

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
One International Center, Tower 3
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B. K. KHARE & CO.
Chartered Accountants
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INDEPENDENT AUDITORS' 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 Consolidated Unaudited Financial Results of **L&T FINANCE HOLDINGS LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), for the quarter ended June 30, 2021 (the "Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 express a conclusion on the Statement based on our review.
3. 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 ("ICAI"). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Holding Limited	Parent
2	L&T Finance Limited (merged with L&T Infrastructure Finance Company Limited and L&T Housing Finance Limited)	Subsidiary
3	L&T Infra Debt Fund Limited	Subsidiary
4	L&T Mutual Fund Trustee Limited	Subsidiary
5	L&T Infra Investment Partners Fund	Subsidiary
6	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
7	L&T Infra Investment Partners Trustee Private Limited	Subsidiary

Sr. No.	Name of the Company	Nature of relationship
8	L&T Investment Management Limited	Subsidiary
9	L&T Financial Consultants Limited	Subsidiary
10	Mudit Cement Private Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 6 to the Statement in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic.
Our conclusion on the Statement is not modified in respect of this matter.
7. We did not review the interim financial information/financial results of two subsidiaries included in the Statement, whose interim financial information/financial results reflect total revenues of Rs. 1.61 crore for the quarter ended June 30, 2021, total net profit after tax of Rs. 0.82 crore for the quarter ended June 30, 2021 and total comprehensive income of Rs. 0.82 crore for the quarter ended June 30, 2021, as considered in the Statement. These interim financial information/ financial results have been reviewed by the other auditors whose reports have been furnished to us by the Management, and our conclusion 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 and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Neville M. Daruwalla
(Partner)
(Membership No. 118784)
(UDIN: 21118784AAAADX1053)

Mumbai, July 16, 2021

For B. K. KHARE & CO.

Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
(Partner)
(Membership No. 111212)
(UDIN: 21111212AAAATF5174)

Mumbai, July 16, 2021

L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

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(₹ in Crore)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021					
Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited) (refer note 9)	(Unaudited)	(Audited)
	Revenue from operations				
(i)	Interest income	3,008.30	3,223.61	3,295.24	13,104.85
(ii)	Dividend income	0.01	0.01	0.01	0.04
(iii)	Rental income	0.68	0.84	1.51	4.52
(iv)	Fees and commission income	124.40	185.28	81.23	542.08
(v)	Net gain on fair value changes	6.73	5.42	9.07	24.47
(vi)	Net gain on derecognition of financial instruments under amortised cost category	-	-	-	2.11
(I)	Total revenue from operations	3,140.12	3,415.16	3,387.06	13,678.07
(II)	Other income	61.37	172.02	10.47	402.03
(III)	Total income (I+II)	3,201.49	3,587.18	3,397.53	14,080.10
	Expenses				
(i)	Finance costs	1,508.86	1,609.12	1,978.20	7,199.92
(ii)	Fees and commission expenses	0.07	2.01	-	2.01
(iii)	Net loss on fair value changes	82.47	65.88	138.81	420.42
(iv)	Net loss on derecognition of financial instruments under amortised cost category	32.29	82.14	45.87	237.25
(v)	Impairment on financial instruments	791.46	504.02	943.52	2,978.03
(vi)	Employee benefits expense	286.90	271.57	241.59	1,007.06
(vii)	Depreciation, amortisation and impairment	22.97	22.33	18.59	87.09
(viii)	Other expenses	238.59	311.87	157.30	878.73
(IV)	Total expenses	2,963.61	2,868.94	3,523.88	12,810.51
(V)	Profit/(loss) before exceptional items and tax (III-IV)	237.88	718.24	(126.35)	1,269.59
(VI)	Exceptional items	-	-	225.61	225.61
(VII)	Profit before tax (V+VI)	237.88	718.24	99.26	1,495.20
(VIII)	Tax expense:				
(1)	Current tax	301.63	217.20	250.18	703.60
(2)	Deferred tax	(240.77)	235.07	(298.36)	(157.28)
(IX)	Profit after tax (VII-VIII)	177.02	265.97	147.44	948.88
(X)	Add: Share in profit of associate company	-	-	-	-
(XI)	Profit after tax and share in profit of associate company (IX+X)	177.02	265.97	147.44	948.88
	Profit for the period/ year attributable to:				
	Owners of the company	177.85	266.85	148.31	970.94
	Non-controlling interest	(0.83)	(0.88)	(0.87)	(22.06)
(XII)	Other comprehensive income	28.13	(23.19)	24.42	42.93
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit plans (net of tax)	(1.89)	0.54	0.82	2.76
	(b) Equity instruments through other comprehensive income	-	-	21.91	55.05
	B (i) Items that may be reclassified to profit or loss				
	(a) Debt instruments through other comprehensive income (net of tax)	0.01	(10.65)	13.22	(12.42)
	(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)	30.01	(13.08)	(11.50)	(2.20)
	(c) Exchange differences in translating the financial statements of foreign operations (net)	-	-	(0.03)	(0.26)
	Other comprehensive income for the period/ year attributable to:				
	Owners of the company	28.13	(23.19)	24.42	42.93
	Non-controlling interest	-	-	-	-
(XIII)	Total comprehensive income (XI+XII)	205.15	242.78	171.86	991.81
	Total comprehensive income for the period/ year attributable to:				
	Owners of the company	205.98	243.66	172.73	1,013.87
	Non-controlling interest	(0.83)	(0.88)	(0.87)	(22.06)
(XIV)	Paid-up equity share capital (face value of ₹ 10 each) (refer note 4)	2,470.58	2,469.45	2,004.85	2,469.45
(XV)	Other equity	-	-	-	16,303.75
(XVI)	Earnings per share (*not annualised):				
(a)	Basic (₹)	* 0.72	* 1.18	* 0.70	4.49
(b)	Diluted (₹)	* 0.72	* 1.17	* 0.70	4.47

Notes:

- These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- These consolidated financials results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2021. The Joint Statutory Auditors of the Company have carried out a limited review of the aforesaid results.
- The Company reports quarterly financial results of the group on a consolidated basis, pursuant to 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.ltf.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 ended June 30, 2021 are given below.

(₹ in Crore)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited) (refer note 9)	(Unaudited)	(Audited)
Total income from operations	31.46	125.12	24.68	191.42
Profit/(loss) before tax	(2.35)	79.08	174.30	188.79
Profit/(loss) after tax	(2.35)	58.87	125.91	116.05
Total comprehensive income	(2.36)	58.85	125.92	116.16

- The Company, during the quarter ended June 30, 2021 has allotted 1,135,524 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).
- Disclosure on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 ("RBI Circular"): During the quarter ended June 30, 2021, L&T Financial Services Group has implemented resolution plans to relieve COVID-19 pandemic related stress of eligible borrowers with a total outstanding of ₹ 983.35 crore as of June 30, 2021. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the concerned subsidiary companies in accordance with the above RBI circular. The aforesaid amount includes aggregate outstanding of ₹ 0.42 crore, where the relief was extended to 4 accounts as a part of Resolution Framework - 1.0.

6 Estimation of uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets and investments, the L&T Financial Services (LTFS) Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. The LTFS group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the LTFS group expects to recover the carrying amount of these assets. The LTFS group has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets. The digitisation initiatives undertaken by the LTFS group over the last few years has strengthened our ability to deal with the pandemic challenge. However, the extent of impact that the second wave of COVID19 pandemic will have on the Group's results, will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.

7 Amalgamation of L&T Infrastructure Finance Company Limited ("LTIFC"), L&T Housing Finance Limited ("LTHFC") and L&T Finance Limited ("LTFIL"):

Pursuant to order of National Company Law Tribunal Benches, Mumbai and Kolkata dated March 15, 2021 and March 19, 2021 respectively, the scheme of amalgamation for merger of LTIFC and LTHFC with LTFIL (all wholly owned subsidiaries of the Company) became effective from April 12, 2021 with appointed date being April 01, 2020. Prior to the merger, LTIFC was the sponsor of L&T Infra Debt Fund Ltd (LTIDF). Consequent to the merger of the sponsor (i.e., LTIFC with LTFIL), LTIDF is no longer eligible to be regarded as IDF-NBFC. LTIDF is taking steps to convert itself to an NBFC – Investment and Credit Company (NBFC-ICC).

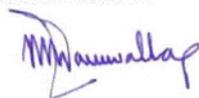
8 Consolidated segment wise revenue, result, total assets and total liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Sr. No.	Particulars	(₹ in Crore)			
		Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited) (refer note 9)	(Unaudited)	(Audited)	
	Gross segment revenue from continuing operations				
(a)	Rural finance	1,427.38	1,401.85	1,337.58	5,478.87
(b)	Housing finance	690.39	748.18	858.37	3,291.43
(c)	Infrastructure finance	835.50	1,068.41	997.20	4,075.06
(d)	Defocused business	59.86	75.76	119.45	395.38
(e)	Others	161.34	245.12	120.65	680.30
	Segment revenue from continuing operations	3,174.47	3,539.32	3,433.25	13,921.04
	Less: Inter segment revenue	(34.35)	(124.16)	(46.19)	(242.97)
	Revenue as per the statement of profit and loss	3,140.12	3,415.16	3,387.06	13,678.07
	Segment result (Profit/loss) before tax				
(a)	Rural finance	130.18	365.84	123.19	681.51
(b)	Housing finance	36.55	322.02	12.85	607.64
(c)	Infrastructure finance	84.92	157.61	22.68	425.16
(d)	Defocused business	(108.80)	(107.48)	(304.10)	(569.33)
(e)	Others	95.03	(19.75)	244.64	350.22
	Profit before tax	237.88	718.24	99.26	1,495.20
	Segment assets				
(a)	Rural finance	30,923.09	31,192.76	28,442.49	31,192.76
(b)	Housing finance	28,451.45	28,712.81	30,693.14	28,712.81
(c)	Infrastructure finance	37,110.11	40,499.93	42,617.05	40,499.93
(d)	Defocused business	2,996.52	3,056.77	4,946.19	3,056.77
(e)	Others	14,061.89	14,445.55	12,484.26	14,445.55
	Sub total	1,13,543.06	1,17,907.82	1,19,183.13	1,17,907.82
	Less: Inter segment assets	(11,142.53)	(11,235.32)	(11,703.70)	(11,235.32)
	Segment assets	1,02,400.53	1,06,672.50	1,07,479.43	1,06,672.50
(f)	Unallocated	2,313.68	2,299.15	2,493.75	2,299.15
	Total assets	1,04,714.21	1,08,971.65	1,09,973.18	1,08,971.65
	Segment liabilities *				
(a)	Rural finance	26,183.16	26,940.03	24,580.34	26,940.03
(b)	Housing finance	24,092.74	24,651.71	26,948.52	24,651.71
(c)	Infrastructure finance	31,970.38	34,647.56	37,289.37	34,647.56
(d)	Defocused business	2,536.30	2,653.16	4,389.37	2,653.16
(e)	Others	1,734.03	2,188.90	3,368.69	2,188.90
	Sub total	86,516.61	91,081.36	96,576.29	91,081.36
	Less: Inter segment liabilities	(1,146.81)	(1,220.16)	(1,607.86)	(1,220.16)
	Segment liabilities	85,369.80	89,861.20	94,968.43	89,861.20
(f)	Unallocated	351.08	337.25	123.91	337.25
	Total liabilities	85,720.88	90,198.45	95,092.34	90,198.45
	* Including non controlling interest				
(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 finance comprises of Farm Equipment Finance, Two Wheeler Finance, Micro Loans and Consumer Finance. Housing finance comprises of Home Loans, Loan against Property and Real Estate Finance. Infrastructure finance comprises of Infrastructure business. Defocused Business comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases. Others comprises of Asset Management etc. Unallocated represents tax assets and tax liabilities				

9 The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the third quarter of the previous financial year.

10 Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period.

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



Neville M. Daruwalla
Partner
Membership no. 118784

Place : Mumbai
Date : July 16, 2021

In terms of our report attached,
For B. K. KHARE & CO.
Chartered Accountants



Shirish Rahalkar
Partner
Membership no. 111212

Place : Mumbai
Date : July 16, 2021

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 : July 16, 2021

Press Release

Friday, July 16, 2021, Mumbai

L&T Finance Holdings announces financial results for the quarter ended June 30, 2021

- **PAT at Rs. 178 Cr** in Q1FY22, up **20% YoY** (Rs. 148 Cr in Q1FY21)
- **Covid Impact in April'21 & May'21 due to partial lockdown restrictions; successfully deployed Covid 1.0 learnings to counter Covid 2.0**
 - Top priority accorded to **Employee care**
 - **Strengthened Balance Sheet**: Created additional provisions of **Rs. 369 Cr** in Q1FY22; Total additional provisions currently at **Rs. 1,403 Cr** (1.75% on standard book) to protect against impact of Covid 2.0
 - **Analytics based collections**: Significant increase in Q1FY22 collections of **Rs. 13,166 Cr** (vs Rs. 4,321 Cr in Q1FY21); despite lower collections in May'21
 - **Focused on “collection led disbursement strategy”**: Disbursements up **125% YoY**
 - **Liquidity**: Maintained adequate liquidity buffers as a prudent measure in line with evolving Covid situation
- **Leading to Improved Delivery on Business Metrics**
 - Maintained leading position in Rural and Infrastructure Finance
 - Reduction in quarterly **WAC** by **85 bps** YoY (**7.64%** in Q1FY22 vs 8.49% Q1FY21)
 - Achieved **NIM+Fees** of **7.52%**
 - **GS3** at **5.75%** Q1FY22; **PCR** at **65%**; **NS3** at **2.07%**: GS3 reduced to **Rs. 4,881 Cr** from Rs. 4,939 Cr YoY
 - **Increase in retailization**: Rural + Retail Housing Book at **45%** in Q1FY22. Rural book up by **8%** on YoY basis

Mumbai, July 16, 2021: The Board of **L&T Finance Holdings (LTFH)**, a leading Non-Banking Financial Company (NBFC), today announced the financial results for first quarter ended June 30, 2021. LTFH being a Core Investment Company (CIC), carries out its businesses through its wholly owned subsidiaries.

LTFH is among the market leaders in Farm Equipment finance, Two-Wheeler finance, Micro Loans and continues to be one of the leading players in financing of Infrastructure sectors like renewables and roads. With a sustainable business model, data analytics led collection and disbursements, and a sharp focus on asset quality, the Company remains committed to building a stable and sustainable organization for its consumers and other stakeholders.

Commenting on the financial results Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings, said, “Despite severe impact of Covid 2.0, the learnings from Covid 1.0 held us in good stead in managing short-term challenges and helped maximise positive impact on business metrics. During FY21, LTFH was able to successfully navigate extremely tough conditions and emerge stronger. Our Q1FY22 performance reflects the fact that the Company has built a sustainable business model, one which will enable it to grow in the medium to long-term while dealing with any short-term challenges (including impact of Covid 2.0).”

Key Highlights

In Q1FY22, LTFH utilized its Covid 1.0 learnings to address short-term challenges and maintained focus on building strengths across businesses. The measures sharply focused on shoring up liquidity, strengthening the balance sheet, following an analytics based collections approach, rigorously adhering to our collection led disbursement strategy as well as according top priority to employee care, with vaccination and financial support. These levers helped the Company minimize the downside and maximise the upside basis market drivers, across key business metrics such as Disbursements, Liability management, NIM + Fees and Credit cost. Furthermore, LTFH advanced its retailization (Rural + Retail Housing) strategy to **45%** in Q1FY22, a stated long-term objective.

- A. Disbursements:** In Q1FY22, Covid related partial lockdowns in April and May had an impact on a few businesses. With gradual unlock of economy in June, disbursements bounced back, led by faster pick-up in economic activity across Farm Equipment Finance (FE), Two-Wheeler Finance (2W), Consumer Loans (CL) and Infrastructure Finance businesses. Due to slower Industry pick-up, the Micro Loans (ML), Housing and Real Estate Business saw moderate uptick in collections and disbursements. Infrastructure Finance portfolio continued to see strong sectoral performance leading to high collections on account of sell-down and repayments/ pre-payments.

Rural Finance: Our rural franchise continued to remain one of the leading financiers with increased market share in FE.

- a. **Farm Equipment Finance:** LTFH established itself as among the leading financiers in this segment with an increase in market share. The business was least impacted due to Covid 2.0 with farm cashflows remaining robust. This quarter saw the highest ever quarterly ‘Q1’ disbursement in the business, up **130%** YoY at Rs. **1,357 Cr.** (Rs. 590 Cr in Q1FY21)
- b. **Two-Wheeler Finance:** In Q1FY22, there was a gradual pickup since unlock, with sales impacted in May’21 on account of dealership closures. However, the business leveraged analytics to increase counter share across select dealers, with disbursements in the quarter up **165%** YoY
- c. **Micro Loans:** While disbursements were normal in April, there was a severe business impact in May and June, due to restrictions in field movements. In the quarter, the business adopted a calibrated disbursement approach based on on-ground collection trends which led to **Rs. 797 Cr** of disbursements

- d. **Consumer Loans:** The business-maintained momentum with **~Rs. 100 Cr** per month disbursed in Q1FY22. This business is focused on cross-selling to LTFH's existing customers with good credit history and leverages end-to-end digital service proposition and analytics led sourcing to scale up with a quality book

Housing Finance:

- a. **Home Loan/LAP:** In Q1FY22, though business was severely impacted due to widespread lockdown in major city centres, there was an increase in disbursements on YoY basis. The business continued to focus on salaried segment and remained cautious on Self Employed Non-Professional (SENP) segments
- b. **Real Estate:** LTFH maintained focus on funding existing projects with no new sanctions during the quarter

Infrastructure Finance:

The business showed robust disbursement momentum post unlock and continued sell-down with **Rs. 1,480 Cr** disbursed in the quarter. The business continues to see robust performance backed by higher sell-down volumes and refinancing

- B. Liability Management:** Liquidity remained comfortable in Q1FY22 despite pandemic led disruptions, OTR, etc., on the back of proactive measures instituted from Covid 1.0 onwards. The Company has a well-diversified liability profile and also has demonstrated astute treasury management to diversify funding sources at a lower cost of borrowing. The focus on raising low-cost incremental long-term borrowings through desired sources, continued in Q1FY22.

- Reduction in cost of borrowing by **85 bps** YoY (from 8.49% in Q1FY21 to 7.64% in Q1FY22); Q1FY22 borrowing cost is lowest ever
- This has led to increase in **NIM+Fees** to **7.52%**
- As of June 2021, the Company maintained liquid assets in the form of cash, FDs and other liquid investments to the tune of **Rs. 12,073 Cr**

- C. Highest Credit Ratings:** A diversified business presence, strategic importance to L&T, strong resource raising ability and adequate capitalization resulted in LTFH and all its lending subsidiaries' long-term ratings being rated '**AAA**' by all four rating agencies:

- a. **CRISIL** – May 2020 and December 2020
- b. **CARE** - October 2020
- c. **India Ratings** - September 2020
- d. **ICRA** - September 2020

Subsequent to the merger of L&T Infrastructure Finance Company Ltd. and L&T Housing Finance Ltd. into L&T Finance Ltd. (L&T Finance) becoming effective, all the Rating agencies have reviewed the ratings of L&T Finance and have assigned / reaffirmed the '**AAA**' rating in April'21.

- D. Focus on Strengthening Balance Sheet:** From FY19, LTFH started building macro-prudential provisions for any unanticipated future events which held the Company in good stead. Continuing this focus, as a prudent measure LTFH created additional provisions of **Rs. 369 Cr** in Q1FY22, with this carrying total additional provisions of **Rs. 1,403 Cr** (1.75% of standard book). These provisions are over and above the expected credit losses on GS3 assets and standard asset provisions. The GS3 in absolute terms stood at **Rs. 4,881 Cr** in Q1FY22, remaining almost stable on YoY basis. In percentage terms, the GS3 and NS3 assets of the Company stood at **5.75% and 2.07%** respectively with PCR on Stage 3 assets at **65%**.

(Rs. Cr)	Q1FY21	Q4FY21	Q1FY22
Gross Stage 3	4,939	4,504	4,881
Net Stage 3	1,553	1,377	1,691
Gross Stage 3 %	5.24%	4.97%	5.75%
Net Stage 3 %	1.71%	1.57%	2.07%
Provision Coverage %	69%	69%	65%

- E. Focused Lending Book:** The share of retail portfolio in the overall book grew to **45%** in Q1FY22, with the rural book growing **8%** YoY. While the rural book remained resilient, a calibrated approach in select portfolios led to a reduction in the overall book. Farm Equipment finance book grew **27%** YoY and Two-Wheeler Finance by **8%**. The asset size of our salaried home loans portfolio also grew by **5%** in the same period.

Our Focused Book witnessed robust collections of **Rs. 13,166 Cr** in Q1FY22 (vs Rs. 4,321 Cr in Q1FY21 and Rs. 13,880 in Q4FY21), despite lower collections in May'21.

(Rs. Cr)	Q1FY21	Q1FY22	Book Growth (%)
Focused Lending Business			
Rural Finance	27,476	29,659	8%
Housing Finance	26,954	22,809	(15)%
Infrastructure Finance	39,276	33,290	(15)%
Total Focused Book	93,706	85,758	(8)%
Defocused Businesses	5,173	2,682	(48)%
Total Lending Book	98,879	88,440	(11)%

In the Investment Management business, overall AUM has increased from Rs. 60,056 Cr in June'20 to **Rs. 76,552 Cr** in June'21, up **27%** YoY, on account of higher inflows in pure equity and hybrid category.

F. Financial Performance

The Covid second wave did impact business on account of restrictions and closures of dealerships, etc. Despite this, the Company's collection led disbursement strategy backed by concerted on-field efforts as well as data analytics led prioritization and resource allocation led to responsible growth in Q1FY22.

- **PAT of Rs. 178 Cr** in Q1FY22 vs Rs. 148 Cr in Q1FY21
- Additional provisions of **Rs. 369 Cr** in Q1FY22: with this carrying total macro-prudential provisions of **Rs. 1,403 Cr** (1.75% of standard book)
- Reduction in quarterly **WAC** by **85 bps** YoY (**7.64%** in Q1FY22 vs 8.49% in Q1FY21)
- Achieved **NIM+Fees** of **7.52%**
- **GS3** at **5.75%** Q1FY22; **PCR** at **65%**; **NS3** at **2.07%**: GS3 reduced to **Rs 4,881 Cr** from Rs. 4,939 Cr YoY
- Significant increase in Q1FY22 collections of **Rs. 13,166 Cr** (vs Rs. 4,321 Cr in Q1FY21); despite lower collections in May'21
- **Increase in retailisation**: Rural + Retail Housing Book at **45%** in Q1FY22

Mr. Dubhashi further added, "Through FY21, as well as in Q1FY22, the company has agilely adapted and calibrated its approach by leveraging on its business strengths. The month-on-month uptick in collection efficiencies post unlock in the last quarter is a result of our concerted efforts and in recent past we have shown our ability to quickly turn around the disbursement volumes as macro factors open up. Our inherent strengths allow us to remain prepared for any short-term disruptions, including those arising from a potential third wave of Covid. We remain steadfast in continuing to be of service to our customers and helping finance their livelihoods and aspirations."

About L&T Finance Holdings (LTFH):

LTFH (www.ltf.com) is one of India's leading Non-Banking Financial Company (NBFC) that offers a range of financial products and services across rural, housing, infrastructure finance and mutual funds, through its wholly owned subsidiaries. L&T Financial Services (LTFS) is the brand name of L&T Finance Holdings and its subsidiaries. Headquartered in Mumbai, LTFH has been rated AAA — the highest credit rating for NBFCs — by four leading rating agencies. Since FY17, LTFS entities have successfully leveraged digital and data analytics to enhance portfolio quality, achieve scale, increase cost efficiency as well as build market leading products offering among the best-in-class turnaround time (TAT), in service of our consumers. L&T Financial Services has been certified as a constituent company in the FTSE4Good Index Series, for its ESG standards. LTFS was recognised as the '*Socially Aware Corporate of the Year*' in the Business Standard Social Excellence Awards 2019, and was awarded FICCI's Corporate Social Responsibility Award for "*Women Empowerment*" for Digital Sakhi, its flagship CSR program.



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