

## Press Release

Thursday, May 3, 2018, Mumbai

### **Financial Performance for the quarter and financial year ended March 31, 2018**

**Consolidated PAT for FY18 at Rs. 1459 cr. – YoY growth of 40%**

**Consolidated PAT for Q4FY18 at Rs. 406 cr. – YoY growth of 28%**

**RoE for FY18 at 15.03% and for Q4FY18 at 15.06%**

### **Results highlights:**

L&T Finance Holdings Ltd. (LTFH) declared Consolidated PAT of Rs. 1,459 cr. for FY18 – a growth of 40% from Rs. 1,042 cr. in FY17. For Q4FY18, LTFH declared Consolidated PAT of Rs. 406 cr – a YoY growth of 28% over Rs. 316 cr. in Q4FY17.

RoE was 15.03% for FY18 as against 12.31% for FY17 – improvement of 272 bps. RoE for Q4FY18 stands at 15.06%. This RoE is achieved after infusion of Rs 3,000 Crs equity in March 2018 through Preferential Allotment to Larsen & Toubro Limited and QIP. This improved profitability was delivered on back of the following:

- **Growth in businesses:** In its focus lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, LTFH recorded 68% YoY increase in disbursements and 28% YoY increase in assets in FY18. This growth was made possible through improving competitive position across products, using digital and data analytics as a differentiator and supported by a robust risk management framework.

<b><u>Focus Businesses</u></b>	<b>Disbursements Growth FY18 vs FY17</b>	<b>Loans &amp; Advances Growth FY18 vs FY17</b>
Rural Finance	97%	64%
Housing Finance	56%	51%
Wholesale Finance	65%	13%
<b>TOTAL</b>	<b>68%</b>	<b>28%</b>

LTFH also declared strong growth in its Investment & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased to Rs. 65,932 cr in Q4FY18 from Rs. 39,300 cr. in Q4FY17 – a growth of 68%. Average Assets under Service (AAUS) in Wealth Management business increased to Rs. 18,346 cr in Q4FY18 from Rs. 13,623 cr. in Q4FY17 – a growth of 35%.

- Improving asset quality:** LTFH moved to recognition of GNPA at 90 days past due (DPD) since Q1FY18. LTFH has improved its asset quality substantially on back of vigorously monitored early warning signals, concentration on early bucket collections and continuous efforts on GNPA resolution. The company has also increased its provision coverage ratio to 52.51% as on March 31, 2018 as against 31.00% as on March 31, 2017, thus improving balance sheet strength further.

(Rs. Cr.)	Q4FY18	Q3FY18	Q4FY17*
Gross NPA	3,884	3,969	4,519
Net NPA	1,845	2,020	3,118
Gross NPA %	4.80%	5.49%	7.11%
Net NPA %	2.34%	2.87%	5.02%
Provision Coverage %	52.51%	49.11%	31.00%

\* Restated to 90 DPD recognition of NPA

- Improving Cost to income ratio:** LTFH Cost to Income ratio has reduced to 23.16% in FY18 from 26.18% in FY17 on the back of productivity and efficiency gains.

### **Management Commentary:**

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “We will continue improving competitive position across our products and will focus on increasing ‘retailisation’ of our portfolio. Robust growth, focus on fee income, improving productivity and significant improvement in asset quality have led to delivery of 15.03% RoE for FY18, even after injection of Rs. 3000 cr. capital during March, 2018.”

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

LTFH is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI. LTFH 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.

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

City 2, Plot No. 177  
Vidyanagari Marg, CST Road  
Kalina, Santacruz (East)  
Mumbai 400 098

#### **Registered Office**

Brindavan, Plot No. 177, C.S.T Road  
Kalina, Santacruz (East)  
Mumbai 400 098, Maharashtra, India  
CIN: L67120MH2008PLC181833

**T** +91 22 6212 5000  
**F** +91 22 6212 5398  
**E** [igr@ltfs.com](mailto:igr@ltfs.com)

[www.ltfs.com](http://www.ltfs.com)