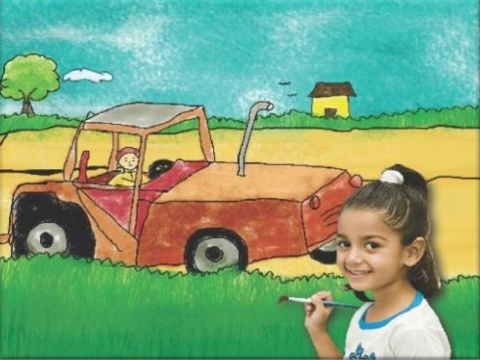




*L&T Finance Holdings*

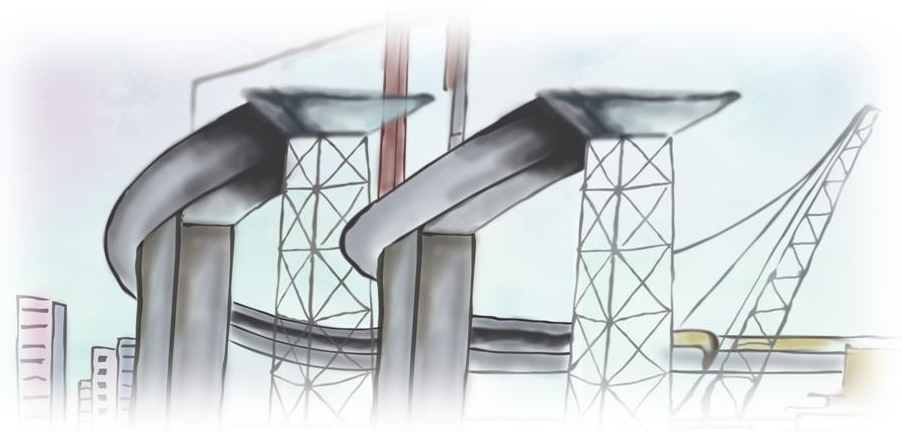


# Results Update Q3'FY12

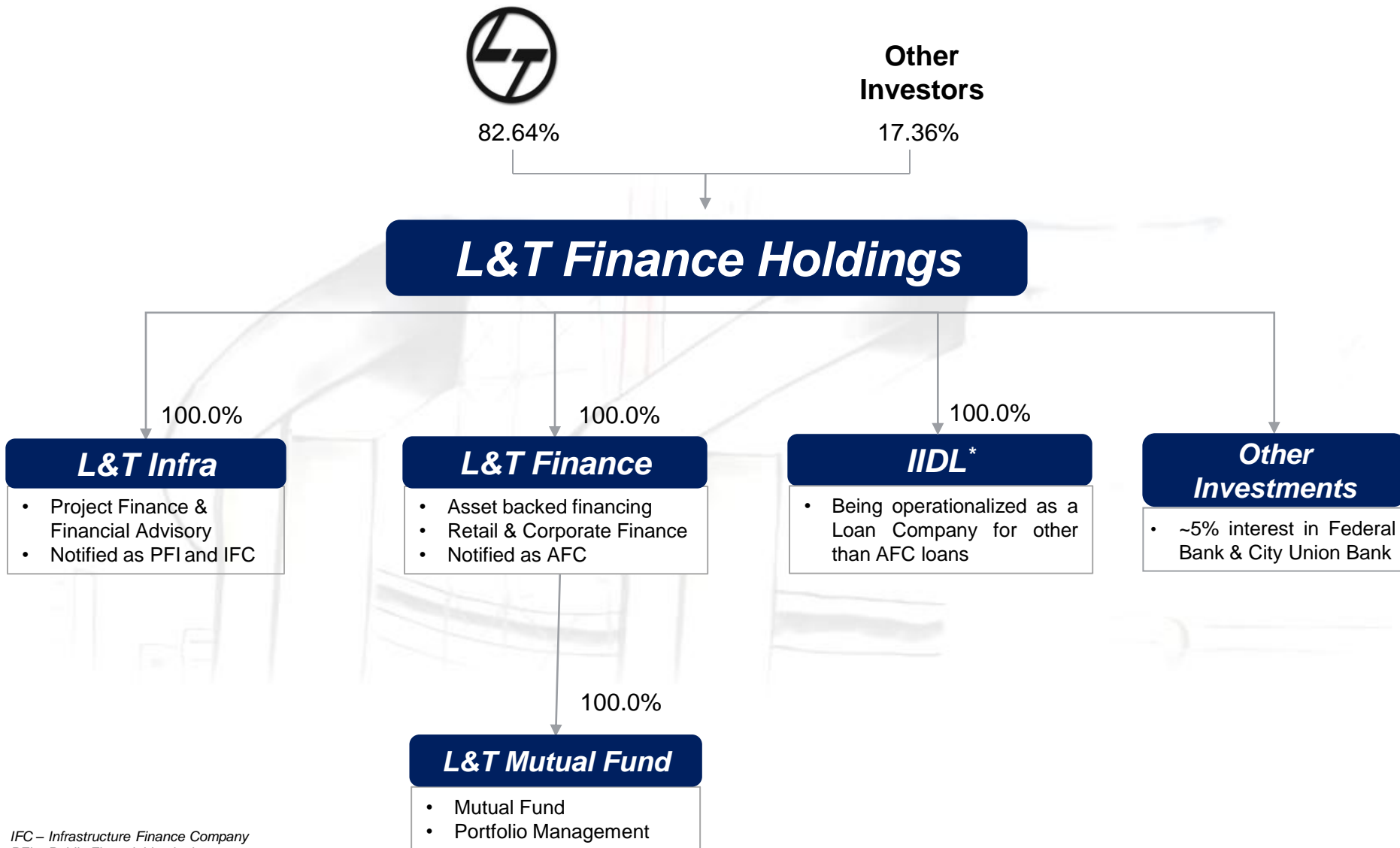


**January 2012**





# Company Overview



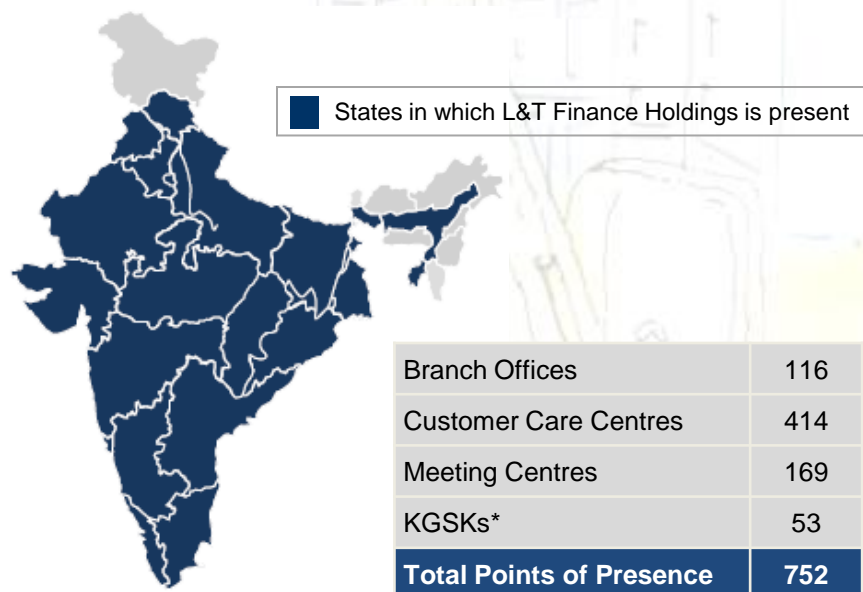
IFC – Infrastructure Finance Company  
PFI – Public Financial Institution  
AFC – Asset Finance Company  
\*India Infrastructure Developers Limited

Category of Investors	As of 12 <sup>th</sup> Aug, 2011	As of 31 <sup>st</sup> Dec, 2011
L&T	82.6%	82.6%
Foreign Institutional Investors	2.6%	3.1%
Domestic Financial Institutions	2.6%	2.1%
Individuals	7.0%	7.8%
Others	5.1%	4.4%

**More than 400,000 retail investors**

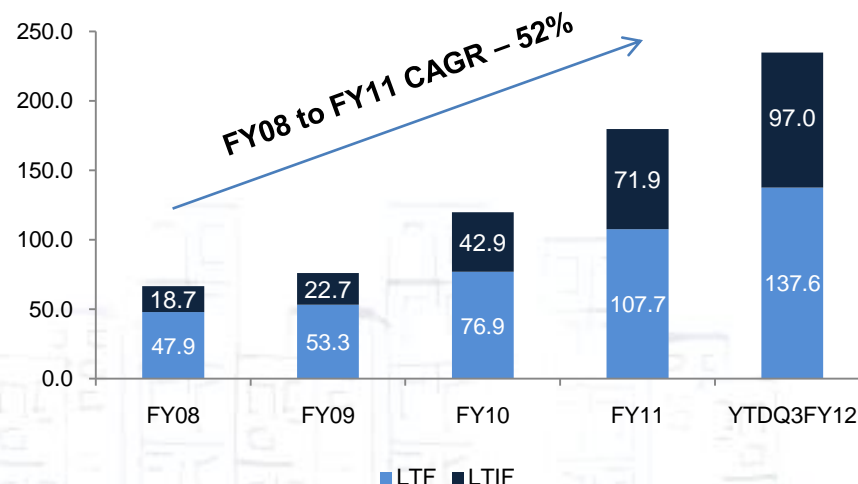
# L&T Finance Holdings – An Overview

- Holding company for L&T's investments in financial services business
- Registered as an NBFC, applied for registration as "Core Investment Company"
- Headquartered in Mumbai, India, with pan-India presence across 23 states and 752 points of presence
- Future expansion to be mostly around spoke areas which would come at a marginal cost

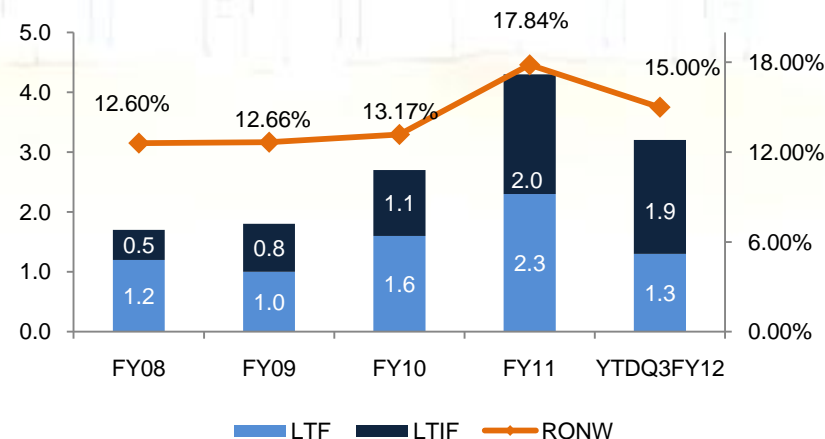


\*KGSKs: Kisan Gaurav Seva Kendra are points of presence dedicated exclusively to the distribution of the Kisan Gaurav product in the rural products segment of our Retail Finance Group

**Asset Growth for lending business (₹ Bn.)**



**PAT/RONW for lending business (₹ Bn.)**



**RONW (annualized) incl. MFI business for YTD Q3 FY12 is 12.5%**



Business Focus & Diversification

Focus on income generating activities, continually expanding the product portfolio.

Diversification - Delinking to economic cycles

Funding

Traditionally dependent on wholesale sources; have been successfully tapping the retail market

Margins

Discipline of targeting to achieve NIM has been inculcated across all the businesses

Operational efficiencies

Focus on steadily improving the cost of operations

Asset quality & Portfolio Management

Emphasis on Asset Quality through strict risk mgmt and provisioning policies

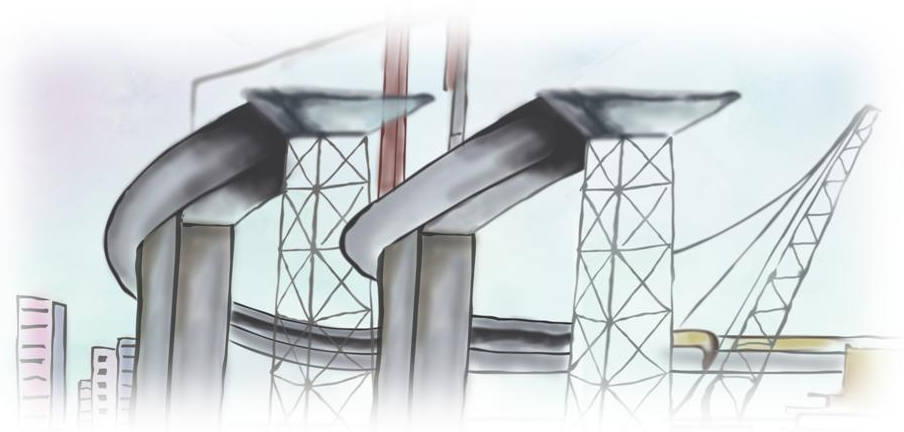
Exclusive team of 200+ to actively manage the portfolio

Fee income

Focus on growing fee based income – Distribution, PMS and Syndication – as a supplementary source of revenue

**RoNW (risk adjusted) is the supreme goal**

Have developed a culture where everyone in the organization is focused on Return on Network



# Performance Highlights

# Performance Highlights

YTD Q3 FY11	FY11	Parameter (₹ Bn.)	YTD Q3 FY12	Growth – YTD Q3 FY12 v. YTD Q3 FY11	Growth – YTD Q3 FY12 v. FY11
156.12	181.12	Loans and Advances	235.83	51%	30%
36.99	37.80	Average AUM (LTIM)	46.53	26%	23%

Q3 FY11	YTD Q3 FY11	Parameter (₹ Bn.)	Q3 FY12	YTD Q3 FY12	Growth – YTD Q3 FY12 v. YTD Q3 FY11	Growth – Q3 FY12 v. Q3 FY11
1.44	4.34	PBT excl. Microfinance	1.81	5.55	28%	26%
(0.06)	0.24	PBT for Microfinance	(0.37)	(0.85)	-454%	517%
0.91	2.94	PAT incl. Microfinance	0.94	3.14	7%	3%

- NIMs for LTIF and LTF (excl MFI) steady at H1 FY12 levels
- A further provision of ₹ 250 Mn made towards Andhra Pradesh portfolio, taking the cumulative provisions to 56.8% of the total portfolio in AP
- For LTIM, fee income as a percentage of AUM improved from 0.17% as of FY11 to 0.21% for YTD Q3 FY12
- YTD Q3 FY12 GNPA (excl.MFI) is at 1.31% as compared to 1.08% as at H1 FY12
  - LTF: YTD Q3 FY12 GNPA (excl.MFI) improved to 1.23% from 1.30% as at H1 FY12 and 1.40% as of FY11
  - LTIF: YTD Q3 FY12 GNPA is at 1.48% as compared to 0.88% as at H1 FY12 and 0.67% as of FY11 mainly on account of one account turning NPA

LTF – L&T Finance, LTIF – L&T Infra and LTIM – L&T Investment Management



Q3 FY11	YTD Q3 FY11	FY11	Summary P&L (₹Bn.)	Q3 FY12	H1 FY12	YTD Q3 FY12	YoY growth
5.53	15.11	21.15	Total Income	8.35	13.59	21.94	45%
2.74	7.16	10.20	Interest Cost	4.90	7.82	12.72	78%
0.27	0.70	0.96	Employee Cost	0.47	0.63	1.10	57%
0.87	1.50	1.55	Other Operating Expenses	0.65	0.86	1.51	1%
0.17	0.73	1.72	Provisions, Write-offs and Foreclosure Losses	0.73	0.71	1.44	97%
<b>1.44</b>	<b>4.34</b>	<b>6.49</b>	<b>PBT excl. Microfinance</b>	<b>1.81</b>	<b>3.74</b>	<b>5.55</b>	<b>28%</b>
0.91	2.94	3.91	PAT	0.94	2.21	3.14	7%

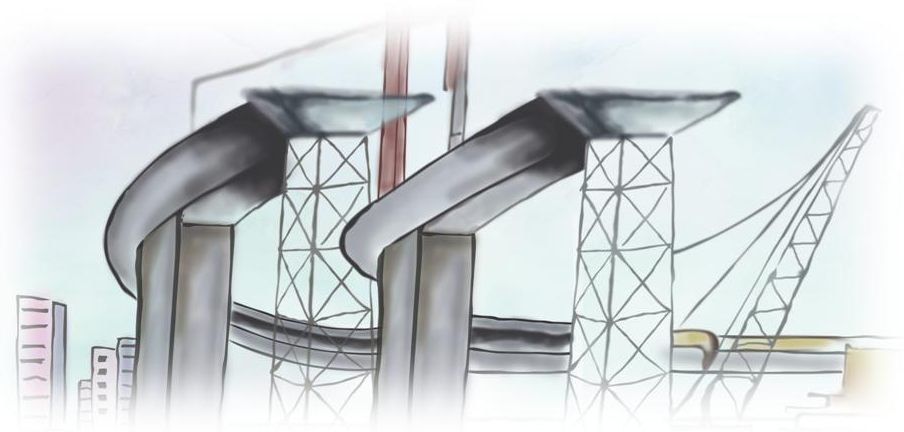
Q3 FY11	YTD Q3 FY11	FY11	PAT Break up (₹Bn.)	Q3 FY12	H1 FY12	YTD Q3 FY12
0.47	1.72	2.32	L&T Finance (with IIDL)	0.39	0.94	1.34
0.52	1.50	2.01	L&T Infra	0.59	1.34	1.93
(0.06)	(0.29)	(0.39)	L&T Investment Management	(0.06)	(0.10)	(0.17)
-	0.05	0.00	L&T Finance Holdings (Stand alone)	0.08	0.04	0.11
0.91	2.94	3.98	L&T Finance Holdings (Consolidated)	0.94	2.21	3.14

YTD Q3 FY11	FY11	Summary Balance Sheet (₹ Bn.)	H1 FY12	YTD Q3 FY12	YoY growth
27.93	28.90	Networth	45.67	46.29	66%
134.31	159.16	Borrowings	175.88	208.95	56%
156.11	181.12	Loans & Advances	213.95	235.84	51%
162.24	188.07	Total Assets	221.58	255.3	57%
2.61	1.92	Gross Non Performing Assets	4.32	5.13	-
1.76%	1.07%	Gross Non Performing Assets (%)	2.04%	2.20%	-
1.46	1.17	Net Non Performing Assets	2.60	2.87	-
0.98%	0.66%	Net Non Performing Assets (%)	1.24%	1.25%	-
<b>255.04</b>	<b>182.58</b>	<b>Gross NPA (excluding Microfinance)</b>	<b>229.72</b>	<b>305.28</b>	-
<b>1.71%</b>	<b>1.02%</b>	<b>Gross NPA (excluding Microfinance) %</b>	<b>1.08%</b>	<b>1.31%</b>	-
<b>149.71</b>	<b>116.78</b>	<b>Net NPA (excluding Microfinance)</b>	<b>154.03</b>	<b>203.87</b>	-
<b>1.01%</b>	<b>0.66%</b>	<b>Net NPA (excluding Microfinance) %</b>	<b>0.73%</b>	<b>0.88%</b>	-

Break up of Networth as on 31 <sup>st</sup> Dec 2011 (₹ Bn.)	
LTF + LTIF	37.21
Bank Investment	1.52
AMC	0.19
Yet to be deployed	6.75

Note:

Loans & Advances restated to include debtors and gross of provisions



# Key Subsidiaries: L&T Finance

- Primarily engaged in short to medium term asset backed financing, across foll. businesses:

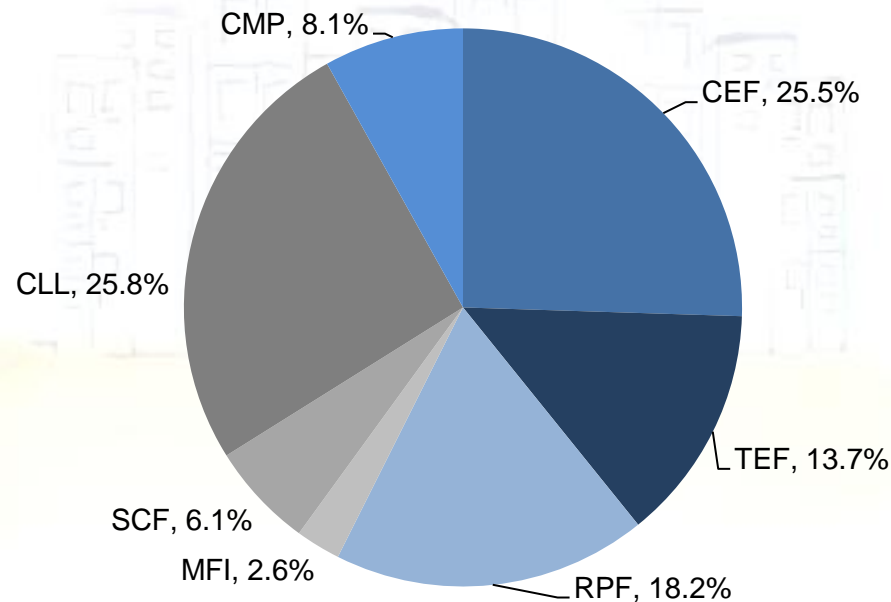
## Retail Finance Group

- Construction Equipment Finance (CEF)
- Transportation Equipment Finance (TEF)
- Rural Products Finance (RPF)
- Microfinance (MFI)
- Distribution of Financial Products (FPD)

## Corporate Finance Group

- Corporate Loans and Leases (CLL)
- Supply Chain Finance (SCF)
- Capital Markets Finance (CMF)

**Loan Assets as on Dec 31st, 2011**



**Total : ₹ 137.63Bn**

**Focus on asset backed lending**



Q3 FY 11	YTD Q3 FY 11	FY11	Summary P&L (₹ Bn.) (excl. MFI)	Q3FY12	H1FY12	YTD Q3 FY12	YoY growth
3.35	9.14	12.89	Total Income	4.72	7.69	12.41	36%
1.63	4.30	6.04	Interest Cost	2.70	4.35	7.05	64%
0.12	0.27	0.35	Employee Cost	0.23	0.32	0.55	104%
0.31	0.83	1.16	Other Operating Expenses	0.41	0.63	1.05	27%
0.41	0.96	0.86	Provisions, Write-offs and Foreclosure Losses	0.30	0.30	0.60	-38%
0.75	2.32	3.88	PBT	0.94	1.83	2.77	19%
0.50	1.53	2.55	PAT	0.63	1.23	1.86	22%
Q3 FY 11	YTD Q3 FY 11	FY11	Summary P&L (₹ Bn.) (incl. MFI)	Q3FY12	H1FY12	YTD Q3 FY12	YoY growth
-0.06	0.24	-0.38	PBT for MFI business	-0.37	-0.48	-0.85	454%
0.46	1.69	2.30	LTF PAT- incl MFI business	0.38	0.91	1.29	-24%
YTD Q3 FY11	FY11	Summary Balance Sheet (₹ Bn.)		H1 FY12	YTD Q3 FY12	YoY growth	
14.46	17.32	Networth		19.51	19.89	38%	
84.68	88.47	Borrowings		107.46	120.10	42%	
97.69	103.68	Loans & Advances		124.42	137.63	41%	
99.23	105.79	Total Assets		126.97	139.98	41%	
2.06	1.43	Gross Non Performing Assets		3.55	3.69	-	
1.01	0.79	Net Non Performing Assets		1.96	1.66	-	
<b>2.00</b>	<b>1.34</b>	<b>Gross NPA (excl MFI)</b>		<b>1.52</b>	<b>1.62</b>	<b>-</b>	
<b>1.05</b>	<b>0.79</b>	<b>Net NPA (excl MFI)</b>		<b>0.90</b>	<b>0.82</b>	<b>-</b>	

Note:

The denominator for all ratios have been taken as the average of opening and closing year-end numbers.

\* NIM before terminal depreciation on certain lease assets

Q3 FY11	YTD Q3 FY11	FY11	Key Ratios (excl MFI)	Q3 FY12	H1 FY12	YTD Q3 FY12
14.9%	14.2%	14.1%	Yield on Loans	14.1%	13.3%	13.5%
8.3%	8.0%	8.0%	Cost of Funds	9.6%	8.9%	9.1%
7.6%	7.2%	7.2%	Net Interest Margin	5.7%	5.7%*	5.7%*
2.2%	2.4%	2.9%	Return on Assets	2.0%	2.2%	2.1%
14.6%	16.1%	18.1%	Return on Equity	12.8%	13.5%	13.4%
5.7	5.6	5.3	Average Gearing	5.6	5.2	5.5
2.22%	2.22%	1.39%	Gross NPA %	1.23%	1.30%	1.23%
1.18%	1.18%	0.78%	Net NPA %	0.63%	0.78%	0.63%

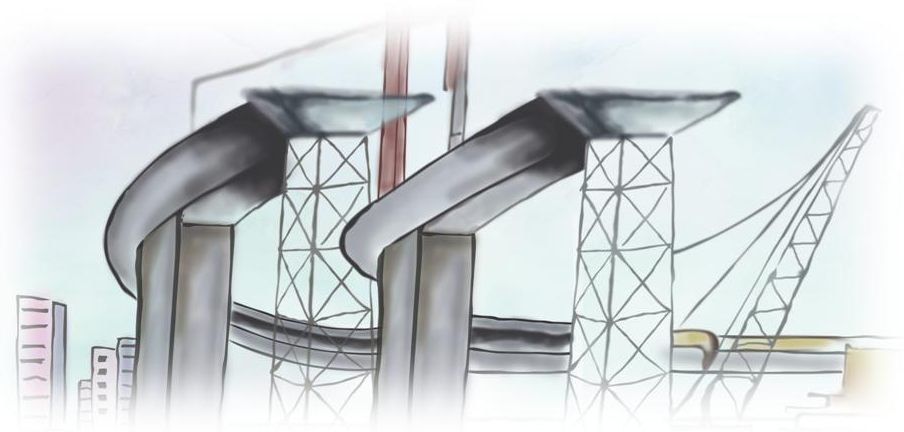
Q3 FY11	YTD Q3 FY11	FY11	Key Ratios (incl MFI)	Q3 FY12	H1 FY12	YTD Q3 FY12
12.9%	17.0%	15.7%	<i>Return on Equity</i>	7.7%	9.9%	9.2%
1.9%	2.5%	2.5%	<i>Return on Assets</i>	1.2%	1.6%	1.4%
2.17%	2.17%	1.42%	<i>Gross NPA %</i>	2.74%	2.92%	2.74%

Note:

The denominator for all ratios have been taken as the average of opening and closing year-end numbers.

\* NIM before terminal depreciation on certain lease assets

Ratios reinstated inclusive of IIDL

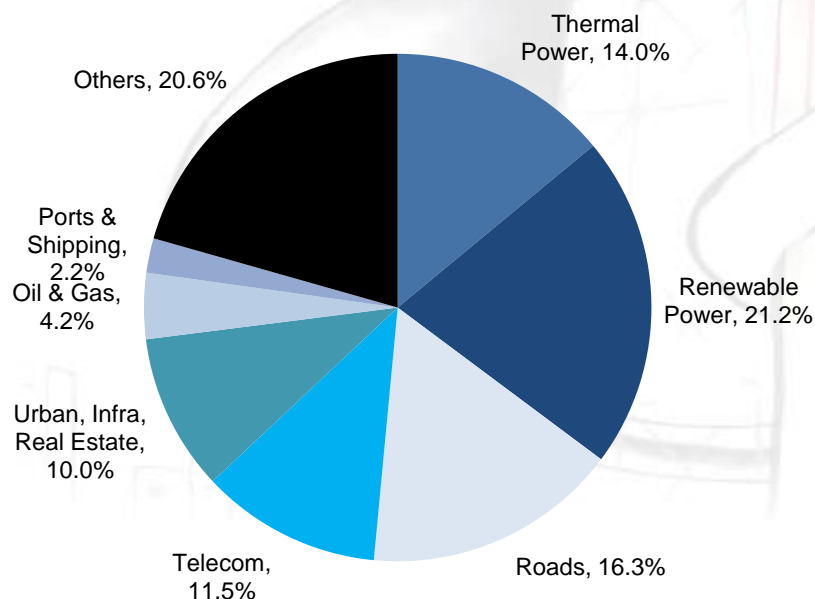


# Key Subsidiaries: L&T Infra

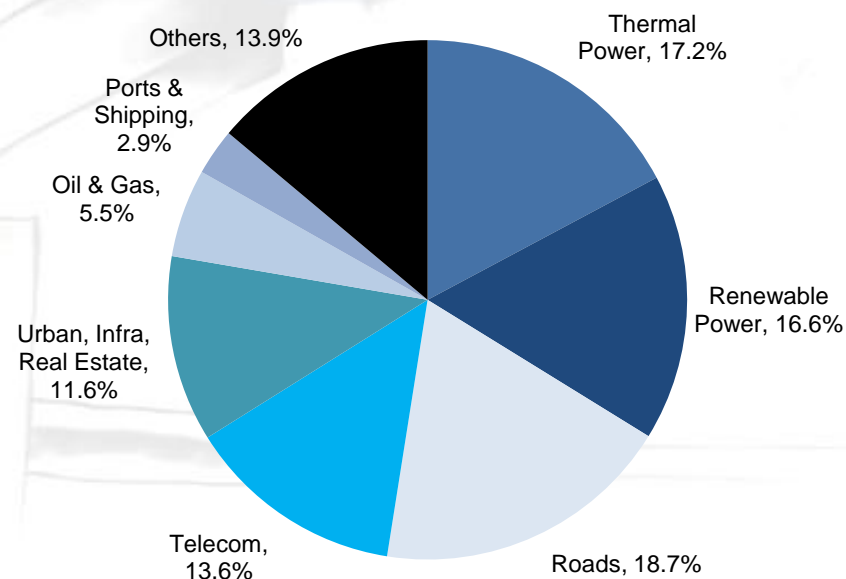
## Products and Services for clients in Infra Sector

- Project Finance – Senior Debt & Mezzanine Debt
- Equity Investment
- Financial Advisory including Syndication & Underwriting Services

**As on Dec 31, 2011: Total<sup>(3)</sup> = ₹ 90.05 Bn.**



**As on Sep 30, 2011: Total<sup>(3)</sup> = ₹ 81.98 Bn.**



*Note:*

(1) Others include projects related to healthcare, Mining, Construction, Water and sanitation, rail container and logistics operations, agricultural infrastructure, industrial and IT parks and SEZs.

(2) Renewable Power includes Solar, Hydro and Cogen power

(3) Total excludes Corporate Loans to Power sector of ₹ 6.98 Bn as on Dec 31, 2011, and ₹ 5.92 Bn as on Sep 30, 2011



Q3 FY 11	YTD Q3 FY11	FY11	Summary P&L (₹ Bn.)	Q3 FY12	H1 FY12	YTD Q3 FY12	YoY growth
1.88	4.97	7.04	Total Income	3.05	5.41	8.46	70%
1.03	2.59	3.80	Interest Cost	1.94	3.24	5.18	100%
0.04	0.10	0.13	Employee Cost	0.08	0.09	0.16	60%
0.02	0.04	0.06	Other Operating Expenses	0.06	0.09	0.15	275%
0.02	-	0.06	Provisions	0.13	0.05	0.18	-
0.52	1.50	2.01	PAT	0.59	1.34	1.93	29%

YTD Q3 FY11	FY11	Summary Balance Sheet (₹ Bn.)	H1 FY12	YTD Q3 FY12	YoY growth
11.62	12.88	Net worth	14.87	17.32	49%
50.15	61.94	Borrowings	76.12	88.29	76%
57.63	71.65	Infrastructure Loans	87.68	96.69	68%
61.77	74.87	Total Assets	90.88	105.61	71%
0.54	0.48	Gross Non Performing Assets*	0.78	1.43	-
0.44	0.38	Net Non Performing Assets	0.64	1.21	-

Note:

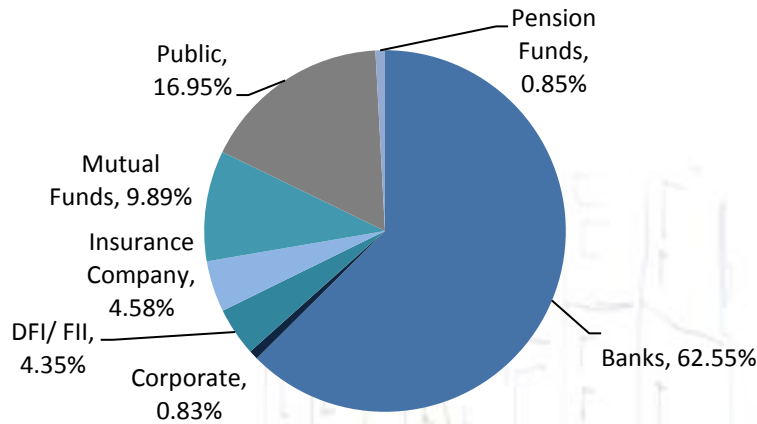
The denominator for all ratios have been taken as the average of opening and closing year-end numbers.

Q3 FY 11	YTD Q3 FY11	FY11	Key Ratios	Q3 FY12	H1 FY12	YTD Q3 FY12
10.9%	10.9%	11.6%	Yield on Loans	12.9%	12.7%	12.7%
7.7%	7.3%	8.1%	Cost of Funds	9.4%	9.4%	9.2%
4.4%	4.9%	4.9%	Net Interest Margin	4.5%	4.6%	4.6%
3.1%	3.4%	3.4%	Return on Assets	2.4%	3.2%	2.9%
14.5%	17.3%	17.5%	Return on Equity	14.6%	19.4%	17.0%
3.8	4.1	4.1	Average Gearing	5.1	5.0	5.0
0.95%	0.95%	0.67%	Gross NPA %	1.48%	0.88%	1.48%
0.77%	0.77%	0.53%	Net NPA %	1.25%	0.73%	1.25%

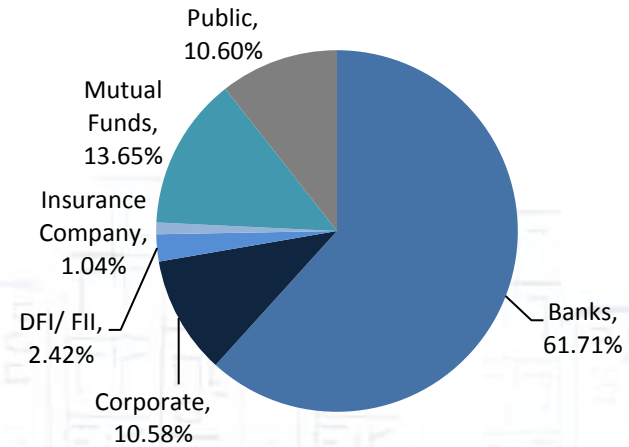
Note:

The denominator for all ratios have been taken as the average of opening and closing year-end numbers.

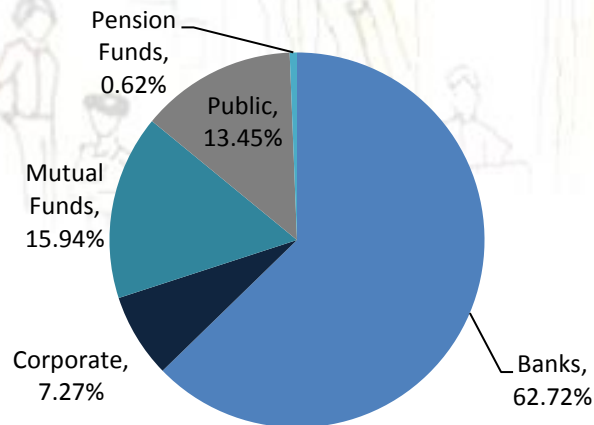
**LTF as at 31<sup>st</sup> Mar 2011**



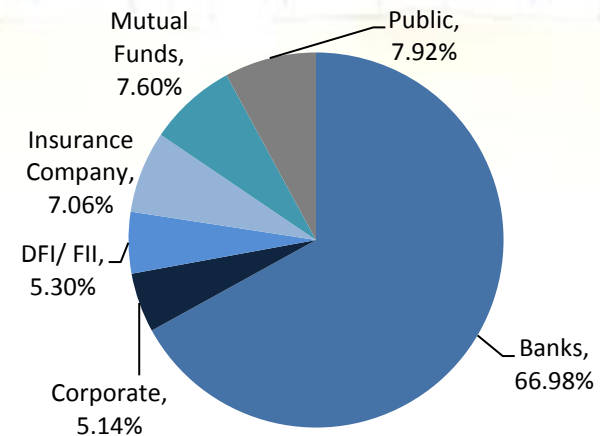
**LTIF as at 31<sup>st</sup> Mar 2011**



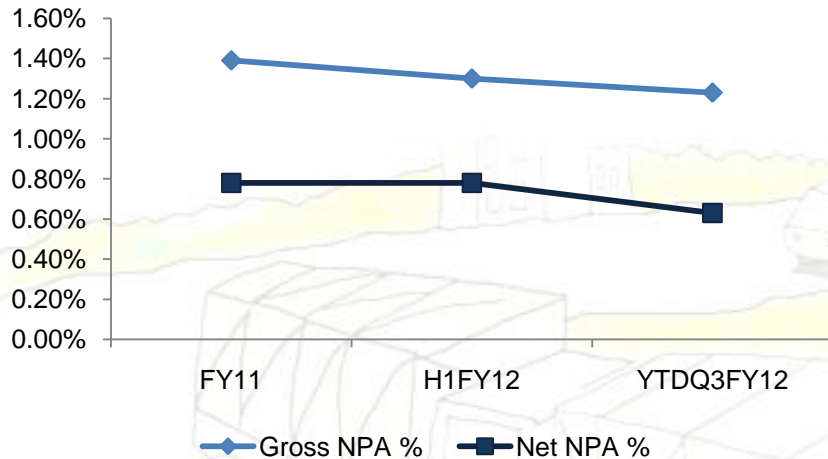
**LTF as at 31<sup>st</sup> Dec 2011**



**LTIF as at 31<sup>st</sup> Dec 2011**



## L&T Finance NPA performance (Excluding Microfinance)



## LTIF Provision Norms

- Provision on standard assets @ 0.25% to 0.50% even before RBI stipulation
- Making contingency provision over and above standard provision as a stringent practice

## LTF Provision Norms

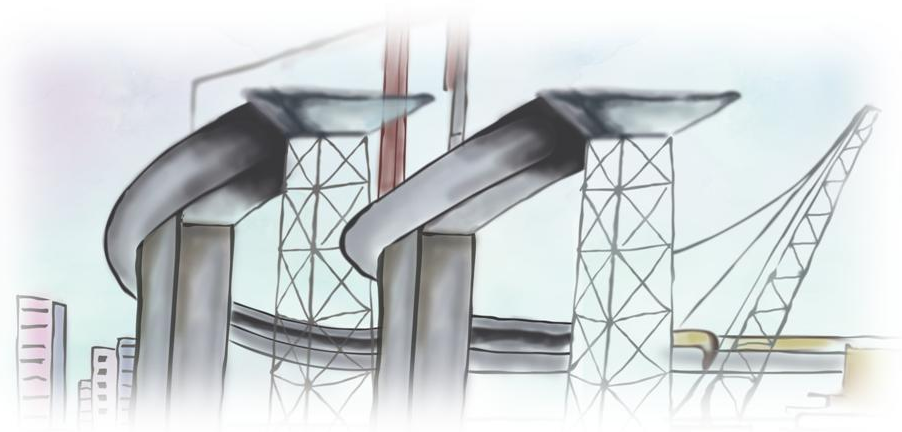
- For loans outstanding beyond 180 days, the difference between principal not recovered and notional asset value is provided for.
- Any loan outstanding for period beyond 540 days is provided for in total.
- 100% provision against unsecured loans\*
- Reflects the potential loss in the P&L and insulates the Balance Sheet against any shock or volatility

## Comparative NPA provision in L&T Finance (₹ Mn)

Particulars	Gross NPA	NPA Provision		Additional Provision
		RBI Norms	Actual provisions	
Micro finance	2,076.4	207.6	1,243.8	1,036.2
Other than Micro Finance	1,616.0	308.1	789.5	481.4
Total - LTF	3,692.3	515.7	2033.3	1,517.6
Total - LTIF	1,436.8	117.15	224.7	107.5

\* Except for Andhra Pradesh Portfolio of MFI business



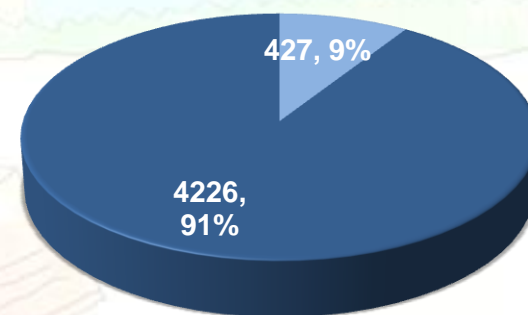


# Key Subsidiaries: L&T Mutual Fund

- Since acquisition in Jan 2010, we have been focusing on expanding the business

Item	FY-10	FY-11	YTD Q3 FY12
Branches	19	56	56
Sales Personnel	70	228	191
Empanelled Distributors	6,315	10,895	11,528
No of Live Folios	108,445	141,865	147,437
No of Corporate Clients	633	2,147	2,183
Total Avg.AUM (₹Bn.)	25.87	37.80	46.53
Industry AUM (₹Bn)	7238.05	7036.99	7127.22
Market Share	0.36%	0.54%	0.65%
Management Fee/AUM	0.15%	0.17%	0.21%
PAT (₹Bn.)	2.72	(3.96)	(1.67)

**AUM Break up (Dec 2011)**



■ Retail ■ Institutional

- New mobilization last quarter: ~ ₹ 1.30 Bn. through NFOs of two open-ended schemes

**AAUM growth (absolute) of 23.10% from ₹ 37.80 Bn as at 31<sup>st</sup> Mar 2011 to ₹ 46.53 Bn as at 31<sup>st</sup> Dec 2011**

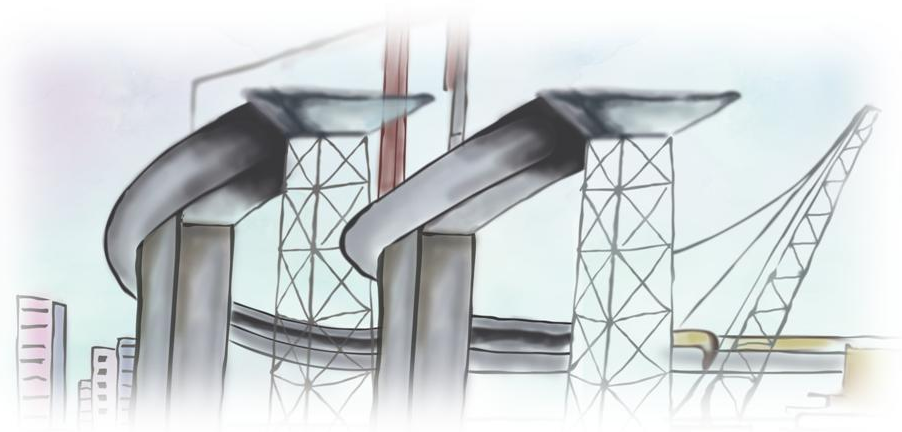
**Fee income as a percentage of AUM improved from 0.17% for FY11 to 0.21% for YTD Q3 FY12**

Source: Internal

Past performance may or may not be sustained in the future. Please refer to the website [www.lntmf.com](http://www.lntmf.com) for further details.

Please refer to annexure at the end of this presentation for the asset wise and geography wise AUM disclosure for the quarter ended 31<sup>st</sup> December 2011 and disclaimers and risk factors





# Outlook

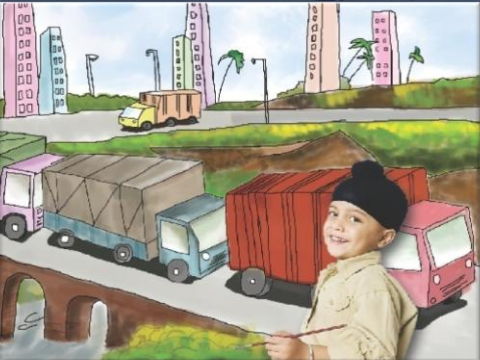
Balance sheet expected to grow, albeit at subdued rate

No stress in margins going further

Focus on maintaining credit quality

Emphasis on operational efficiency





*L&T Finance Holdings*

**Thank you !**

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## AUM Report for the Quarter Ended December 31, 2011

Asset class wise disclosure of AUM and AAUM (₹ Lakh]		
Category	AUM as on the last day of the Quarter	Avg AUM for the Quarter
Income	163366	1,74,579
Equity [other than ELSS]	21313	22,987
Balanced	0	0
Liquid	149088	2,60,981
Gilt	130	130
Equity-ELSS	2722	2932
Gold ETF	0	0
Other ETF	0	0
Fund of Fund investing overseas	0	0
Total	336619	4,61,609

Disclosure of percentage of AUM by geography	
Top 5 Cities	90%
Next 10 Cities	8%
Next 20 Cities	2%
Next 75 Cities	0%
Others	0%
Total	100%

**Source: AMFI. Past Performance may or may not be sustained in future and is no guarantee for future results.**

## Risk Factors and Disclaimers pertaining to L&T Mutual Fund

**Statutory Details:** L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settlor (liability restricted to the seed corpus of ₹ 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager. **Risk Factors:** All investments in mutual funds and securities are subject to market risks and the NAV of the Schemes of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Schemes. The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond the initial contribution of ₹ 1 lakh made by it towards setting up the Fund. The name of the Schemes/Plans/Mutual Fund do not in any manner indicate either the quality of the Schemes or its future prospects and returns; and are only the name of the Schemes/Plans. There can be no assurance that the objectives of the Schemes/Plans/Mutual Fund will be achieved. Schemes specific risk factors: Investment in the Schemes shall be subject to various risks including but not limited to risk associated with: Investment in Equity and Equity related Instruments & Fixed Income Securities such as Performance Risk, Credit Risk, Reinvestment Risk, Interest Rate Risk, Investment in Derivatives, Securitised Debt, etc. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

Scheme Information Document, Statement of Additional Information, Key Information Memorandum and Application Forms of the Schemes of L&T Mutual Fund are available at AMC Branches / Mutual Fund website at [www.lntmf.com](http://www.lntmf.com) or at Investor Service Centres/ Distributors.