L&T Finance Holdings

April 23, 2014

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: 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, 2014.

Please find enclosed herewith Consolidated Audited Financial Results of the Company for the quarter and financial year ended March 31, 2014 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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of L&T Finance Holdings Limited

We have audited the accompanying consolidated financial statements of L&T Finance Holdings Limited ("the Company") and its subsidiaries and associates ("the LTFH Group") which comprise the consolidated balance sheet as at 31 March 2014, 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

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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 associates 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 31 March 2014;

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.

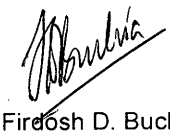
Other matters

We did not audit the financial statements of eleven subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.2,352,618.24 Lakhs as at 31 March 2014; as well as the total revenue of Rs.261,336.27 Lakhs and net cash inflow amounting to Rs.29,506.69 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 statement, 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 two associates, we did not carry out the audit. The consolidated financial statements include the net carrying cost of investment of Rs.4,123.54 Lakhs and current year share of net profit of Rs.205.17 Lakhs in respect of one of the associates. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statement, to the extent they have been derived from such financial statements is based solely on the report of such auditors. In case of the other associate the investment is carried at nil value in the books of account and the accounts have been certified by management.

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, 23 April 2014

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

(₹ Lakh)

PART I : STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	**Income from operations**	**139,966.65**	**127,368.25**	**111,835.47**	**505,593.81**	**394,308.57**
2	**Expenses:**					
	a) Employee benefits expense	6,733.03	7,491.55	6,304.86	27,364.65	20,486.18
	b) Professional fees	6,587.24	5,397.41	4,704.37	21,465.55	11,485.11
	c) Allowances and write-offs	11,522.43	11,972.78	8,431.53	42,610.93	27,310.19
	d) Depreciation and amortisation	2,193.88	2,012.72	1,869.44	8,014.27	6,512.58
	e) Administration and other expenses	9,108.88	9,367.75	6,731.90	34,387.18	23,762.11
	Total expenses	**36,145.46**	**36,242.21**	**28,042.10**	**133,842.58**	**89,556.17**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**103,821.19**	**91,126.04**	**83,793.37**	**371,751.23**	**304,752.40**
4	Other income	3,169.28	3,467.92	2,768.11	18,124.61	5,170.75
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**106,990.47**	**94,593.96**	**86,561.48**	**389,875.84**	**309,923.15**
6	Finance costs	81,796.12	79,687.88	65,045.25	307,387.77	232,861.68
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**25,194.35**	**14,906.08**	**21,516.23**	**82,488.07**	**77,061.47**
8	Exceptional items	-	-	(381.27)	-	21,799.40
9	**Profit from ordinary activities before tax (7+8)**	**25,194.35**	**14,906.08**	**21,134.96**	**82,488.07**	**98,860.87**
10	**Tax expense:**					
	a) Current tax	8,725.83	5,994.47	6,817.00	32,057.22	30,902.74
	b) Deferred tax	(2,113.92)	(1,989.83)	(2,751.09)	(9,053.31)	(4,960.64)
	Total tax expense	**6,611.91**	**4,004.64**	**4,065.91**	**23,003.91**	**25,942.10**
11	**Net profit from ordinary activities after tax (9-10)**	**18,582.44**	**10,901.44**	**17,069.05**	**59,484.16**	**72,918.77**
12	Extraordinary items	-	-	-		-
13	**Net profit before share in profit/(loss) of associates (11+/-12)**	**18,582.44**	**10,901.44**	**17,069.05**	**59,484.16**	**72,918.77**
14	Share of profit of associates	71.73	67.43	74.01	205.17	128.37
15	**Net profit for the period/ year (13+14)**	**18,654.17**	**10,968.87**	**17,143.06**	**59,689.33**	**73,047.14**
16	Paid-up equity share capital (Face value of ₹ 10/- each)	171,844.90	171,759.79	171,676.05	171,844.90	171,676.05
17	Reserves excluding Revaluation Reserve				410,720.39	375,345.68
18	**Earnings per share (EPS):**					
	a) Basic EPS before and after extraordinary items (₹) (* not annualised)	*0.96	*0.51	*1.00	3.03	4.25
	b) Diluted EPS before and after extraordinary items (₹) (* not annualised)	*0.96	*0.51	*1.00	3.03	4.25
19	**Non-Performing Assets (NPA) Ratios:**					
	a) Amount of Gross NPA	124,300.00	106,716.14	65,957.30	124,300.00	65,957.30
	b) Amount of Net NPA	88,954.18	74,177.34	40,631.70	88,954.18	40,631.70
	c) Gross NPA (%)	3.18%	2.93%	2.03%	3.18%	2.03%
	d) Net NPA (%)	2.29%	2.06%	1.26%	2.29%	1.26%
20	**Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)**	**18,654.17**	**10,968.87**	**17,524.33**	**59,689.33**	**55,800.08**

PART II : SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

A	**PARTICULARS OF SHAREHOLDING**					
1	**Public shareholding**					
	- Number of shares	401,859,366	317,749,619	299,736,311	401,859,366	299,736,311
	- Percentage of shareholding	23.39%	18.50%	17.46%	23.39%	17.46%
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	1,316,589,609	1,399,848,242	1,417,024,221	1,316,589,609	1,417,024,221
	- 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)	76.61%	81.50%	82.54%	76.61%	82.54%

	Particulars	Quarter ended March 31, 2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	5
	Disposed off during the quarter	4
	Remaining unresolved at the end of the quarter	1

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

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

Sr. No.	Particulars	As at March 31, 2014 (Audited)	As at March 31, 2013 (Audited)
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	271,844.90	246,676.05
	(b) Reserves and surplus	410,720.39	375,345.68
	Sub-total - Shareholders' funds	**682,565.29**	**622,021.73**
2	**Non-current liabilities**		
	(a) Long-term borrowings	2,328,824.87	1,811,734.40
	(b) Other long-term liabilities	49,360.58	35,779.74
	(c) Long-term provisions	19,998.95	12,607.76
	Sub-total - Non-current liabilities	**2,398,184.40**	**1,860,121.90**
3	**Current liabilities**		
	(a) Short-term borrowings	454,715.79	406,793.35
	(b) Current maturities of long term borrowings	801,816.03	606,213.81
	(c) Trade payables	3,716.74	2,158.19
	(d) Other current liabilities	127,161.03	139,758.34
	(e) Short-term provisions	17,933.31	19,890.56
	Sub-total - Current liabilities	**1,405,342.90**	**1,174,814.25**
	TOTAL - EQUITY AND LIABILITIES	**4,486,092.59**	**3,656,957.88**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	72,874.11	57,674.49
	(b) Goodwill on consolidation	63,891.06	64,332.32
	(c) Non-current investments	98,931.49	62,028.83
	(d) Deferred tax assets (net)	21,741.66	12,688.34
	(e) Long-term loans and advances	19,648.32	17,504.20
	(f) Long-term loans and advances towards financing activities	2,786,419.07	2,195,697.15
	(g) Other non-current assets	14,940.23	7,156.32
	Sub-total - Non-current assets	**3,078,445.94**	**2,417,081.65**
2	**Current assets**		
	(a) Current investments	174,096.30	122,239.43
	(b) Trade receivables	3,071.67	2,941.83
	(c) Cash and bank balances	78,273.89	37,189.13
	(d) Short-term loans and advances towards financing activities	185,159.85	229,923.74
	(e) Current maturities of long term loans and advances	898,136.12	794,372.65
	(f) Other current assets	68,908.82	53,209.45
	Sub-total - Current assets	**1,407,646.65**	**1,239,876.23**
	TOTAL - ASSETS	**4,486,092.59**	**3,656,957.88**

Notes:

1 The consolidated financial statements are prepared in accordance with Accounting Standards (AS 21 and AS 23) notified by the Companies (Accounting Standards) Rules, 2006.

2 Pursuant to Clause 41 of the Equity Listing Agreement, the Company has opted to publish the consolidated financial results. Both the audited consolidated and standalone financial results have been submitted 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, 2014 are summarized below and detailed financial results are also available on the Company's website www.ltfinanceholdings.com.

(₹ Lakh)

Particulars	Quarter ended			Year ended	
	March 31, 2014 (Audited)	December 31, 2013 (Unaudited)	March 31, 2013 (Audited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
Income from operations	990.44	6,674.32	12,765.76	25,757.14	17,197.61
Profit from ordinary activities before exceptional items	109.22	5,007.39	10,751.53	19,689.23	13,173.16
Exceptional items	-	-	-	-	23,572.92
Profit from ordinary activities before tax	109.22	5,007.39	10,751.53	19,689.23	36,746.08
Net profit for the period/year after tax	96.08	5,018.26	10,599.65	19,638.31	31,132.52
Profit after tax from normal operations (i.e. excluding exceptional and extraordinary items)	96.08	5,018.26	10,599.65	19,638.31	12,274.18

3 The Company, during the current quarter has allotted 851,114 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).

4 At the consolidated level, the main business of the Company is financing. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Accounting Standard (AS) 17 Segment Reporting notified by the Companies (Accounting Standards) Rules, 2006.

5 During the quarter, the Company has paid interim dividend of ₹ 7,597.50 lakh on Cumulative Compulsorily Redeemable Preference Shares of ₹ 100/- each fully paid

6 The Board of Directors has recommended a dividend of ₹ 0.75 per Equity Share of ₹ 10/- each.

7 Share / Debenture issue expenses for the year ended March 31, 2014 amounting to ₹ 851.35 lakh net of tax has been adjusted against Securities Premium Account.

8 Figures for the year ended March 31, 2014 are not comparable with the year ended March 31, 2013 on account of acquisitions of subsidiaries namely, L&T Housing Finance Limited (formerly: Indo Pacific Housing Finance Limited), L&T Fund Management Private Limited (formerly: FIL Fund Management Private Limited), L&T Trustee Services Private Limited (formerly: FIL Trustee Company Private Limited) and FamilyCredit Limited during the third quarter of the previous financial year.

9 The figures for the quarter ended March 31, 2014 and March 31, 2013 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, 2013 and December 31, 2012 respectively.

10

Earnings per share from normal operations (i.e. excluding exceptional and extraordinary items)	Quarter ended			Year ended	
	March 31, 2014 (Audited)	December 31, 2013 (Unaudited)	March 31, 2013 (Audited)	March 31, 2014 (Audited)	March 31, 2013 (Audited)
(a) Basic EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised)	*0.96	*0.51	*1.01	3.03	3.24
(b) Diluted EPS from normal operations (i.e. excluding exceptional and extraordinary items) (* not annualised)	*0.96	*0.51	*1.01	3.03	3.24

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

12 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, 2014.

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, 2014

L&T Finance Holdings

Press Release

Wednesday, 23rd April 2014, Mumbai

Financial Performance for the quarter and year ended 31st March, 2014

Loans & Advances surpasses Rs. 40,000 Cr

Consolidated Profit (excluding exceptional items) for the year grows by 7%

L&T Finance Holdings (L&TFH) today released details of their financial performance for the quarter and year ended 31st March, 2014.

Highlights of the quarter:

- **Growth in assets:** Loans & Advances as on 31st March 2014 grew by 20% year on year to Rs. 40,080 Cr. as compared to Rs. 33,310 Cr as on 31st March 2013 and by 6% quarter on quarter. This has been driven by a conscious focus on the rural products finance, personal vehicle finance and housing finance segments in retail business, while pursuing operational assets in the wholesale business.

  The investment management business witnessed the Average Assets under Management (AAUM) growing by 63% on a year on year basis to Rs. 18,255 Cr, while the wealth management business achieved average assets under service of Rs. 5,012 Cr as on 31st March 2014.

- **Profit after Taxes (PAT):** The earnings before credit costs (excluding exceptional items) for the full year grew by 23% y-o-y to Rs.1,406 Cr and for the quarter by 47% y-o-y to Rs.414 Cr. The Consolidated PAT (excluding exceptional items) has been impacted by higher credit costs compared to previous year. For the full year the Consolidated PAT (excluding exceptional items) grew by 7% y-o-y to Rs. 597 Cr and for the quarter it grew by 7% y-o-y to Rs. 187 Cr.

- **Asset Quality:**
  - The slowdown in the economy continues to put pressure on the asset quality. Gross NPAs stood at 3.18% of loan assets as on 31st March 2014 as compared to 2.93% as on 31st December 2013. Net NPAs stood at 2.29% of loan assets as on 31st March 2014 as compared to 2.05% as on 31st December 2013.
  - We remain cautious in lending to segments under stress such as CE/CV and corporates, while continuing to follow a conservative provisioning policy with contingent and voluntary provisions of ~Rs. 195 Cr over and above RBI norms.

Commenting on the results and financial performance, Mr. Y. M. Deosthalee, Chairman & Managing Director, L&T Finance Holdings, said, "We are delighted that our outstanding loan book has crossed the Rs. 40,000 Cr mark this quarter which is another milestone in our journey of becoming a comprehensive financial services player. While credit costs remain elevated due to the challenging macro environment, containing the stress and building a quality portfolio has been a key focus for the management team. Post acquisition of FamilyCredit and Indo-Pacific Housing Finance, there are plenty of opportunities to expand our presence in retail and rural markets."

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

www.ltfinanceholdings.com

Assets

We continue to focus on rural products finance, personal vehicle finance and housing finance segments in the retail business, while increasing the proportion of operational assets in the wholesale business. Growth in the corporate loan book has been maintained by focusing on high quality borrowers and opportunistic large ticket lending.

High inflation combined with the slowdown in the economy has led to lower consumer demand and a muted investment climate causing stress on cash flow for all segments. Consequently we continue to follow a stringent credit selection approach which is reflected in the disbursement growth being relatively lower compared to the previous years, especially in the wholesale finance business.

The continuing stress in the economy has resulted in slippages in asset quality mainly in the construction equipment, commercial vehicle, corporate and restructured assets.

Business	Disbursements (Rs Cr)			Loans & Advances (Rs Cr)			GNPA %	
	FY13	FY14	Growth %	FY13	FY14	Growth %	FY13	FY14
Retail & Mid-Market Finance	16,132	17,949	11%	18,149	20,602	14%	2.50%	3.42%
Housing Finance	171	1,245	-	326	1,880	-	0.67%	1.22%
Wholesale Finance	6,692	6,767	1%	14,835	17,598	19%	1.46%	3.10%
Total	22,995	25,959	13%	33,310	40,080	20%	2.03%	3.18%

Profit after Taxes

The earnings before credit costs (excluding exceptional items) for the full year grew by 23% to Rs.1,406 Cr in line with the asset growth and for the quarter by 47% y-o-y to Rs.414 Cr. The profit growth has been due to the thrust on retail business and opportunistic lending to high quality corporates, offset by increase in credit costs. Despite the interest rate environment being volatile during the year, there has been a consistent improvement in the net interest margins (NIMs) for the lending businesses in FY14.

The break even achieved in the investment management business on the back of accelerated growth in the AAUM combined with tight cost control has also contributed to growth in profit.

Business	PAT (Rs Cr)				Y-o-Y Growth	
	Q4'13	FY13	Q4'14	FY14	Q4 (%)	FY (%)
Retail & Mid-Market Finance	99	262	94	300	(5)%	17%
Housing Finance	(0.9)	0.2	8	10	-	-
Wholesale Finance	108	350	94	347	(13%)	(1%)
Investment Management	(27)	(59)	1	1	-	-
Others	(5)	6	(10)	(61)	-	-
PAT (before exceptional items)	174	559	187	597	7%	7%

Non-Performing Assets

Gross NPA stood at Rs. 1,243 Cr. or 3.18% as a percentage of gross advances as on 31st March 2014 as against Rs. 1,065 Cr. or 2.93% as on 31st December 2013. Net NPA stood at Rs. 890 Cr. or 2.29% as a percentage of gross advances as on 31st March 2014 as against Rs. 740 Cr. or 2.05 % as on 31st December 2013.

Outlook:

The trends in the movement of the leading macro indicators remain unstable, raising doubts about sustained revival in economic growth. Inflation remains a key monitorable for the regulator with any possible cut in regulatory rates being dependent on a sustained reduction in inflation. Vagaries in monsoons due to the expected negative impact of El Nino weather phenomenon could impact the rural economy.

On the other hand, the monetary situation is benign with the CAD expected to be much lower at ~ USD 35 billion on the back of moderate pick up in exports and substantial fall in gold imports. The positive impact of the government's initiatives to clear long pending infrastructure projects is expected to be visible on the ground in the next 2 quarters, while the outcome of the general elections would determine the growth trajectory in the medium term.

Given the challenging environment, we continue to focus on building a quality portfolio by being cautious in credit selection and containing credit costs on our existing assets through aggressive asset monitoring. While growth may be slightly muted in FY15, we expect to maintain overall book growth at 15% -20%. Improved margins with a stable opex, lower credit costs and increase in gearing are expected to result in better return ratios for the business.

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)