

April 23, 2015

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051.

**BSE Limited**  
Corporate Relations Department,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

**Symbol: L&TFH**

**Scrip Code No.: 533519**

**Kind Attn: Head – Listing Department / Dept of Corporate Communications**

**Sub: Consolidated Audited Financial Results under Clause 41 of the Equity Listing Agreement**

Dear Sir/ Madam,

This has reference to our letter of even date for submitting Standalone Audited Financial Results of the Company for the quarter and financial year ended March 31, 2015.

Please find enclosed herewith Consolidated Audited Financial Results of the Company for the quarter and financial year ended March 31, 2015 along with Report of Statutory Auditors and Press Release thereon.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**



**N. Suryanarayanan**  
**Company Secretary**

Encl: as above



**SHARP & TANNAN**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**  
To the Members of L&T Finance Holdings Limited

**Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of L&T Finance Holdings Limited ('the Company') and its subsidiaries and associate ('the LTFH Group') which comprise the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the consolidated financial statements**

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 6 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; for selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Ashwin B. Chopra  
Pavan K. Aggarwal

Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet, of the state of affairs of the LTFH Group as at March 31, 2015;
- b) in the case of the consolidated statement of profit and loss, of the profit of the LTFH Group for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flows of the LTFH Group for the year ended on that date.

**Other matters**

We did not audit the financial statements of nine subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.3,062,651.11 Lakhs as at March 31, 2015; as well as the total revenue of Rs.335,117.43 Lakhs and net cash inflow amounting to Rs.29,630.52 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditors.

We further report that in respect of an associate, we did not carry out the audit. The consolidated financial statements include the net carrying cost of investment of Rs.4,519.42 Lakhs and current year share of net profit of Rs.396.43 Lakhs in respect of the associate. These financial statements have been audited by another auditor whose report has been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditor.

Our opinion is not qualified in respect of these matters.

SHARP & TANNAN  
Chartered Accountants  
Firm's registration no.109982W



Firdosh D. Buchia  
Partner  
Membership no. 38332

Mumbai, April 23, 2015

L&T FINANCE HOLDINGS LIMITED  
CIN. L67120MH2008PLC181833

Regd. Office : L&T House, Ballard Estate, Mumbai - 400 001

Website: www.ltfinanceholdings.com Email: igrc@ltfinanceholdings.com Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

(₹ Lakh)

PART I : STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015						
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations	1,63,464.44	1,57,199.06	1,39,966.65	6,19,622.86	5,05,593.81
2	Expenses:					
	a) Employee benefits expense	10,766.05	7,942.26	6,733.03	35,227.05	27,364.65
	b) Professional fees	6,615.49	6,656.42	6,587.24	24,955.54	21,465.55
	c) Allowances and write-offs	19,861.83	17,942.78	11,522.43	66,167.50	42,610.93
	d) Depreciation and amortisation	2,211.70	2,203.25	2,193.88	9,550.41	8,014.27
	e) Administration and other expenses	8,663.69	10,327.65	9,108.88	37,972.85	34,387.18
	Total expenses (a+b+c+d+e)	48,118.76	45,072.36	36,145.46	1,73,873.35	1,33,842.58
3	Profit from operations before other income, finance costs and exceptional items (1-2)	1,15,345.68	1,12,126.70	1,03,821.19	4,45,749.51	3,71,751.23
4	Other income	3,612.09	3,953.24	3,169.28	14,122.07	18,124.61
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	1,18,957.77	1,16,079.94	1,06,990.47	4,59,871.58	3,89,875.84
6	Finance costs	92,908.20	89,501.14	81,796.12	3,56,778.73	3,07,387.77
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	26,049.57	26,578.80	25,194.35	1,03,092.85	82,488.07
8	Exceptional items (Refer note 3)	-	-	-	14,389.42	-
9	Profit from ordinary activities before tax (7+8)	26,049.57	26,578.80	25,194.35	1,17,482.27	82,488.07
10	Tax expense:					
	a) Current tax	9,428.26	12,587.42	8,725.83	41,781.13	32,057.22
	b) MAT credit	(2,267.69)	-	-	(2,267.69)	-
	c) Deferred tax	(1,428.74)	(4,107.66)	(2,113.92)	(7,102.64)	(9,053.31)
	Total tax expense (a+b+c)	5,731.83	8,479.76	6,611.91	32,410.80	23,003.91
11	Net profit from ordinary activities after tax (9-10)	20,317.74	18,099.04	18,582.44	85,071.47	59,484.16
12	Extraordinary items	-	-	-	-	-
13	Net profit before share in profit/(loss) of associates (11+/-12)	20,317.74	18,099.04	18,582.44	85,071.47	59,484.16
14	Share of profit of associates	238.17	61.72	71.73	396.43	205.17
15	Net profit for the period/ year (13+14)	20,555.91	18,160.76	18,654.17	85,467.90	59,689.33
16	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	1,72,028.59	1,71,945.71	1,71,844.90	1,72,028.59	1,71,844.90
17	Reserves excluding Revaluation Reserve				4,65,618.84	4,10,720.39
18	Earnings per share (EPS): (Refer note 9)					
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*1.01	*0.87	*0.96	4.30	3.03
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*1.01	*0.87	*0.96	4.29	3.03
19	Non-Performing Assets (NPA) Ratios:					
	a) Amount of Gross NPA	1,04,484.02	1,32,658.58	1,24,300.00	1,04,484.02	1,24,300.00
	b) Amount of Net NPA	57,975.95	86,334.16	88,954.18	57,975.95	88,954.18
	c) Gross NPA (%)	2.25%	3.01%	3.18%	2.25%	3.18%
	d) Net NPA (%)	1.26%	1.98%	2.29%	1.26%	2.29%
20	Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)	20,555.91	18,160.76	18,654.17	73,603.48	59,689.33

PART II : SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015						
A PARTICULARS OF SHAREHOLDING						
1	Public shareholding					
	- Number of shares	46,53,49,890	43,04,53,196	40,18,59,366	46,53,49,890	40,18,59,366
	- Percentage of shareholding	27.05%	25.03%	23.39%	27.05%	23.39%
2	Promoters and Promoter Group shareholding					
	a) Pledged / encumbered					
	- Number of shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA	NA	NA
	- Percentage of shares (as a % of the total share capital of the Company)	NA	NA	NA	NA	NA
	b) Non-encumbered					
	- Number of shares	1,25,49,36,010	1,28,90,03,865	1,31,65,89,609	1,25,49,36,010	1,31,65,89,609
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	72.95%	74.97%	76.61%	72.95%	76.61%

Particulars	Quarter ended March 31, 2015
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	Nil

**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015**

(₹ Lakh)

Sr. No.	Particulars	As at	As at
		March 31,	March 31,
		2015	2014
		(Audited)	(Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share capital	3,08,368.59	2,71,844.90
	(b) Reserves and surplus	4,65,618.84	4,10,720.39
	<b>Sub-total - Shareholders' funds</b>	<b>7,73,987.43</b>	<b>6,82,565.29</b>
2	<b>Minority interest</b>	<b>10,030.00</b>	-
3	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	29,40,091.40	23,28,824.87
	(b) Other long-term liabilities	60,400.59	49,360.58
	(c) Long-term provisions	26,707.99	19,998.95
	<b>Sub-total - Non-current liabilities</b>	<b>30,27,199.98</b>	<b>23,98,184.40</b>
4	<b>Current liabilities</b>		
	(a) Short-term borrowings	5,98,869.67	4,54,715.79
	(b) Current maturities of long term borrowings	6,70,102.69	8,01,816.03
	(c) Trade payables	7,222.49	3,716.74
	(d) Other current liabilities	1,66,316.77	1,27,161.03
	(e) Short-term provisions	20,487.62	17,933.31
	<b>Sub-total - Current liabilities</b>	<b>14,62,999.24</b>	<b>14,05,342.90</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>52,74,216.65</b>	<b>44,86,092.59</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Fixed assets	71,847.04	72,874.11
	(b) Goodwill on consolidation	63,891.06	63,891.06
	(c) Non-current investments	1,04,314.61	98,931.49
	(d) Deferred tax assets (net)	28,978.83	21,741.66
	(e) Long-term loans and advances	27,935.18	19,648.32
	(f) Long-term loans and advances towards financing activities	34,57,198.70	27,86,419.07
	(g) Other non-current assets	38,484.17	14,940.23
	<b>Sub-total - Non-current assets</b>	<b>37,92,649.59</b>	<b>30,78,445.94</b>
2	<b>Current assets</b>		
	(a) Current investments	1,60,607.01	1,74,096.30
	(b) Trade receivables	2,137.19	3,071.67
	(c) Cash and bank balances	86,232.95	78,273.89
	(d) Short-term loans and advances towards financing activities	2,71,122.76	1,85,159.85
	(e) Current maturities of long term loans and advances towards financing activities	8,47,991.90	8,98,136.12
	(f) Other current assets	1,13,475.25	68,908.82
	<b>Sub-total - Current assets</b>	<b>14,81,567.06</b>	<b>14,07,646.65</b>
	<b>TOTAL - ASSETS</b>	<b>52,74,216.65</b>	<b>44,86,092.59</b>

**Notes:**

- The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23.
- Pursuant to Clause 41 of the Equity Listing Agreement, the Company has opted to publish the consolidated financial results. The audited standalone financial results have been submitted separately to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the equity shares of the Company are listed. The audited standalone financial results for the quarter and year ended March 31, 2015 are summarized below and detailed financial results are also available on the Company's website [www.ltfinanceholdings.com](http://www.ltfinanceholdings.com).

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2015	2014	2014	2015	2014
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from operations	18,686.77	8,489.75	990.44	29,061.91	25,757.14
Profit from ordinary activities before tax for the period/year	18,058.29	7,540.19	109.22	25,202.77	19,689.23
Net profit for the period/year after tax	19,007.88	7,564.30	96.08	26,162.80	19,638.31

- Exceptional items during the year ended March 31, 2015 represent gains of ₹ 14,389.42 lakh on sale of investment in City Union Bank Limited.
- The Company, during the current quarter has allotted 828,839 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, the Company has paid interim dividend of ₹ 11,016.53 lakh on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100/- each fully paid.
- The Board of Directors have recommended a final dividend of ₹ 0.80/- per Equity Share of ₹ 10/- each.
- Share / Debenture issue expenses for the year ended March 31, 2015 amounting to ₹ 1019.38 lakh have been adjusted against Securities Premium Account.
- Earnings per share from normal operations (i.e. excluding exceptional and extraordinary items) (Refer note 9)**

Particulars	Quarter ended			Year ended	
	March 31,	December 31,	March 31,	March 31,	March 31,
	2015	2014	2014	2015	2014
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(a) Basic EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*1.01	*0.87	*0.96	3.61	3.03
(b) Diluted EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*1.01	*0.87	*0.96	3.60	3.03

- Earnings per share is calculated after taking into account the annual dividend on preference shares on pro-rata basis.
- The figures for the quarter ended March 31, 2015 and March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and the year to date published figures upto the quarter ended December 31, 2014 and December 31, 2013 respectively.
- Previous periods/year figures have been regrouped/reclassified to make them comparable with those of current period/year.
- The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 23, 2015.

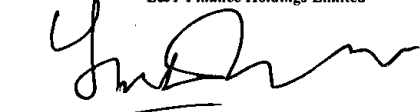
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31,	December 31,	March 31,	March 31,	March 31,
		2015	2014	2014	2015	2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	<b>Gross segment revenue from continuing operations</b>					
a	Retail and Mid Market Finance	91,099.07	92,522.66	84,668.29	3,62,817.38	3,00,095.61
b	Wholesale finance	66,901.32	60,393.48	51,702.08	2,39,417.55	1,94,448.99
c	Investment Management	4,246.57	3,640.96	2,700.59	13,912.00	9,477.48
d	Others	19,928.39	9,576.27	2,148.06	33,329.24	28,649.37
	<b>Total</b>	<b>1,82,175.35</b>	<b>1,66,133.37</b>	<b>1,41,219.02</b>	<b>6,49,476.17</b>	<b>5,32,671.45</b>
	Less: Inter Segment revenue	(18,710.91)	(8,934.31)	(1,252.37)	(29,853.31)	(27,077.64)
	<b>Net segment revenue from continuing operations</b>	<b>1,63,464.44</b>	<b>1,57,199.06</b>	<b>1,39,966.65</b>	<b>6,19,622.86</b>	<b>5,05,593.81</b>
	<b>Segment Result (Profit/(loss) before tax)</b>					
a	Retail and Mid Market Finance	15,771.05	16,046.47	10,861.11	59,411.59	40,954.63
b	Wholesale finance	9,923.48	12,556.90	14,822.94	46,807.14	47,462.15
c	Investment Management	498.38	438.61	187.50	1,199.79	(21.36)
d	Others (net of expenses)#	(143.34)	(2,463.18)	(677.20)	10,063.75	(5,907.35)
	<b>Profit before tax</b>	<b>26,049.57</b>	<b>26,578.80</b>	<b>25,194.35</b>	<b>1,17,482.27</b>	<b>82,488.07</b>
	<b>Capital employed (Segment assets less segment liabilities)*</b>					
a	Retail and Mid Market Finance	3,53,718.08	3,69,330.45	3,23,939.69	3,53,718.08	3,23,939.69
b	Wholesale finance	2,94,156.17	2,99,853.30	2,46,280.09	2,94,156.17	2,46,280.09
c	Investment Management	71,640.63	71,411.53	71,443.37	71,640.63	71,443.37
d	Others	54,472.55	41,213.09	40,902.14	54,472.55	40,902.14
	<b>Total capital employed</b>	<b>7,73,987.43</b>	<b>7,81,808.37</b>	<b>6,82,565.29</b>	<b>7,73,987.43</b>	<b>6,82,565.29</b>
	# Includes exceptional income of ₹ 14,389.42 lakh for the year ended March 31, 2015					
	* Includes Cumulative Compulsorily Redeemable Preference Share Capital of ₹ 136,340.00 lakh as on March 31, 2015					

(i) Segments have been identified in accordance with Accounting Standard (AS) 17 on Segment Reporting, considering the risk/return profiles of the businesses, their organisational structures and the internal reporting systems. The smaller business segments which are not separately reportable have been grouped under "Others" segment.

(ii) Segment composition :

**Retail and Mid Market Finance** comprises of Rural Products Finance, Personal Vehicle Finance, Microfinance, Housing Finance, Commercial Vehicle Finance, Construction Equipment Finance, Loans & Leases, Loan Against Shares and Supply Chain Finance,  
**Wholesale Finance** comprises of project finance and non-project corporate finance to infra and non-infra segments across Power – Thermal and Renewable; Transportation – Roads, Ports and Airports; Telecom and Other non-infra segments,  
**Investment Management** comprises of Assets Management of Mutual Fund and Private Equity Fund,  
**Others** comprises of Wealth Management, Financial Product Distribution etc.

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

  
Y. M. Deosthalee  
Chairman & Managing Director

Place : Mumbai  
Date : April 23, 2015



## Press Release

Thursday, 23<sup>rd</sup> April 2015, Mumbai

### Financial Performance for the quarter and year ended 31<sup>st</sup> March, 2015

**Consolidated Profit (before exceptional items) for the full year grows by 23%**

**Strong Operating Performance despite acceleration of Provisions**

**Sharp drop in Gross & Net NPAs**

L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter and year ended 31<sup>st</sup> March, 2015.

#### Highlights:

- **Profit after Taxes (PAT):** The Consolidated PAT (before exceptional items) for the year grew by 23% y-o-y to Rs. 736 Cr compared to Rs 597 Cr last year while the Consolidated PAT (before exceptional items) for the quarter grew by 10% y-o-y to Rs 206 Cr compared to Rs 187 Cr in the same period last year.

The operating performance has been strong with healthy margins, increased fee income, stable opex and improvement in asset quality. This enabled acceleration of Rs 96 Cr of provisions, which translates into a net amount of Rs 43 Cr on a post-tax basis adjusted for utilization of Rs 23 Cr of MAT credit in group companies.

Accelerated provisions include impact of increase of standard asset provisions to 0.30% from 0.25%, income reversal on 150 to 180 days past due assets and voluntary provisions on select stress accounts.

- **Asset Quality:** Gross NPA and Net NPA have shown a significant improvement due to robust collections and judicious sale of certain stress assets to ARCs.

Rs Cr	Q4FY14	Q3FY15	Q4FY15	Y-o-Y
Gross NPA	1,243	1,327	1,045	(16%)
Net NPA	890	863	580	(35%)
Gross NPA %	3.18%	3.01%	2.25%	(93 bps)
Net NPA %	2.29%	1.98%	1.26%	(103 bps)
Provision Coverage %	29%	35%	44%	15%

In line with a conservative provisioning policy, the Company carries ~Rs 230 Cr of provisions in excess of RBI norms.

- **Growth in assets:** Loans & Advances as on 31<sup>st</sup> March 2015 grew by 18% y-o-y to Rs. 47,232 Cr. as compared to Rs. 40,082 Cr as on 31<sup>st</sup> March 2014. This has been led by healthy disbursement growth of 25% on a y-o-y basis in our key focus areas i.e. B2C products - tractors, two wheelers, housing and microfinance in the retail business and operational projects in the sectors of renewable power and roads in the wholesale business.

The investment management business clocked a 23% growth in Average Assets Under Management (AAUM) to close the year at Rs 22,497 Cr compared to Rs 18,255 Cr for the same period last year. Growth of equity assets by 78% on a y-o-y basis to Rs 8,774 comprising 39% of total AAUM was a key highlight of the year.

#### **L&T Finance Holdings Ltd**

City 2, Plot No 177, Vidyanageri Marg  
CST Road, Kalina, Santacruz (E)  
Mumbai 400 098, India

#### **Registered Office**

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CIN: L67120MH2008PLC181833

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

### Management Commentary

Commenting on the results and financial performance, Mr. Y. M. Deosthalee, Chairman & Managing Director, L&T Finance Holdings, said, “We are happy to report a healthy 18% growth in loans and advances along with a 23% growth in profits for the full year. Focus on B2C products (tractors, 2-wheeler finance, microfinance and housing finance) and emphasis on operating projects in renewable power and road segment have been key to this growth.

The quarter has also seen a sharp improvement in the gross NPAs due to strong collection efforts and proactive calls on certain stress assets. Healthy net interest margins, increased fee income and stable operating expenses all through the year have enabled the company to accelerate provisions that would result in a stronger balance sheet and create further headroom for growth.”

### Profit after Taxes

Growth in profits has been a result of consistent and steady improvement in key operating parameters along with an improvement in the overall asset quality. The growth has been despite the accelerated provisions made during the quarter. Net Interest Margins (NIMs) for the lending business has been robust at Rs 2,471 Cr (5.68%) for the year as compared to Rs 1,965 Cr (5.47%) for the last year.

Business	PAT (before exceptional items) Rs Cr					
	Q4FY14	Q4FY15	Growth %	FY14	FY15	Growth %
Retail Finance	101	103	2%	310	394	27%
Wholesale Finance	94	67	(29%)	347	326	(6%)
Investment Management	1	3	-	0	5	-
Others	(9)	33	-	(60)	11	-
<b>Total</b>	<b>187</b>	<b>206</b>	<b>10%</b>	<b>597</b>	<b>736</b>	<b>23%</b>

### Assets

B2C products constitute 57% of the total loan outstanding in the retail business while operating projects account for 47% of the total loan outstanding in the wholesale business.

Business	Disbursements (Rs Cr)			Loans & Advances (Rs Cr)		
	FY14	FY15	Growth %	FY14	FY15	Growth %
Retail Finance	19,193	20,506	7%	22,485	24,993	11%
Wholesale Finance	6,767	11,975	77%	17,598	22,238	26%
<b>Total</b>	<b>25,959</b>	<b>32,481</b>	<b>25%</b>	<b>40,082</b>	<b>47,232</b>	<b>18%</b>



**Outlook:**

Consolidating and strengthening our presence in retail B2C products (tractors, 2 Wheelers, microfinance and housing finance) and further enhancing our position as a leading financier of operational projects with particular emphasis on renewables and roads are expected to be the key growth drivers for the year.

Subject to expectations of industrial activity picking up and an improvement in the overall investment climate being met during FY16, we would aspire to achieve a healthy asset growth of ~25% for the next financial year. The trajectory of improvement in returns is expected to continue aided by stability in key operating metrics and optimization of leverage.

While sentiments have improved on the back of steps initiated by government, the operating environment is yet to show significant improvement. Due to the lack of robust order flows and stretched working capital levels, certain restructured assets show continued levels of stress. Unseasonal rains and expected deficient monsoon could have an impact on the rural sector in the quarter ending June 2015. Consequently the improvement in delinquencies and stressed assets could be moderate.

As regards the increased level of standard assets provision at 30 bps, there will be no impact as we have already raised the standard assets provisioning to the requisite level. As regards the recognition of NPAs at 150 days overdue, the NPAs are expected to be at elevated levels (especially in the retail segment). However, our current provisioning norms will significantly mitigate any additional provisioning that may be required. As a result, we expect the provisioning requirements as a percentage of assets to be stable to declining.

**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 a CIC-ND-SI. L&TFH is promoted by Larsen & Toubro (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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