

### Press Release – L&T Finance Holdings Limited

#### Financial Performance for the quarter and year ended 31<sup>st</sup> March, 2013

*Consolidated Profit for the Quarter (excluding exceptional items) grows by 23.8%*

**Thursday, 25<sup>th</sup> April, 2013, Mumbai:** L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter and year ended 31<sup>st</sup> March, 2013.

#### Highlights of the quarter:

- **Healthy growth in Loans and Advances with stable asset quality**
  - Loans & Advances as on 31st March 2013 grew by **29.8%** year on year to Rs. 33,309.1 Cr. and by 6.6% as compared to Rs. 31,230.5 Cr as on 31st December 2012.
  - Gross NPAs stood at 2.03% of loan assets as on 31<sup>st</sup> March 2013 as compared to 2.39% as on 31<sup>st</sup> Dec 2012. Net NPAs stood at 1.26% of loan assets as on 31<sup>st</sup> March 2013 as compared to 1.56% as on 31<sup>st</sup> Dec 2012.
  
- **Profitability**
  - **Lending Businesses:** The Consolidated PAT for the year for the lending businesses grew by **29.4%** y-o-y to Rs 603.1Cr.
  - **Consolidated PAT:** The Consolidated PAT (excluding exceptional items) for the quarter grew by **23.8%** y-o-y to Rs. 174.1 Cr. and grew by **22.9%** for the year to Rs. 558.8 Cr. The consolidated PAT for the quarter grew by **21.8%** to Rs. 171.4 Cr, and for the year by **60.6%** to Rs. 730.5 Cr.
  
- **Other Highlights**
  - Robust beginning of the Wealth Management business
  - Successful maiden issue of Preference share capital of Rs 750 crs
  - The sponsor of L&T MF has been changed from L&T Finance to L&T Finance Holdings with effect from March 28, 2013 to simplify the holding structure
  - Average Assets Under Management (AAUM) for L&T Investment Management for Q4FY13 was Rs. 11,169 Cr., with a market share of 1.6%.

#### **L&T Finance Holdings Limited**

Corporate Office:  
8th Floor, City 2, Plot No 177, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, India

Registered Office:  
L&T House, N. M. Marg  
Ballard Estate  
Mumbai 400 001, India



## L&T Finance Holdings

### Assets

Rs Cr	Disbursements				Loans & Advances		
	Q4 FY13	Q4 FY12	FY13	FY12	FY13	FY12	Growth (%)
Retail & Corporate Finance Business	4,765.1	4,410.9	16,178.5	15,538.3	18,201.8	14,757.1	23.3%
Housing Finance Business	140.5	NA	171.5	NA	326.4	NA	NA
Infrastructure Finance Business	2,533.0	1,938.9	6,644.9	6,136.0	14,781.7	10,913.5	35.4%
Total	7,438.6	6,349.8	22,994.9	21,674.3	33,309.9	25,670.6	29.8%

Focus on project loans and longer tenure term loans enabled robust growth in loan assets despite slower growth in disbursements. The disbursement growth on a yearly basis is a reflection of the general slowdown in the economy, absence of new capex cycle and stretched working capital cycles. We continue to follow a cautious approach to credit selection and consequently disbursements in corporate, auto and construction equipment segments have been impacted. For the year, while the disbursements in construction equipment and commercial vehicle segments witnessed a de-growth of 31.4% and 40.3% respectively, the Rural Products Finance and infrastructure financing for the Transportation sector showed healthy growth.

### Non-Performing Assets

Gross NPA stood at Rs. 659.6 Cr. or 2.03% as a percentage of gross advances as on 31<sup>st</sup> March 2013 as against Rs. 449.5 Cr. or 1.80% as on 31<sup>st</sup> March 2012 and Rs. 726.4 Cr. or 2.39% as on 31<sup>st</sup> December 2012. Of this Rs. 98.3 Cr Gross NPA (net of write off) is of FamilyCredit Limited (FCL), mainly contributed by legacy portfolio, which has been fully provided for (acquisition cost of FCL is adjusted for this portfolio). For the year, the increase in Gross NPA has been contributed primarily by corporate loans in infrastructure and SME sectors, as a result of stress in the economic environment, while retail and infrastructure GNPA saw an improvement.

Net NPA stood at Rs. 406.3 Cr. or 1.26% as a percentage of gross advances as on 31<sup>st</sup> March 2013 as against Rs. 291.4 Cr. or 1.17 % as on 31<sup>st</sup> March 2012 and Rs. 469.7 Cr. and 1.56% as on 31<sup>st</sup> December 2012.

#### **L&T Finance Holdings Limited**

Corporate Office:  
8th Floor, City 2, Plot No 177, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, India

Registered Office:  
L&T House, N. M. Marg  
Ballard Estate  
Mumbai 400 001, India



## L&T Finance Holdings

During the current quarter, the company made additional provisions of Rs. 13.9 Cr against loan assets of Micro-finance portfolio in Andhra Pradesh covering the entire outstanding portfolio.

### Profit after Taxes

Rs Cr	PAT					
	Q4FY13	Q4FY12	Growth (%)	FY13	FY12	Growth (%)
Retail & Corporate Finance Business	98.2	67.9		258.7	202.2	
Housing Finance Business	(0.9)	NA		0.2	NA	
Infrastructure Finance Business	105.6	71.0		344.2	264	
Investment Management Business	(15.7)	(8.6)		(58.5)	(25.3)	
Others	(15.8)	10.4		185.9	13.9	
Total	171.4	140.7	21.8%	730.5	454.8	60.6%
Exceptional items	-2.7	-		171.6	-	
PAT before exceptional items	174.1	140.7	23.8%	558.9	454.8	22.9%

The growth in PAT is after considering exceptional items amounting to Rs. 171.6 Cr (net of tax), which includes profit on sale of stake in Federal Bank and costs related to integration of acquired businesses.

The growth in PAT (excluding exceptional items) has been on account of improvement in margins and tight control of operating expenses, offset by increase in credit costs. In addition to the exceptional items, LTFH, LTF and LTIM incurred total cost of Rs. 14.8 Cr towards brand-building during the year.

#### **L&T Finance Holdings Limited**

Corporate Office:  
8th Floor, City 2, Plot No 177, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, India

Registered Office:  
L&T House, N. M. Marg  
Ballard Estate  
Mumbai 400 001, India



## *L&T Finance Holdings*

### **Other Highlights of the Quarter**

#### **1. Incorporation of L&T Capital Markets Limited**

LTFH ventured into the business of wealth management in FY12 through the induction of senior industry executives. Subsequently, L&T Capital Markets (LCM) has been incorporated as a 100% wholly owned subsidiary of LTFH to support the wealth management business.

LCM has a dedicated set of research professionals along with senior private bankers and offers a comprehensive portfolio of services which includes private wealth management, financial advisory (including offshore) and capital market related businesses. As of 31<sup>st</sup> March 2013, LCM caters to a client base of over 650 and has assets under service in excess of Rs. 2,400 Cr.

#### **2. Issuance of Preference Share**

In order to optimize the capital structure at LTFH level and reduce dilution of earnings for the investors, LTFH successfully concluded issuance of preference shares of Rs.750 Cr in March 2013, through two tranches, of Rs. 500 Cr and Rs. 250 Cr. It aims to utilize the proceeds for providing adequate capital to its operating subsidiaries to grow their individual businesses.

A total of 7.5 Cr unlisted cumulative compulsorily redeemable preference shares of face value Rs.100 were issued at par on private placement basis aggregating to Rs. 750 Cr. The shares come with a maturity period of 3 years and a dividend yield of 8.75% p.a. The issue was well received by all classes of investors, with the share of individual investors being almost 50% of the total issue.

### **Outlook:**

Credible and stable signs of improvement in the business environment are yet to show up. We expect that the various policy initiatives being undertaken by the government to revive the capex cycle will yield positive results by the second half of the FY14 fiscal. This is expected to result in better growth in disbursements enabling book growth. Margins are expected to be stable or witness a marginal improvement due to the likely improvement in the interest environment. Asset quality continues to be under stress and may show improvement in the second half of FY14.

#### ***L&T Finance Holdings Limited***

*Corporate Office:  
8th Floor, City 2, Plot No 177, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, India*

Registered Office:  
L&T House, N. M. Marg  
Ballard Estate  
Mumbai 400 001, India



## *L&T Finance Holdings*

### **About L&T Finance Holdings:**

L&TFH is a financial holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd, L&T Infrastructure Finance Company Ltd, L&T Investment Management Ltd, L&T Capital Markets Ltd, L&T Housing Finance Ltd, FamilyCredit Ltd and L&T FinCorp Ltd. It is registered with the RBI as an NBFC-ND-SI, and has applied to the RBI for registration as a CIC-ND-SI. L&TFH is promoted by Larsen & Toubro Ltd (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

***For Details, Contact: Arijit Sengupta, L&TFH (9820340485,  
[Arijit.Sengupta@ltfinanceholdings.com](mailto:Arijit.Sengupta@ltfinanceholdings.com))***

***Note: Loans & Advances is gross of provisions.***

#### **L&T Finance Holdings Limited**

Corporate Office:  
8th Floor, City 2, Plot No 177, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098, India

Registered Office:  
L&T House, N. M. Marg  
Ballard Estate  
Mumbai 400 001, India

*L&T Finance Holdings Limited is a subsidiary of Larsen & Toubro Limited*