L&T Finance Holdings

January 22, 2016

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

Symbol: L&TFH

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: Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2015

Dear Sir/ Madam,

This has reference to our letter of even date for submitting Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2015.

Please find enclosed herewith Unaudited Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2015 along with Limited Review 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 & Compliance Officer

Encl: as above

L&T Finance Holdings Ltd
8th Floor, City 2, Plot No 177
Vidyanagari Marg, CST Road, Kalina
Santacruz (E), Mumbai 400 098, India

Registered Office
L&T House, NM Marg
Ballard Estate, Mumbai 400 001, India
CIN: L67120MH2008PLC181833

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SHARP & TANNAN
Chartered Accountants

Limited review report to the board of directors of L&T Finance Holdings Limited for the nine month period ended December 31, 2015

Introduction

We have reviewed the accompanying statement of unaudited consolidated financial results of L&T Finance Holdings Limited ("the Company") and its subsidiaries and associate ("the LTFH Group") for the nine month period ended December 31, 2015. This statement is the responsibility of the Company's management and has been approved by the board of directors on January 22, 2016. Our responsibility is to issue a report on these financial statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

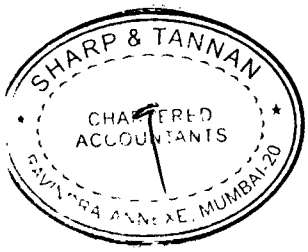
Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards prescribed by section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matters

We did not review the financial statements of four subsidiaries included in the consolidated financial results, whose interim financial statements reflect total assets of Rs. 2,688,287.78 lakhs as at December 31, 2015; as well as the total revenue of Rs. 204,667.93 lakhs and net cash flow amounting to Rs. (61,774.68) lakhs for the nine month period ended December 31, 2015. These interim financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such auditors.

We further report that in respect of one associate, we did not carry out the review. These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of an associate are based solely on these certified financial statements.



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Edwin Augustine Raghunath P. Acharya Firdosh D. Buchia Thirtharaj A. Khot Pavan K. Aggarwal
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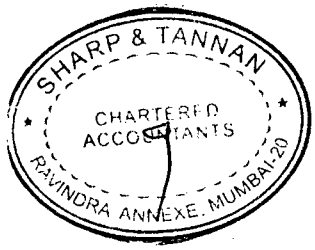
Since the financial statements for the nine month period ended December 31, 2015, which were compiled by management of the company, were not reviewed, any adjustments to their balances could have consequential effects on the condensed consolidated financial statements. However, the size of an associate in the consolidated position is not significant in relative terms. The consolidated financial statements include the net carrying cost of investment of Rs. 4,664.56 lakhs and current period share of net profit of Rs. 213.34 lakhs in respect of an associate. Our opinion is not qualified in respect of this matter.



SHARP & TANNAN
Chartered Accountants
Firm's registration no. 109982W
by the hand of

Milind P. Phadke
Partner
Membership no. 033013

Mumbai, January 22, 2016

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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**	**1,81,980.69**	**1,79,338.20**	**1,57,199.06**	**5,33,082.14**	**4,56,158.42**	**6,19,622.86**
2	**Expenses:**						
	a) Employee benefits expense	13,479.64	13,115.71	7,942.26	38,072.44	24,461.00	35,227.05
	b) Professional fees	3,599.82	4,410.43	6,656.42	12,751.12	18,340.05	24,955.54
	c) Allowances and write-offs	20,350.24	18,342.20	17,942.78	57,473.95	46,305.67	66,167.50
	d) Depreciation and amortisation	2,006.24	2,070.32	2,203.25	6,175.77	7,338.71	9,550.41
	e) Administration and other expenses	12,911.49	14,324.56	10,327.65	40,003.34	29,309.16	37,972.85
	Total expenses (a+b+c+d+e)	**52,347.43**	**52,263.22**	**45,072.36**	**1,54,476.62**	**1,25,754.59**	**1,73,873.35**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**1,29,633.26**	**1,27,074.98**	**1,12,126.70**	**3,78,605.52**	**3,30,403.83**	**4,45,749.51**
4	Other income	4,421.60	4,414.57	3,953.24	12,913.04	10,509.98	14,122.07
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**1,34,054.86**	**1,31,489.55**	**1,16,079.94**	**3,91,518.56**	**3,40,913.81**	**4,59,871.58**
6	Finance costs	1,01,463.56	99,764.18	89,501.14	2,99,677.71	2,63,870.53	3,56,778.73
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**32,591.30**	**31,725.37**	**26,578.80**	**91,840.85**	**77,043.28**	**1,03,092.85**
8	Exceptional items (Refer note 3)	-	-	-	-	14,389.42	14,389.42
9	**Profit from ordinary activities before tax (7+8)**	**32,591.30**	**31,725.37**	**26,578.80**	**91,840.85**	**91,432.70**	**1,17,482.27**
10	**Tax expense:**						
	a) Current tax	16,322.36	11,507.53	12,587.42	39,064.28	32,352.87	41,781.13
	b) MAT credit	(825.66)	(1,179.33)	-	(2,492.67)	-	(2,267.69)
	c) Deferred tax	(4,029.86)	(38.05)	(4,107.66)	(6,501.45)	(5,673.90)	(7,102.64)
	Total tax expense (a+b+c)	**11,466.84**	**10,290.15**	**8,479.76**	**30,070.16**	**26,678.97**	**32,410.80**
11	**Net profit from ordinary activities after tax (9-10)**	**21,124.46**	**21,435.22**	**18,099.04**	**61,770.69**	**64,753.73**	**85,071.47**
12	Extraordinary items	-	-	-	-	-	-
13	**Net profit before share in profit/(loss) of associates (11+/-12)**	**21,124.46**	**21,435.22**	**18,099.04**	**61,770.69**	**64,753.73**	**85,071.47**
14	Share of profit of associates	72.04	106.08	61.72	213.34	158.26	396.43
15	**Net profit for the period/ year (13+14)**	**21,196.50**	**21,541.30**	**18,160.76**	**61,984.03**	**64,911.99**	**85,467.90**
16	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	1,75,319.81	1,72,106.45	1,71,945.71	1,75,319.81	1,71,945.71	1,72,028.59
17	Reserves excluding Revaluation Reserve						4,65,618.84
18	**Earnings per share (EPS): (Refer note 7)**						
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*0.92	*0.94	*0.87	*2.70	*3.29	4.30
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*0.92	*0.94	*0.87	*2.70	*3.29	4.29
19	**Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)**	**21,196.50**	**21,541.30**	**18,160.76**	**61,984.03**	**53,047.57**	**73,603.48**

Notes:

1 The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23.

2 Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has opted to publish the consolidated financial results. The unaudited 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 unaudited standalone financial results for the quarter and nine months ended December 31, 2015 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

(₹ Lakh)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from operations	19,057.51	13,191.74	8,489.75	33,462.80	10,375.14	29,061.91
Profit from ordinary activities before tax for the period/year	19,712.34	13,759.17	7,540.19	35,225.87	7,144.48	25,202.77
Net profit for the period/year after tax	19,712.34	14,307.09	7,564.30	36,186.22	7,154.92	26,162.80

3 Exceptional items during the nine months ended December 31, 2014 and year ended March 31, 2015 represent the gain of ₹ 14,389.42 lakhs on sale of investment in City Union Bank Limited.

4 The Company, during the current quarter has allotted 3,18,36,971 equity shares of ₹ 10/- each, fully paid up on a preferential basis and 296,499 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).

5 Share / Debenture issue expenses for the nine months ended December 31, 2015 amounting to ₹ 1,329.39 lakh have been adjusted against Securities Premium Account.

6 Earnings per share from normal operations (i.e. excluding exceptional and extraordinary items) (Refer note 7)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(a) Basic EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*0.92	*0.94	*0.87	*2.70	*2.60	3.61
(b) Diluted EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised) (₹)	*0.92	*0.94	*0.87	*2.70	*2.60	3.60

7 Earnings per share is calculated after adjusting pro-rata dividend on outstanding preference shares.

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L&T FINANCE HOLDINGS LIMITED
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8 Pursuant to RBI's Circular no. DNBR (PD) CC. No.043 / 03.10.119 / 2015-16 dated July 1, 2015, NPA recognition criteria is revised from 180 days past due to 150 days past due with effect from first quarter of financial year 2015-16. The below table provides NPA summary at 150 days past due (corresponding previous period numbers are management estimates) and 180 days past due (in brackets) for comparative purpose.

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
a) Amount of Gross NPA (₹ Lakh)	1,81,760.16 (1,57,189.64)	1,54,246.09 (1,36,224.95)	1,97,663.31 (1,32,658.58)	1,81,760.16 (1,57,189.64)	1,97,663.31 (1,32,658.58)	1,42,810.30 (1,04,484.02)
b) Amount of Net NPA (₹ Lakh)	1,20,641.00 (96,645.62)	99,264.61 (81,623.63)	1,48,933.63 (86,334.16)	1,20,641.00 (96,645.62)	1,48,933.63 (86,334.16)	96,302.23 (57,975.95)
c) Gross NPA (%)	3.33% (2.88%)	3.08% (2.72%)	4.48% (3.01%)	3.33% (2.88%)	4.48% (3.01%)	3.08% (2.25%)
d) Net NPA (%)	2.23% (1.79%)	2.00% (1.65%)	3.42% (1.98%)	2.23% (1.79%)	3.42% (1.98%)	2.10% (1.26%)

Note : Above includes NPA for L&T Housing Finance Ltd (wholly owned subsidiary of L&T Finance Holdings Ltd) where recognition is at 90 days past due as per extant National Housing Bank (NHB) regulations.

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

10 The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on January 22, 2016. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.

11 Segment-wise Revenue, Results and Capital Employed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross segment revenue from continuing operations						
a	Retail and Mid Market Finance	1,00,065.13	1,02,225.24	92,522.66	2,99,779.31	2,71,718.31	3,62,817.38
b	Wholesale finance	74,223.98	70,418.70	60,393.48	2,12,414.95	1,72,516.23	2,39,417.55
c	Investment Management	6,784.87	6,309.21	3,640.96	18,847.63	9,665.43	13,912.00
d	Others	20,282.97	14,202.83	9,576.27	36,597.24	13,400.85	33,329.24
	Total	**2,01,356.95**	**1,93,155.98**	**1,66,133.37**	**5,67,639.13**	**4,67,300.82**	**6,49,476.17**
	Less: Inter Segment revenue	(19,376.26)	(13,817.78)	(8,934.31)	(34,556.99)	(11,142.40)	(29,853.31)
	Net segment revenue from continuing operations	**1,81,980.69**	**1,79,338.20**	**1,57,199.06**	**5,33,082.14**	**4,56,158.42**	**6,19,622.86**
	Segment Result (Profit/(loss) before tax)						
a	Retail and Mid Market Finance	15,755.59	16,627.63	16,046.47	46,143.65	43,640.54	59,411.59
b	Wholesale finance	15,956.71	15,305.14	12,556.90	44,302.78	36,883.66	46,807.14
c	Investment Management	644.26	606.55	438.61	1,622.34	701.41	1,199.79
d	Others (net of expenses)#	234.74	(813.95)	(2,463.18)	(227.92)	10,207.09	10,063.75
	Profit before tax	**32,591.30**	**31,725.37**	**26,578.80**	**91,840.85**	**91,432.70**	**1,17,482.27**
	Capital employed (Segment assets less segment liabilities)*						
a	Retail and Mid Market Finance	3,89,170.22	3,41,266.45	3,69,330.45	3,89,170.22	3,69,330.45	3,53,718.08
b	Wholesale finance	3,49,340.27	3,12,251.93	2,99,853.30	3,49,340.27	2,99,853.30	2,94,156.17
c	Investment Management	73,056.01	72,876.98	71,411.53	73,056.01	71,411.53	71,640.63
d	Others	1,12,258.04	1,44,754.58	41,213.09	1,12,258.04	41,213.09	54,472.55
	Total capital employed	**9,23,824.54**	**8,71,149.94**	**7,81,808.37**	**9,23,824.54**	**7,81,808.37**	**7,73,987.43**
	# Includes exceptional income of ₹ 14,389.42 lakh for the nine months ended December 30, 2014 and year ended March 31, 2015						
	* Includes Cumulative Compulsorily Redeemable Preference Share Capital of ₹ 196,340.00 lakh and Share Warrants of ₹ 11,806.88 lakh as on December 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
(DIN :00001698)

Place : Mumbai
Date : January 22, 2016

Press Release

Friday, 22nd January 2016, Mumbai

Financial Performance for the quarter and nine months ended 31st December, 2015

Consolidated Profit for the quarter grows by 17%; Loans and Advances grows by 23%

Consolidated Profit (before exceptional items) for the nine month period grows by 17%

L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter and nine months ended 31st December, 2015.

Highlights:

- **Growth in assets:** Loans & Advances as on 31st December 2015 grew by 23% y-o-y to Rs. 55,694 Cr. as compared to Rs. 45,225 Cr as on 31st December 2014. This has been inspite of substantial negative growth in farm equipment business. The growth has been led by healthy disbursement growth of 40% on a y-o-y basis in our key focus areas i.e. operational projects in renewable energy and roads; retail B2C products – housing, microfinance and two wheelers.

  The Average Assets under Management (AAUM) of the investment management business grew by 17% to Rs 25,059 Cr as compared to Rs 21,336 Cr for the same period last year. The share of equity assets increased to 41% of the total AAUM, reaching Rs 10,268 Cr representing a 37% increase on a y-o-y basis.

- **Profit after Taxes (PAT):** The Consolidated PAT for the quarter grew by 17% y-o-y to Rs. 212 Cr compared to Rs 182 Cr in the same period last year. The operating performance has continued to remain steady with healthy margins, steady fee income and stable opex. The asset management business continues to contribute positively.

- **Asset Quality:** Sequential increase in Gross NPA% largely on account of the stress in rural markets. Gross NPA% shows a reducing trend on a y-o-y basis despite above normal delinquencies in Farm portfolio indicating that NPAs in other business have been contained.

Rs Cr	Q315		Q316	
	180 days	150 days	180 days	150 days
Gross NPA	1,327	1,977	1,572	1,818
Net NPA	863	1,489	966	1,206
Gross NPA %	3.01%	4.48%	2.88%	3.33%
Net NPA %	1.98%	3.42%	1.79%	2.23%
Provision Coverage %	35%	25%	39%	34%

In line with a conservative provisioning policy, the Company carries ~Rs 233 Cr of provisions in excess of RBI norms.

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 23% growth in loans and advances along with a 17% growth in profits for the quarter on a y-o-y basis. This has been despite the slower than expected pick up in the overall economy and significant cash flow pressures in the rural markets. Our focus on financing operational projects in renewable energy and road sectors, and select segments of retail

B2C products has enabled this. Our philosophy of being a comprehensive financial services player is playing out positively in terms of maintaining a consistently healthy growth in assets and profitability over the last 8 -10 quarters, with stabilization in the overall asset quality."

Profit after Taxes

Growth in profits has been a result of consistent and steady improvement in key operating parameters along with stabilization in the overall asset quality in the lending business and positive contribution by the asset management business. Net Interest Margins (NIMs) for the lending business has shown a 20% growth y-o-y to Rs 750 Cr (5.63%) from Rs 623 Cr (5.66%) in the same period last year.

Business	PAT (Rs Cr)			
	Q3FY15	Q2FY16	Q3FY16	Growth %
Retail Finance	105	107	100	(5%)
Wholesale Finance	81	100	104	28%
Investment Management	2	5	5	100%
Others	(6)	3	3	-
Total	182	215	212	17%

Assets

Operating projects account for 59% of the total loan outstanding in the wholesale business while B2C products constitute 61% of the total loan outstanding in the retail business.

Business	Disbursements (Rs Cr)			Loans & Advances (Rs Cr)		
	Q3FY15	Q3FY16	Growth %	Q3FY15	Q3FY16	Growth %
Retail Finance	5,219	6,983	34%	23,566	27,686	17%
Wholesale Finance	4,160	6,152	48%	21,659	28,008	29%
Total	9,378	13,135	40%	45,225	55,694	23%

Outlook:

Consolidating and strengthening our position as a leading financier of operational projects with particular emphasis on renewables and roads and further enhancing our presence in retail B2C products (tractors, 2 Wheelers, microfinance and housing finance) will continue to be the key growth drivers. We expect overall asset growth for the current fiscal year to be around 25%.

The Company is focused on improving returns in all its businesses. All key operating metrics have remained consistent to improving over the last 8 – 10 quarters. As the economy turns around, it is expected that credit costs will come down gradually.

As per RBI norms the Company will migrate to reporting NPAs on 90 day basis. While this is expected to result in an increase in GNPAs, our assessment shows that our current provisioning norms will adequately take care of actual loss experienced on the ground

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.

For Details, Contact: Arijit Sengupta, L&TFH
(9820340485,Arijit.Sengupta@ltfinanceholdings.com)