

August 18, 2015

BSE Limited

Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Scrip Code No.: 533519

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

Sub: Rumour Verification - August 18, 2015 - L&T Finance Holdings Ltd.

Dear Sir/Madam,

This has reference to your email dated August 18, 2015 on the captioned subject citing the news published in "Business Standard" on August 18, 2015 titled "**L&T Finance eyes Rs. 1,000 crore from PEs**".

In this connection, we wish to inform the Exchange that the Company would be needing capital from time to time as part of its growth plans over the next few years and the referred media report discusses a hypothetical situation assuming certain growth and internal generation. The Company would examine the capital requirements on an ongoing basis in the light of profitability and growth and take appropriate decision to raise capital. The investors/stock exchanges would be informed as and when definitive developments take place.

Kindly take note of the above.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**



N. Suryanarayanan
Company Secretary

Encl: as above

CC: -

National Stock Exchange of India Limited

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Plot No. C/1, G Block,
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L&T Finance Holdings Ltd

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L&T Finance eyes ₹1,000 crore from PEs

ABHIJIT LELE & NEELASRI BARMAN
Mumbai, 17 August

L&T Finance Holdings plans to sell a 3.5-4 per cent stake to private equity (PE) investors and raise about ₹1,000 crore as capital to fund growth in the next two years.

The L&T group's financial services arm expects to complete the process this financial year.

N Sivaraman, president, said they were looking at annual growth

over 20 per cent in the next two years. Part of the capital requirement will be through retained earnings. It has been in talks with PE investors. At present, Capital International holds about three per cent stake, taken at the time of the public offering.

The net retained earnings were about ₹500 crore last year. This gives the ability to grow the assets by ₹5,000-6,000 crore. "When talking of 20 per cent (annual) growth, we are talking of ₹9,000-

10,000 crore of business. This will need ₹500-700 crore of capital in a year," Sivaraman said.

Assuming internal capital generation of ₹1,000 crore, it would need a little over ₹1,000 crore as external capital to fund growth for 2016-17 and 2017-18.

Referring to business growth prospects, he said the overall investment activity would be better in the second half of the

current financial year. With a combination of renewable energy projects, refinanced ones and the roads sector, the whole-

sale segment should see 25-30 growth in the balance sheet. This is on a base of about ₹22,000 crore.

"I am not expecting too many projects coming in for active financial closure on the roads side. Many projects are on an EPC (engineering, procure-

ment and construction) basis. We will have a significant level of opportunity for refinancing in this sector," he said.

On the retail side, it is cautious on pace of growth. "We are a little more conservative. The housing and micro finance book will grow quite well, with traction and a well established credit appraisal process."

Adding: "In commercial vehicles, tractors and construction equipment, we will be a little cau-

tious. On aggregate retail segment should grow 15-17 per cent this fiscal, on the base of ₹25,000 crore."

Loans and advances grew 21 per cent to ₹49,219 crore in June 2015 from ₹40,764 crore in June 2014.

This was led by disbursement growth of 37 per cent over a year in "our key focus areas i.e. B2C (business to consumer) products — two-wheelers, housing and micro finance in the retail business, and operational projects in the wholesale business," said Sivaraman.

Group's financial arm expects to complete the process this financial year

and 3G/4G penetration

enabling low-cost