

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th – 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

B. K. KHARE & CO.
Chartered Accountants
706/708, Sharda Chambers
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Mumbai 400004.

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF L&T FINANCE HOLDINGS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **L&T FINANCE HOLDINGS LIMITED** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter and nine months ended December 31, 2018 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.


2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Limited	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	L&T Housing Finance Limited	Subsidiary
4	L&T Infra Debt Fund Limited	Subsidiary
5	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
6	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
7	L&T Investment Management Limited	Subsidiary
8	L&T Mutual Fund Trustee Limited	Subsidiary
9	L&T Capital Markets Limited	Subsidiary
10	L&T Financial Consultants Limited	Subsidiary

Sr. No.	Name of the Company	Nature of relationship
11	Mudit Cement Private Limited	Subsidiary
12	L&T Infra Investment Partners Fund	Subsidiary
13	L&T Capital Market (Middle East) Limited (with effect from July 01, 2018)	Subsidiary

4. We did not review the interim financial results of 7 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect, total revenues of ₹151.54 crore and ₹658.27 crore for the quarter and nine months ended December 31, 2018, respectively, and total profit after tax of ₹42.42 crore and ₹69.21 crore and total comprehensive income of ₹41.28 crore and ₹68.36 crore for the quarter and nine months ended December 31, 2018, respectively, considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.
5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

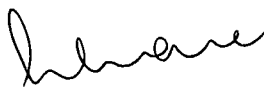
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 39826)

MUMBAI, January 21, 2019

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For B. K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)


Padmini Khare Kaicker
(Partner)
(Membership No. 044784)

MUMBAI, January 21, 2019

L&T FINANCE HOLDINGS LIMITED

CIN: L67120MH2008PLC181833

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

Website: www.ltfh.com Email: igre@ltfh.com Phone: +91 22 6212 5000 Fax: +91 22 6621 7509

(₹ in Crore)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018						
Sr. No.	Particulars	Quarter ended			Nine months ended	
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income:					
	(a) Revenue from operations	3,243.99	3,153.22	2,543.34	9,438.25	7,297.26
	(b) Other income	272.39	186.99	51.28	596.85	278.38
	Total income (a+b)	3,516.38	3,340.21	2,594.62	10,035.10	7,575.64
2	Expenses:					
	(a) Finance costs	1,864.66	1,649.69	1,402.22	5,027.52	3,986.18
	(b) Employee benefits expense	229.89	217.88	107.11	608.97	286.17
	(c) Administration and other expenses	217.70	295.97	240.04	841.12	644.41
	(d) Allowances and write offs	415.98	367.27	456.66	1,219.10	1,540.56
	(e) Depreciation and amortisation	12.34	11.76	12.80	35.76	38.74
	Total expenses (a+b+c+d+e)	2,740.57	2,542.57	2,218.83	7,732.47	6,496.06
3	Profit before exceptional items (1-2)	775.81	797.64	375.79	2,302.63	1,079.58
4	Exceptional items	-	-	-	-	-
5	Profit before tax (3-4)	775.81	797.64	375.79	2,302.63	1,079.58
6	Tax expense:					
	(a) Current tax	241.04	102.32	137.44	485.93	275.10
	(b) Deferred tax	(46.19)	136.20	(81.03)	136.79	(196.95)
	(c) Excess provision relating to earlier years	-	-	(6.09)	-	(6.09)
	Total tax expense (a+b+c)	194.85	238.52	50.32	622.72	72.06
7	Net profit after tax (5-6)	580.96	559.12	325.47	1,679.91	1,007.52
8	Add: Share in profit of associate company	-	-	1.25	-	2.34
9	Net profit after tax and share in profit of associate company (7+8)	580.96	559.12	326.72	1,679.91	1,009.86
	Profit/(loss) for the period attributable to:					
	Owners of the company	579.93	560.41	320.80	1,678.72	972.61
	Non-controlling interest	1.03	(1.29)	5.92	1.19	37.25
10	Other comprehensive income (OCI)	61.98	(28.19)	(0.72)	32.06	(0.13)
	Other comprehensive income (OCI) for the period attributable to:					
	Owners of the company	61.98	(28.19)	(0.72)	32.06	(0.13)
	Non-controlling interest	-	-	-	-	-
11	Total comprehensive income (9+10)	642.94	530.93	326.00	1,711.97	1,009.73
	Total comprehensive income (OCI) for the period attributable to:					
	Owners of the company	641.91	532.22	320.08	1,710.78	972.48
	Non-controlling interest	1.03	(1.29)	5.92	1.19	37.25
12	Paid-up equity share capital (face value of ₹ 10 each) (Refer note 4)	1,997.33	1,997.05	1,823.61	1,997.33	1,823.61
13	Earnings per share (not annualised): (Refer note 4)					
	(a) Basic (₹)	2.90	2.81	1.76	8.41	5.37
	(b) Diluted (₹)	2.89	2.79	1.74	8.37	5.31

- The Group has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India (RBI) and National Housing Bank (NHB) (Collectively referred to as "the Previous GAAP").
- The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 21, 2019. The Joint Statutory Auditors of the Company have carried out limited review of the aforesaid results.
- The Company reports quarterly financial results of the group on a consolidated basis, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with circular dated July 5, 2016. The standalone financial results are available on the website of the Company at www.ltfh.com, the website of BSE Limited ("BSE") at www.bseindia.com and on the website of National Stock Exchange of India Limited ("NSE") at www.nseindia.com. The specified items of the standalone financial results of the Company for the quarter and nine months ended December 31, 2018 and December 30, 2017 are given below.

(₹ in Crore)

Particulars	Quarter ended			Nine months ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total income from operations	62.55	100.02	25.72	215.93	75.60
Profit/(loss) before tax	(5.23)	38.39	(25.63)	43.77	(61.16)
Profit/(loss) after tax	(4.24)	33.69	(19.90)	39.81	(55.60)
Total comprehensive income	(4.26)	33.85	(19.94)	40.10	(55.71)

- The Company, during the quarter and nine months ended December 31, 2018 has allotted 282,075 and 1,654,900 equity shares of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's Employee Stock Option Scheme(s).
- During the quarter and nine months ended December 31, 2018, 9.00% cumulative compulsorily redeemable preference shares (CRPS) amounting to ₹ 250 crore have been redeemed and 8.95% cumulative compulsorily redeemable preference shares (CRPS) amounting to ₹ 250 crore have been issued. The company has paid final dividend of ₹ 12.21 crore on redeemed preference shares during the period.

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6 Consolidated unaudited segment wise revenue, result, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Nine month ended	
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Gross segment revenue from continuing operations					
(a)	Rural Business	1,101.77	966.26	641.42	2,900.06	1,610.49
(b)	Housing Business	772.07	723.97	523.58	2,170.71	1,385.97
(c)	Wholesale Business	1,198.81	1,160.16	1,091.03	3,663.78	3,528.81
(d)	Defocused Business	35.94	27.54	57.90	97.65	184.40
(e)	Others	203.14	397.71	270.03	844.83	699.29
	Segment revenue from continuing operations	3,311.73	3,275.64	2,583.96	9,677.03	7,408.96
	Less: Inter segment revenue	(67.74)	(122.42)	(40.62)	(238.78)	(111.70)
	Revenue as per the Statement of Profit and Loss	3,243.99	3,153.22	2,543.34	9,438.25	7,297.26
	Segment Result (Profit/(loss) before tax)					
(a)	Rural Business	300.27	295.01	226.00	823.35	512.56
(b)	Housing Business	268.30	269.89	192.19	761.87	496.35
(c)	Wholesale Business	200.45	269.59	34.98	745.75	244.53
(d)	Defocused Business	(43.99)	(66.65)	(99.72)	(139.11)	(282.85)
(e)	Others	50.78	29.80	22.34	110.77	108.99
	Profit before tax	775.81	797.64	375.79	2,302.63	1,079.58
	Segment assets					
(a)	Rural Business	24,712.82	21,955.55	14,253.52	24,712.82	14,253.52
(b)	Housing Business	24,570.84	24,253.63	17,613.66	24,570.84	17,613.66
(c)	Wholesale Business	47,758.22	48,994.06	44,219.82	47,758.22	44,219.82
(d)	Defocused Business	834.94	1,046.65	1,473.68	834.94	1,473.68
(e)	Others	11,169.61	12,724.58	8,772.70	11,169.61	8,772.70
	Sub total	1,09,046.43	1,08,974.47	86,333.38	1,09,046.43	86,333.38
	Less: Inter segment assets	(9,423.98)	(11,027.38)	(7,067.14)	(9,423.98)	(7,067.14)
	Segment assets	99,622.45	97,947.09	79,266.24	99,622.45	79,266.24
(f)	Unallocated	2,339.10	2,368.41	2,327.97	2,339.10	2,327.97
	Total assets	1,01,961.55	1,00,315.50	81,594.21	1,01,961.55	81,594.21
	Segment liabilities					
(a)	Rural Business	21,429.92	19,214.36	12,839.58	21,429.92	12,839.58
(b)	Housing Business	21,766.25	21,718.54	16,189.21	21,766.25	16,189.21
(c)	Wholesale Business	43,037.71	44,142.68	41,199.03	43,037.71	41,199.03
(d)	Defocused Business	726.78	919.78	1,327.49	726.78	1,327.49
(e)	Others	2,579.23	4,176.62	2,756.68	2,579.23	2,756.68
	Sub total	89,539.89	90,171.98	74,311.99	89,539.89	74,311.99
	Less: Inter segment liabilities	(592.69)	(2,205.67)	(901.25)	(592.69)	(901.25)
	Segment liabilities	88,947.20	87,966.31	73,410.74	88,947.20	73,410.74
(f)	Unallocated	33.76	34.11	4.75	33.76	4.75
	Total liabilities	88,980.96	88,000.42	73,415.49	88,980.96	73,415.49

(i) The Group has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated July 5, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the management.

(ii) Segment composition :

Rural Business comprises of Farm Equipments Finance, Two Wheeler Finance and Micro Loans.
Housing Business comprises of Home Loans, Loan against Property and Real Estate Finance.
Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.
Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.
Others comprises of Asset Management, Wealth Management etc.
Unallocated represents tax assets and tax liabilities

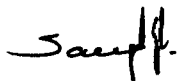
7 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

(₹ in Crore)

Sr. No.	Particulars	Quarter ended	Nine months ended
		December 31, 2017	December 31, 2017
		(Unaudited)	(Unaudited)
	Net profit after tax as per previous GAAP	384.09	1,053.49
(a)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	2.19	(12.50)
(b)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	(8.25)	(22.45)
(c)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	(31.97)	20.40
(d)	Incremental provision on application on expected credit loss model	3.12	(197.31)
(e)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	(28.59)	(83.89)
(f)	Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	35.43	106.28
(g)	Impact of consolidation of a fund on evaluation of control as per Ind AS 110	9.71	73.95
(h)	Interest income recognition on stage 3 loans	(31.12)	71.15
(i)	Others	(7.89)	0.74
	Net profit after tax as per Ind AS	326.72	1,009.86
	Other comprehensive income (net of tax) attributable to owners of the Company	(0.72)	(0.13)
	Total comprehensive income as per Ind AS (attributable to owners of the Company)	326.00	1,009.73

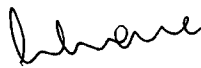
8 Figures for the previous periods have been regrouped/re-classified wherever necessary to conform to the figures of the current period.

In terms of our report attached,
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



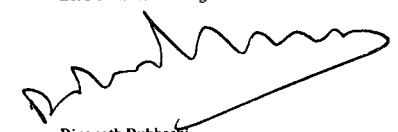
Sanjiv V. Pilgaonkar
Partner

In terms of our report attached,
For **B. K. KHARE & CO.**
Chartered Accountants
FRN: 105102W



Padmini Khare Kaicker
Partner
Membership no. 044784

For and on behalf of the Board of Directors
L&T Finance Holdings Limited



Dinanath Dubhashi
Managing Director & Chief Executive Officer
(DIN :03545900)

Place : Mumbai
Date : January 21, 2019

Place : Mumbai
Date : January 21, 2019

Place : Mumbai
Date : January 21, 2019

Press Release

Monday, January 21, 2019, Mumbai

Financial performance for the quarter ended December 31, 2018

RoE at 18.34% for Q3FY19

PAT at Rs. 580 Cr – YoY growth of 81%

NIMs plus Fees at 6.79% in Q3FY19 against 5.62% in Q3FY18

Gross Stage 3 declined to 6.74% in Q3FY19 from 10.40% in Q3FY18

Robust ALM Framework: LTFH is comfortably placed with respect to both liquidity and interest rate risks, due to its robust ALM and strong risk management framework.

 As on 31st December, 2018:

- LTFH enjoys positive gaps in both Structural Liquidity and Interest Rate Sensitivity

Structural Liquidity Statement	
1 Year Gap	Rs. Cr
Asset Inflows (A)	52,325
Liability outflows (B)	30,878
Positive (A-B)	21,447

Interest Rate Sensitivity Statement	
1 Year Gap	Rs. Cr
Re-priceable Assets (A)	74,185
Re-priceable Liabilities (B)	54,669
Positive (A-B)	19,516

- Liquidity of Rs. 4,173 Cr is maintained in form of cash, FDs and other liquid instruments. In addition to this, we have undrawn bank lines of Rs. 9,489 Cr and back up line from L&T of Rs. 2,000 Cr.
- During Q3FY19, LTFH has raised funds of ~ Rs.29,800 Cr (Rs.16,767 Cr through market instruments and Rs.13,033 Cr through bank finance/ ICDs)
- At 8.50% our weighted average cost of funds remains well in control despite volatility and hardening of interest rates
- Competitive strength in our focused businesses has enabled us to maintain steady NIMs

Growth in businesses: In its focused lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, LTFH recorded 23% YoY increase in assets in Q3FY19. At the end of Q3FY19, Rural and Housing businesses together constituted 50% of total portfolio as against 41% at the end of Q3FY18.

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<u>Focused Lending Businesses</u>	Q3FY18 Rs. Cr	Q3FY19 Rs. Cr	Book Growth Q3FY19 vs Q3FY18
Rural Finance	14,678	24,122	64%
Housing Finance	17,398	23,319	34%
Wholesale Finance	43,871	46,267	5%
TOTAL	75,948	93,708	23%

LTFH also delivered growth in its Investment Management and Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased to Rs. 69,080 Cr in Q3FY19 from Rs. 60,313 Cr in Q3FY18 – growth of 15%. Assets under Service (AUS) in Wealth Management business increased to Rs. 22,887 Cr in Q3FY19 from Rs. 17,102 Cr in Q3FY18 – growth of 34%.

Improving asset quality: LTFH has shown a substantial reduction in Stage 3 assets, both in absolute and percentage terms. This has been achieved through vigorously monitored early warning signals, concentration on early bucket collections and strong Stage 3 resolution efforts. LTFH's provision coverage has also increased during this time, indicating strength of its portfolio.

(Rs. Cr)	Q3FY18	Q2FY19	Q3FY19
Gross Stage 3	7,513	6,119	6,033
Net Stage 3	3,222	2,296	2,263
Gross Stage 3 %	10.40%	7.10%	6.74%
Net Stage 3 %	4.74%	2.79%	2.64%
Provision Coverage %	57%	62%	62%

In addition to the provisions mentioned above, LTFH has set aside Rs. 85 Cr as macro-prudential provisions in Q3FY19, taking overall macro-prudential provisions to Rs. 269 Cr. These provisions initiated in Q1FY19 are for any unanticipated future event risk, and are over and above the expected credit losses on GS3 assets and standard asset provisions.

Profitability: LTFH has delivered consolidated PAT of Rs. 580 Cr in current quarter as against PAT of Rs. 321 Cr for Q3FY18, a strong growth of 81%. Having achieved a RoE of 18.45% in Q1FY19, LTFH has maintained its profitability with 18.34% RoE in Q3FY19. This has been achieved on the back of strong NIMs plus Fee income, strict control on cost and improved asset quality.

Management Commentary:

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said, 'Our prudent Asset Liability Management practices have ensured that our growth remains unhindered despite the volatility. During Q3FY19, we made sure that the available liquidity was actively managed and allocated towards retail and core wholesale businesses. Our resilient business model, consistent performance and ability to withstand external uncertainties, will continue to differentiate us.'

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.

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