



L&T Finance Holdings

Press Release – L&T Finance Holdings Limited

Financial performance for the quarter and half year ended 30th September, 2012

Consolidated Profits for the half year grows by 19.91%

Friday, 19th September, 2012, Mumbai: L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter ended 30th September, 2012.

Highlights of the performance:

- **Healthy growth in assets:** Loans & Advances as on 30th September 2012 grew by **27.23%** year on year.
- **Growth in Profit after Taxes (PAT):** The Consolidated PAT for the half year grew by **19.91%** y-o-y to Rs. Rs 264.41 Cr. The Consolidated PAT for the quarter grew by **19.10%** q-o-q and 15.69% y-o-y to Rs 143.73 Cr.
- **Asset quality:** Gross NPAs stood at 1.81% of loan assets as on 30th September 2012 as compared to 2.04% as on 30th September 2011.

Assets:

Loans and Advances grew by 27.23% to Rs. 27,662.04 Cr. as on 30th September 2012 as compared to Rs. 21,741.81 Cr. as on 30th September 2011 and by 5.64% as compared to Rs. 26,184.16 Cr as on 30th June 2012.

The total disbursements for the half year aggregated to Rs. 8,900 Cr, (Previous Year Rs. 9,805 Cr), Of this, L&T Infrastructure Finance Company disbursed Rs. 1841 Cr, (Previous Year Rs. 2,846 Cr) and L&T Finance (including L&T Fincorp), disbursed Rs. 7059 Cr (Previous Year Rs. 6,959 Cr)

Lower disbursements are a reflection of the current environment in the Infrastructure sector and corporate sector impacting disbursements in infrastructure, corporate and construction equipment segment and our cautious approach to credit selection. The disbursement in Rural Products Finance at Rs. 1369 Cr, showed a robust a 32% growth over previous year.

In L&T Infra loan assets were Rs. 12,037.25 Cr as on 30th September 2012, a growth of 31.69% over last year. L&T Finance (including L&T Fincorp) loan assets grew by 24.01% over last year to Rs. 15,626.54 Cr as on 30th September 2012. The share of project assets in L&T Infra has increased to 67%, of which almost 50% are operational assets.

L&T Finance Holdings Limited

Corporate Office:
8th Floor, City 2 Plot No 177, CST Road,
Near Bandra Kurla Telephone Exchange
Kalina, Santacruz (East) Mumbai - 400098

Registered Office:
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Ballard Estate
Mumbai 400 001, India



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Profit after Taxes:

L&TFH reported a consolidated PAT of Rs.264.41 Cr. for the half year ended 30th September 2012, as against Rs. 220.52 Cr. for the same period in FY11 representing a growth of 19.91%. The consolidated PAT for the quarter grew by 19.10% q-o-q to Rs 143.73 Cr. The growth is attributable on stable interest costs and improvement in operational efficiency.

The Net Interest Margins for the quarter showed a small improvement reflecting the reduction in the short-term interest rates.

The growth in the profits is after considering

- Provision of Rs 72.06 Cr against Non-performing loans (Previous year Rs.50.36 Cr) including Rs.28.68 Cr (Previous year Rs 25.00 Cr) against the AP Micro-finance portfolio in LTF, LT Infra and LT FinCorp
- Additional provision of Rs. 35.26 Cr in L&T Infra against certain standard assets reflecting our cautious approach.

Non-Performing Assets:

Gross NPA (excluding Micro-finance business) stood at Rs. 417.61 Cr. and 1.56% as a percentage of gross advances (excluding Micro-finance business) as on 30th September 2012. The same was Rs. 229.73 Cr. and 1.10% as on 30th September 2011 and Rs. 346.68 Cr. and 1.37% as on 30th June 2012. The increase in Gross NPA was primarily as a result of stress in the economic environment.

In addition to provision for NPAs, L&T Infra carries additional provision of Rs. 55.90 Cr as a measure of caution.

Gross NPA (including Micro-finance business) stood at Rs. 487.68 Cr. or 1.81% as a percentage of gross advances (including Micro-finance business) as on 30th September 2012 as against Rs. 432.12 Cr. 2.04% as on 30th September 2011 and Rs. 416.38 Cr. and 1.63% as on 30th June 2012.

Update on IPHF (LTFH's acquisition in Housing Finance)

LTFH successfully completed the acquisition of Indo Pacific Housing Finance Limited (IPHF).

As of its last audit, for the year ended March 2012, IPHF had a loan book of Rs. 161 cr., primarily consisting of loans to self-employed and low income category borrowers. LTFH believes that its brand and reach will enable building a robust and valuable housing finance portfolio. The acquisition gives LTFH the opportunity

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to explore both complementary geographies and customer segments. LTFH's plan is to build a balanced portfolio by adding salaried and urban customers by using L&T's presence as a contractor and developer.

The acquisition furthers lends to LTFH's philosophy of being a broad range financial services provider by opening up a new asset category.

Outlook:

With improvement in the environment on the back of several steps taken by the government as well as the monsoon, we expect that the disbursements will show improvement. We also expect continued improvement in the margins on the expectations of stable to improving interest environment.

Summary of performance of Subsidiaries –

| Rs. Cr | L&T Finance | | L&T Fincorp | | L&T Infra | | L&T Invest. Mgmt | |
|--------------------------|-------------|-----------|-------------|----------|-----------|----------|------------------|----------|
| | H1 FY 13 | H1 FY 12 | H1 FY 13 | H1 FY 12 | H1 FY 13 | H1 FY 12 | H1 FY 13 | H1 FY 12 |
| Disbursements | 6,996 | 6,959 | 63 | - | 1,841 | 2,847 | | |
| Loans & Advances (Gross) | 14,417.76 | 12,347.00 | 1208.79 | 254.50 | 12,037.25 | 9140.34 | | |
| Total Income | 1,009.45 | 810.17 | 90.83 | 13.26 | 767.32 | 540.93 | 4.38 | 8.07 |
| NIM | 388.19 | 325.05 | 21.40 | 3.96 | 287.38 | 194.30 | | |
| Operating Cost | 193.20 | 155.68 | 2.07 | 0.02 | 36.29 | 19.94 | 20.50 | 18.42 |
| Credit Costs | 89.55 | 71.18 | 2.37 | 10.78 | 43.86 | 5.21 | | |
| PAT | 97.80 | 90.72 | 16.13 | 4.53 | 156.67 | 134.28 | (16.12) | (10.35) |

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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 direct and indirect wholly-owned subsidiaries, namely, L&T Finance Limited (L&T Finance), L&T Infrastructure Finance Company Limited (L&T Infra), L&T Investment Management Limited (L&T Mutual Fund), and L&T FinCorp Limited. 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 Limited (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

Notes:

Loans & Advances is gross of provisions.

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