

October 24, 2018

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

Symbol: L&TFH

Security Code No.: 533519

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

Sub: Unaudited Financial Results (Consolidated and Standalone) for the quarter and six months ended September 30, 2018

Dear Sir / Madam,

Pursuant to Regulation 33, Regulation 52 and Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform the Exchange that the Board of Directors ("Board") of the Company at its meeting held on October 24, 2018 has, inter alia, approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and six months ended September 30, 2018.

Further, in accordance with Regulation 33(3)(b) of the Listing Regulations, the Company has opted to submit, in addition to Standalone Financial Results, Consolidated Financial Results of the Company to the Exchanges. Accordingly, please find enclosed Unaudited Financial Results (Consolidated and Standalone) for the quarter and six months ended September 30, 2018 along with Limited Review Report of Statutory Auditors and Press Release. Also, in accordance with Regulation 47(1)(b) of the Listing Regulations, the Company would be publishing the Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2018 in the newspapers.

The Board Meeting commenced at 2:45 p.m. and concluded at 5:45 p.m.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**


Apurva Rathod
Company Secretary and Compliance Officer

Encl: as above

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th - 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400013.

B. K. KHARE & CO.
Chartered Accountants
706/708, Sharda Chambers
New Marine Lines
Mumbai 400004.

INDEPENDENT AUDITOR'S 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 "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter and six months ended September 30, 2018 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Holding Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

Sr. No.	Name of the Company	Nature of relationship
1	L&T Finance Limited	Subsidiary
2	L&T Infrastructure Finance Company Limited	Subsidiary
3	L&T Housing Finance Limited	Subsidiary
4	L&T Infra Debt Fund Limited	Subsidiary
5	L&T Infra Investment Partners Advisory Private Limited	Subsidiary
6	L&T Infra Investment Partners Trustee Private Limited	Subsidiary
7	L&T Investment Management Limited	Subsidiary
8	L&T Mutual Fund Trustee Limited	Subsidiary
9	L&T Capital Markets Limited	Subsidiary
10	L&T Financial Consultants Limited	Subsidiary

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Sr. No.	Name of the Company	Nature of relationship
11	Mudit Cement Private Limited	Subsidiary
12	L&T Infra Investment Partners Fund	Subsidiary
13	L&T Capital Market (Middle East) Limited (with effect from July 01, 2018)	Subsidiary

4. We did not review the interim financial results of 7 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of ₹1,205.96 crore as at September 30, 2018, total revenues of ₹263.17 crore and ₹513.57 crore for the quarter and six months ended September 30, 2018, respectively, and total profit after tax of ₹26.02 crore and ₹26.79 crore and total comprehensive income of ₹26.58 crore and ₹27.08 crore for the quarter and six months ended September 30, 2018, respectively, considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report 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.
5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

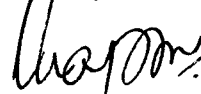
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 39826)

MUMBAI, October 24, 2018

For B. K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)



Ravi Kapoor
(Partner)
(Membership No. 040404)

MUMBAI, October 24, 2018

L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India

Website: www.ltfs.com Email: igrc@ltfs.com Phone: +91 22 6212 5000 Fax: +91 22 6621 7509

(₹ in Crore)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018						
Sr. No.	Particulars	Quarter ended			Six months ended	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue from operations					
(i)	Interest income	2,827.48	2,660.30	2,260.29	5,487.78	4,195.67
(ii)	Dividend income	0.01	0.01	0.13	0.02	0.78
(iii)	Rental income	4.91	6.29	8.18	11.20	20.20
(iv)	Fees and commission income	392.50	407.23	297.92	799.73	572.57
(v)	Net gain on fair value changes	12.82	8.75	24.49	21.57	126.25
(vi)	Others	8.58	5.26	5.71	13.84	9.34
(I)	Total revenue from operations	3,246.30	3,087.84	2,596.72	6,334.14	4,924.81
(II)	Other income	79.74	64.83	12.93	144.57	19.72
(III)	Total income (I+II)	3,326.04	3,152.67	2,609.65	6,478.71	4,944.53
	Expenses					
(i)	Finance costs	1,649.69	1,513.17	1,313.65	3,162.86	2,583.96
(ii)	Fees and commission expenses	137.96	149.16	85.28	287.12	153.82
(iii)	Net loss on fair value changes	59.57	90.23	8.55	149.80	2.93
(iv)	Net loss on derecognition of financial instruments under amortised cost category	141.28	174.57	334.90	315.85	620.27
(v)	Impairment on financial instruments	150.93	146.53	322.09	297.46	424.20
(vi)	Employee benefits expense	217.88	161.20	94.64	379.08	179.06
(vii)	Depreciation and amortisation	11.76	11.66	12.24	23.42	25.94
(viii)	Other expenses	159.33	176.97	91.62	336.30	250.55
(IV)	Total expenses	2,528.40	2,423.49	2,262.97	4,951.89	4,240.73
(V)	Profit/(loss) before exceptional items and tax (III-IV)	797.64	729.18	346.68	1,526.82	703.80
(VI)	Exceptional items	-	-	-	-	-
(VII)	Profit/(loss) before tax (V-VI)	797.64	729.18	346.68	1,526.82	703.80
(VIII)	Tax expense:					
(1)	Current tax	102.32	142.57	71.59	244.89	137.66
(2)	Deferred tax	136.20	46.78	(70.21)	182.98	(115.92)
(IX)	Net profit after tax (VII-VIII)	559.12	539.83	345.30	1,098.95	682.06
(X)	Add: Share in profit/(loss) of associate company	-	-	(0.65)	-	1.09
(XI)	Net profit after tax and share in profit of associate company (IX+X)	559.12	539.83	344.65	1,098.95	683.15
	Profit/(loss) for the period attributable to:					
	Owners of the company	560.41	538.38	337.53	1,098.79	651.82
	Non-controlling interest	(1.29)	1.45	7.12	0.16	31.33
(XII)	Other comprehensive income	(28.19)	(1.73)	(0.24)	(29.92)	0.59
	A (i) Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the defined benefit plans	0.83	(0.22)	(0.39)	0.61	(0.39)
	B (i) Items that may be reclassified to profit or loss					
	(a) Debt instruments through other comprehensive income	(29.02)	(1.51)	0.15	(30.53)	0.98
	Other comprehensive income for the period attributable to:					
	Owners of the company	(28.19)	(1.73)	(0.24)	(29.92)	0.59
	Non-controlling interest	-	-	-	-	-
(XIII)	Total comprehensive income (XI+XII)	530.93	538.10	344.41	1,069.03	683.74
	Total comprehensive income for the period attributable to:					
	Owners of the company	532.22	536.65	337.29	1,068.87	652.41
	Non-controlling interest	(1.29)	1.45	7.12	0.16	31.33
(XIV)	Paid-up equity share capital (face value of ₹ 10 each) (Refer note 5)	1,997.05	1,995.75	1,821.71	1,997.05	1,821.71
(XV)	Earnings per share (not annualised): (Refer note 5)					
	(a) Basic (₹)	2.81	2.70	1.85	5.50	3.61
	(b) Diluted (₹)	2.79	2.68	1.84	5.48	3.57

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Notes:

1 CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

(₹ in Crore)

Particulars	As at
	September 30, 2018 (Unaudited)
ASSETS:	
(1) Financial assets	
(a) Cash and cash equivalents	2,468.60
(b) Bank balance other than (a) above	5.44
(c) Derivative financial instruments	12.13
(d) Trade receivables	206.61
(e) Loans	83,342.23
(f) Investments	6,799.58
(g) Other financial assets	3,593.00
(2) Non-financial assets	
(a) Current tax assets (Net)	683.71
(b) Deferred tax Assets (Net)	1,683.63
(c) Investment property	393.89
(d) Property, plant and equipment	81.35
(e) Capital work-in-progress	0.57
(f) Intangible assets under development	35.06
(g) Goodwill	638.91
(h) Other intangible assets	18.84
(i) Other non-financial assets	351.95
TOTAL - ASSETS	1,00,315.50
LIABILITIES AND EQUITY:	
LIABILITIES	
(1) Financial liabilities	
(a) Trade payables	
(i) Total outstanding dues of micro enterprises and small enterprises	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	213.15
(b) Debt securities	32,643.54
(c) Borrowings (Other than debt securities)	49,954.29
(d) Deposits	14.44
(e) Subordinated liabilities	4,191.56
(f) Other financial liabilities	507.65
(2) Non financial liabilities	
(a) Current tax liabilities (net)	30.88
(b) Provisions	26.39
(c) Deferred tax liabilities (net)	23.79
(d) Other non-financial liabilities	172.19
(3) EQUITY	
(a) Equity share capital	1,997.05
(b) Other equity	10,318.03
Non-controlling interest	222.54
TOTAL - LIABILITIES AND EQUITY	1,00,315.50

2 The Group has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.

3 The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 24, 2018. The Joint Statutory Auditors of the Company have carried out limited review of the aforesaid results.

4 The Company reports quarterly financial results of the group on a consolidated basis, pursuant to the option made available as per 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.lfhs.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 and six months ended September 30, 2018 and September 30, 2017 are given below.

(₹ in Crore)

Particulars	Quarter ended			Six months ended	
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total income from operations	100.02	53.35	23.78	153.37	49.88
Profit/(loss) before tax	38.39	10.60	(16.79)	48.99	(35.53)
Profit/(loss) after tax	33.69	10.35	(16.69)	44.04	(35.70)
Total comprehensive income	33.85	10.50	(16.72)	44.35	(35.77)

5 The Company, during the quarter and six months ended September 30, 2018 has allotted 1,295,075 and 1,372,825 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).

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6 Consolidated unaudited 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.

(₹ in Crore)

Sr. No.	Particulars	Quarter ended			Six month ended	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Gross segment revenue from continuing operations					
(a)	Rural business	969.91	832.04	474.96	1,801.94	969.06
(b)	Housing business	735.21	674.68	433.94	1,409.89	867.58
(c)	Wholesale business	1,279.99	1,304.81	1,470.63	2,584.80	2,570.95
(d)	Defocused business	27.40	34.16	57.51	61.55	126.49
(e)	Others	356.21	290.76	207.20	647.00	474.44
	Segment revenue from continuing operations	3,368.72	3,136.45	2,644.24	6,505.18	5,008.52
	Less: Inter segment revenue	(122.42)	(48.61)	(47.52)	(171.04)	(83.71)
	Revenue as per the statement of profit and loss	3,246.30	3,087.84	2,596.72	6,334.14	4,924.81
	Segment result (Profit/(loss) before tax)					
(a)	Rural business	295.01	228.06	169.01	523.08	286.57
(b)	Housing business	269.89	223.67	161.65	493.57	304.16
(c)	Wholesale business	269.59	275.71	43.26	545.29	209.55
(d)	Defocused business	(66.65)	(28.48)	(91.32)	(95.12)	(183.13)
(e)	Others	29.80	30.22	64.08	60.00	86.65
	Profit before tax	797.64	729.18	346.68	1,526.82	703.80
	Segment assets					
(a)	Rural business	21,955.55	18,904.16	12,292.32	21,955.55	12,292.32
(b)	Housing business	24,253.63	21,069.49	15,915.54	24,253.63	15,915.54
(c)	Wholesale business	48,994.06	45,308.40	43,761.13	48,994.06	43,761.13
(d)	Defocused business	1,046.65	1,064.90	1,848.34	1,046.65	1,848.34
(e)	Others	12,724.58	11,776.03	8,114.36	12,724.58	8,114.36
	Sub total	1,08,974.47	98,122.98	81,931.69	1,08,974.47	81,931.69
	Less: Inter segment assets	(11,027.38)	(10,092.47)	(6,314.01)	(11,027.38)	(6,314.01)
	Segment assets	97,947.09	88,030.51	75,617.68	97,947.09	75,617.68
(f)	Unallocated	2,368.41	2,284.17	2,064.82	2,368.41	2,064.82
	Total assets	1,00,315.50	90,314.68	77,682.50	1,00,315.50	77,682.50
	Segment liabilities					
(a)	Rural business	19,214.36	16,260.27	11,011.99	19,214.36	11,011.99
(b)	Housing business	21,718.54	18,656.07	14,585.70	21,718.54	14,585.70
(c)	Wholesale business	44,142.68	41,551.18	40,681.69	44,142.68	40,681.69
(d)	Defocused business	919.78	919.43	1,655.82	919.78	1,655.82
(e)	Others	4,176.62	2,865.56	2,718.38	4,176.62	2,718.38
	Sub total	90,171.98	80,252.51	70,653.58	90,171.98	70,653.58
	Less: Inter segment liabilities	(2,205.67)	(2,129.69)	(804.07)	(2,205.67)	(804.07)
	Segment liabilities	87,966.31	78,122.82	69,849.51	87,966.31	69,849.51
(f)	Unallocated	34.11	13.85	9.45	34.11	9.45
	Total liabilities	88,000.42	78,136.67	69,858.96	88,000.42	69,858.96

(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 Business comprises of Farm Equipments, Two Wheeler Finance and Micro Loans.

Housing Business comprises of Home Loans, Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Others comprises of Asset Management, Wealth Management etc.

Unallocated represents tax assets and tax liabilities

7 As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:

(₹ in Crore)

Sr. No.	Particulars	Quarter ended	Six months ended
		September 30, 2017	September 30, 2017
		(Unaudited)	(Unaudited)
	Net profit after tax as per previous GAAP	361.76	670.93
(a)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(5.04)	(14.69)
(b)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	(6.40)	(14.20)
(c)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	5.72	52.37
(d)	Incremental provision on application on expected credit loss model	(175.36)	(200.43)
(e)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	(18.13)	(55.30)
(f)	Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	35.42	70.85
(g)	Impact of consolidation of a fund on evaluation of control as per Ind AS 110	29.99	64.24
(h)	Interest income recognition on stage 3 loans	112.04	102.27
(i)	Others	4.65	7.11
	Net profit after tax as per Ind AS	344.65	683.15
	Other comprehensive income (net of tax) attributable to owners of the Company	(0.24)	0.59
	Total comprehensive income as per Ind AS (attributable to owners of the Company)	344.41	683.74

8 Figures for the previous periods have been regrouped/re-classified to conform to the figures of the current period.

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

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : October 24, 2018

In terms of our report attached.
For B. K. KHARE & CO.
Chartered Accountants
FRN: 105102W

Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : October 24, 2018

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 : October 24, 2018

Press Release

Wednesday, October 24, 2018, Mumbai

Financial Performance for the quarter ended September 30, 2018
RoE at 18.47% for Q2FY19
PAT at Rs. 560 Cr – YoY growth of 66%
Retailisation stands at 47% in Q2FY19 against 38% in Q2FY18
NIMs plus Fees at 6.86% in Q2FY19 against 5.74% in Q2FY18

Robust ALM Framework: LTFH is comfortably placed with respect to both liquidity and interest rate risks, due to its robust ALM, strong risk management framework and proactive actions.

 As on 30th September, 2018;

- LTFH enjoys positive gaps in both Structural Liquidity and Interest Rate Sensitivity.

Structural Liquidity Statement	
1 Year Gap	Rs. Cr
Asset Inflows (A)	50,550
Liability outflows (B)	32,027
Positive (A-B)	18,523

Interest Rate Sensitivity Statement	
1 Year Gap	Rs. Cr
Re-priceable Assets (A)	68,685
Re-priceable Liabilities (B)	55,170
Positive (A-B)	13,515

- Due to these positive gaps, LTFH NIMs will be protected in a rising interest rate scenario
- Liquidity of Rs. 6,166 Cr is maintained in form of cash, FDs and other liquid instruments. In addition to this, we have undrawn bank lines of Rs. 4,146 Cr and back up line from L&T of Rs. 2000 Cr.

Growth in businesses: In its focused lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, LTFH recorded 26% YoY increase in assets in Q2FY19. At the end of Q2FY19, Rural and Housing businesses together constituted 47% of total portfolio as against 38% at the end of Q2FY18.

<u>Focused Lending Businesses</u>	Q2FY18	Q2FY19	Book Growth Q2FY19 vs Q2FY18
Rural Finance	12,518	21,433	71%
Housing Finance	15,528	21,718	40%
Wholesale Finance	43,353	46,875	8%
TOTAL	71,399	90,026	26%

L&T Finance Holdings Limited
Registered Office

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LTFH also delivered strong growth in its Investment Management & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased to Rs. 73,754 Cr in Q2FY19 from Rs. 52,749 Cr in Q2FY18 – growth of 40%. Average Assets under Service (AAUS) in Wealth Management business increased to Rs. 20,300 Cr in Q2FY19 from Rs. 16,542 Cr in Q2FY18 – growth of 23%.

Improving asset quality: LTFH has shown a substantial reduction in Stage 3 assets, both in absolute and percentage terms. This has been achieved through vigorously monitored early warning signals, concentration on early bucket collections and strong Stage 3 resolution efforts. LTFH's provision coverage has also increased during this time, indicating strength of its portfolio.

(Rs. Cr)	Q2FY18	Q1FY19	Q2FY19
Gross Stage 3	7,523	6,480	6,119
Net Stage 3	3,493	2,463	2,296
Gross Stage 3 %	10.95%	7.93%	7.10%
Net Stage 3 %	5.40%	3.17%	2.79%
Provision Coverage %	53.57%	61.99%	62.47%

In addition to the provisions mentioned above, LTFH has set aside Rs. 110 Cr as macro-prudential provisions in Q2FY19, taking overall macro-prudential provisions to Rs. 200 Cr. These provisions are against unanticipated future event risk and are over and above the expected credit losses and standard asset provisions.

Profitability: LTFH has delivered consolidated PAT of Rs. 560 Cr in current quarter as against PAT of Rs. 338 Cr for Q2FY18, a strong growth of 66%. Having achieved a RoE of 18.45% in Q1FY19, LTFH has maintained its profitability with 18.47% RoE in Q2FY19. This has been achieved on the back of strong NIMs plus Fee income, strict control on cost and improved asset quality.

Management Commentary:

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “Enabled by the strength of our business model and a robust risk management framework, we have successfully overcome multiple headwinds during the past two years. Our prudent asset liability management has ensured that our average borrowing cost is well in control despite hardening of interest rates. This is the second quarter where we have delivered top quartile RoE and have continued on our path of responsible growth. Additionally, over the last two years, we have successfully steered our portfolio towards ‘retailisation’, with a rapid increase in our Rural and Housing loan book. We will continue to improve our competitive positioning, maintain NIMs plus fees income and strengthen asset quality.”

Results of Q2FY19 are prepared and reported in compliance with IND AS requirements. Additionally, for the same quarter of previous year (Q2FY18), figures have been recast to meet IND AS requirements.

About L&T Finance Holdings: LTFH is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI. LTFH is promoted by Larsen & Toubro Ltd. (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

L&T Finance Holdings Limited

Registered Office

Brindavan, Plot No. 177, C.S.T Road
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Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

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Mumbai 400013.

B. K. KHARE & CO.
Chartered Accountants
706/708, Sharda Chambers
New Marine Lines
Mumbai 400004.

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS


**TO THE BOARD OF DIRECTORS OF
L&T FINANCE HOLDINGS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **L&T FINANCE HOLDINGS LIMITED** (the "Company"), for the quarter and six months ended September 30, 2018 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 39826)
MUMBAI, October 24, 2018

For B. K. KHARE & CO.
Chartered Accountants
(Firm's Registration No. 105102W)



Ravi Kapoor
(Partner)
(Membership No. 040404)
MUMBAI, October 24, 2018

L&T FINANCE HOLDINGS LIMITED

CIN. L67120MH2008PLC181833

Regd. Office : Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India

Website: www.ltfhs.com Email: igrc@ltfhs.com Phone: +91 22 6212 5000 Fax: +91 22 6621 7509

(₹ in Crore)

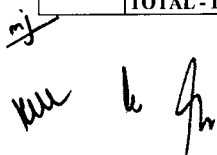
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018						
Sr. No.	Particulars	Quarter ended			Six months ended	
		September 30,	June 30,	September 30,	September 30,	September 30,
		2018	2018	2017	2018	2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Revenue from operations					
(i)	Interest income	43.59	32.38	13.50	75.97	29.31
(ii)	Dividend income	53.74	-	-	53.74	-
(iii)	Net gain on fair value changes	0.38	-	2.05	0.38	4.20
(I)	Total revenue from operations	97.71	32.38	15.55	130.09	33.51
(II)	Other income	2.31	20.97	8.23	23.28	16.37
(III)	Total income (I+II)	100.02	53.35	23.78	153.37	49.88
	Expenses					
(i)	Finance costs	57.48	36.28	32.62	93.76	74.09
(ii)	Impairment on financial instruments	(3.58)	-	2.07	(3.58)	1.49
(iii)	Employee benefits expenses	4.79	4.36	2.98	9.15	4.74
(iv)	Depreciation, amortization and impairment	-	-	0.01	-	0.02
(v)	Others expenses	2.94	2.11	2.89	5.05	5.07
(IV)	Total expenses (IV)	61.63	42.75	40.57	104.38	85.41
(V)	Profit/(Loss) before tax (III-IV)	38.39	10.60	(16.79)	48.99	(35.53)
(VI)	Tax expense:					
	(1) Current tax	1.86	1.95	0.07	3.81	0.27
	(2) Deferred tax	2.84	(1.70)	(0.17)	1.14	(0.10)
(VII)	Profit/(loss) for the period (V-VI)	33.69	10.35	(16.69)	44.04	(35.70)
(VIII)	Other comprehensive income					
	(A) (i) Items that will not be reclassified to profit or loss					
	Remeasurements of the defined benefit liabilities/(asset)	0.16	0.15	(0.03)	0.31	(0.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
(IX)	Total comprehensive income (VII+VIII)	33.85	10.50	(16.72)	44.35	(35.77)
	Paid-up equity share capital (Face value of ₹ 10/- each) (Refer note 4)	1,997.05	1,995.75	1,821.71	1,997.05	1,821.71
(X)	Earnings per equity share (not annualised):					
	(a) Basic (₹)	0.17	0.05	(0.09)	0.22	(0.20)
	(b) Diluted (₹)	0.17	0.05	(0.09)	0.22	(0.20)

Notes:

1 STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

(₹ in Crore)

Sr. No.	Particulars	As at September
		30, 2018
		(Unaudited)
	ASSETS	
(1)	Financial Assets	
(a)	Cash and cash equivalents	0.13
(b)	Bank balance other than (a) above	1.35
(c)	Loans	2,235.36
(d)	Investments	8,744.40
(e)	Other financial assets	137.53
(2)	Non-financial Assets	
(a)	Deferred tax assets (net)	33.62
(b)	Property, plant and equipment	0.01
(c)	Other non-financial assets	8.93
	TOTAL - ASSETS	11,161.33
	LIABILITIES AND EQUITY	
	LIABILITIES	
(1)	Financial Liabilities	
(a)	Borrowings (other than debt securities)	2,491.23
(b)	Subordinated liabilities	1,084.14
(c)	Other financial liabilities	4.39
(2)	Non Financial Liabilities	
(a)	Other non-financial liabilities	11.69
(3)	EQUITY	
(a)	Equity share capital	1,997.05
(b)	Other equity	5,572.83
	TOTAL - LIABILITIES AND EQUITY	11,161.33




L&T FINANCE HOLDINGS LIMITED
CIN. L67120MH2008PLC181833

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- 2 The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.
- 3 The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 24, 2018. The Joint Statutory Auditors of the Company have carried out limited review of the aforesaid results.
- 4 The Company, during the quarter and six months ended September 30, 2018 has allotted 1,295,075 and 1,372,825 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 Information pursuant to Regulation 52(6)(a) and 52(6)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given as below:
(a) Profit for the six months ended September 30, 2018 is ₹ 44.04 crore.
(b) Free reserves as on September 30, 2018 is ₹ 36.09 crore.
- 6 The main business of the Company is investment activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.
- 7 During the quarter and six months ended September 30, 2018, the Company has paid dividend of ₹ 199.70 crore on Equity Shares of ₹ 10/- each fully paid during the period.
- 8 As required by paragraph 32 of IND AS 101, net profit reconciliation between the figures reported under Previous GAAP and Ind AS is as under:


Sr. No.	Particulars	(₹ in Crore)	
		Quarter ended September 30, 2017	Six months ended September 30, 2017
		(Unaudited)	(Unaudited)
	Net profit after tax as per Previous GAAP	4.83	13.03
(a)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	(1.13)	(2.19)
(b)	Increase in borrowing cost pursuant to application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	(19.94)	(46.25)
(c)	Others	(0.45)	(0.29)
	Net profit/(loss) after tax as per Ind AS	(16.69)	(35.70)
	Other comprehensive income (net of tax) attributable to owners of the Company	(0.03)	(0.07)
	Total comprehensive income as per Ind AS (attributable to owners of the Company)	(16.72)	(35.77)

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


Sanjiv V. Pilgaonkar
Partner


Place : Mumbai
Date : October 24, 2018

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


Ravi Kapoor
Partner
Membership no. 040404

Place : Mumbai
Date : October 24, 2018

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 : October 24, 2018

A. Pursuant to Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we submit herewith the following information pertaining to the Cumulative Compulsorily Redeemable Non-Convertible Preference Shares ("Preference Shares") for dissemination to Preference Shareholders:

1) Details of outstanding Redeemable Preference Shares:

Sr. No.	Name of Series	No. of Preference Shares	Amt. of Issue (Rs.)
1.	INE498L04035	2,50,00,000	250,00,00,000
2.	INE498L04050 – Option II	1,24,40,000	124,40,00,000
3.	INE498L04076 – Option II	60,00,000	60,00,00,000
4.	INE498L04084	6,00,00,000	600,00,00,000

2) Credit Rating and change in Credit Rating (if any):

The Credit Rating in respect of the above mentioned series of Preference Shares is "CARE AAA (RPS); Stable" and we confirm that there is no change in credit rating as of date.

3) Asset Cover available, in case of non convertible Debt Securities: Not applicable

4) Debt-Equity Ratio (As at September 30, 2018) : 0.47

5) Previous due dates for payment of dividend and repayment of principal amount for Preference Shares:

The due dates for payment of dividend and repayment of principal amount and the actual date of payment for the half year ended September 30, 2018 are as under:

Sr. No.	Name of Series	Type (Principal / Dividend)	Due date of payment	Status Paid/Unpaid
-	-	-	-	-

6) Next due dates for payment of dividend and repayment of principal amount:

The next due dates for payment of dividend and repayment of principal amount of the Preference Shares are as under:

Sr. No.	Series / Tranche	Type (Principal / Dividend)	Amount (In Rs.)	Due date of payment
1.	INE498L04035	Dividend	12,15,00,000	October 15, 2018
		Principal	250,00,00,000	October 15, 2018
2.	INE498L04050 – Option II	Dividend	10,57,40,000 2,59,99,600	March 26, 2019 June 30, 2019
		Principal	124,40,00,000	June 30, 2019
3.	INE498L04076 – Option II	Dividend	5,01,00,000 1,83,60,000	March 26, 2019 August 13, 2019
		Principal	60,00,00,000	August 13, 2019
4.	INE498L04084	Dividend	48,90,00,000 48,90,00,000 4,68,90,000	March 26, 2019 March 26, 2020 May 6, 2020
		Principal	600,00,00,000	May 6, 2020



- 7) Debt Service Coverage Ratio: Not Applicable
- 8) Interest Service Coverage Ratio: Not Applicable
- 9) Capital Redemption reserve: NIL
- 10) Net worth: Forms part of Unaudited Standalone Financial Results
- 11) Net profit after tax: Forms part of Unaudited Standalone Financial Results
- 12) Earnings per share: Forms part of Unaudited Standalone Financial Results

B. Information pursuant to Regulation 52(6) of the Listing Regulations are given below:

Sr. No.	Particulars	Remarks
a.	Profit for the half year and cumulative profit for the year	Please refer notes to Unaudited Standalone Financial Results forming part of this publication
b.	Free Reserves as on the end of half year	
c.	Securities Premium account balance (if redemption of redeemable preference shares is to be done at premium, such premium may be appropriated from securities premium account) Provided that disclosure on securities premium account balance may be provided only in a year in which non - convertible redeemable preference shares are due for redemption	Not applicable.
d.	Track record of dividend payment on non - convertible redeemable preference shares Provided that in case the dividend has been deferred at any time, then the actual date of payment shall be disclosed	Dividend on the Non-Convertible Redeemable Preference Shares is paid within the prescribed timeline.
e.	Breach of any covenants under the terms of the non - convertible redeemable preference shares Provided that in case of listed entity is planning a fresh issuance of shares whose end use is servicing of the non - convertible redeemable preference shares (whether dividend or principle redemption), then the same shall be disclosed whenever the listed entity decided on such issuances	There has been no breach of covenants under the terms of the Non-Convertible Redeemable Preference Shares.

L&T Finance Holdings Limited

Yashwanth
Rathin
Company Secretary