



Building to become
a comprehensive financial services player

Investor Presentation, Q1FY15

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Agenda

L&T Finance Holdings

Key performance highlights

Performance and outlook, by business

A leading player in the Indian financial services sector

- 1 INR 40,764 Crores asset book that has steadily grown over last five years, and a mutual fund business ranked #14 in the investment management industry

- 2 Consistent trajectory of expansion towards a comprehensive offering across product, customer and asset base spanning retail, mid-market and wholesale segments
 - Extensive coverage of 700+ points of presence

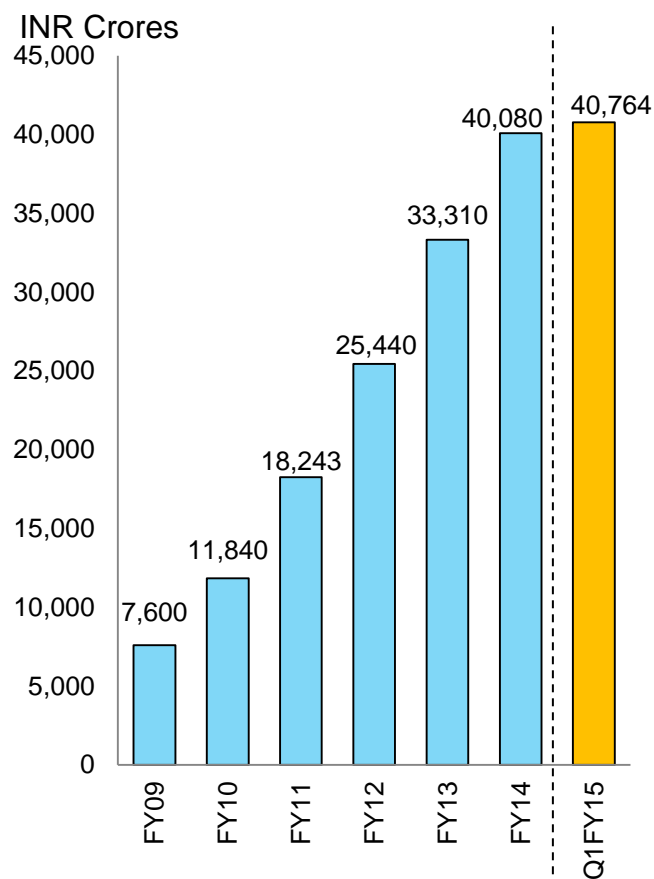
- 3 Strong leadership with industry-leading governance standards, strong presence of independent directors on the board and highly experienced management team

- 4 Constant high-impact innovation, such as distribution with mobile vans, mobile sales force for door-step banking, multi-format branches

- 5 Rationale for banking proposition remains, while we retain and build our abilities to service customers

Consistent and robust growth trajectory

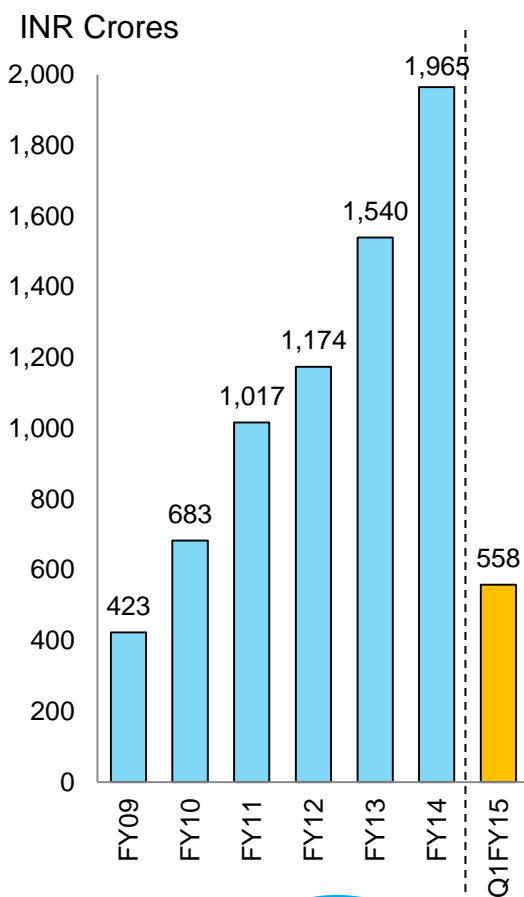
Loan advances



CAGR

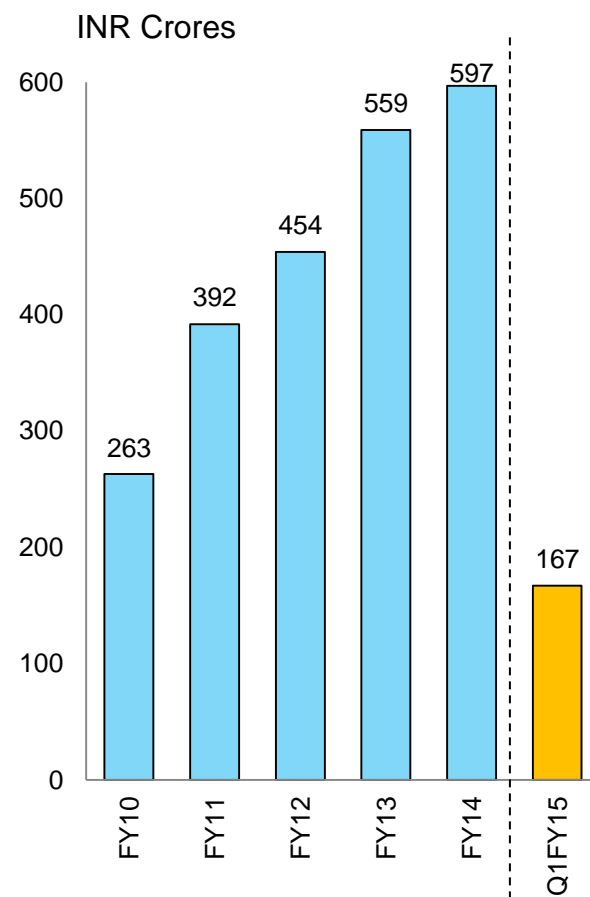
36%

Net interest margin



39%

PAT

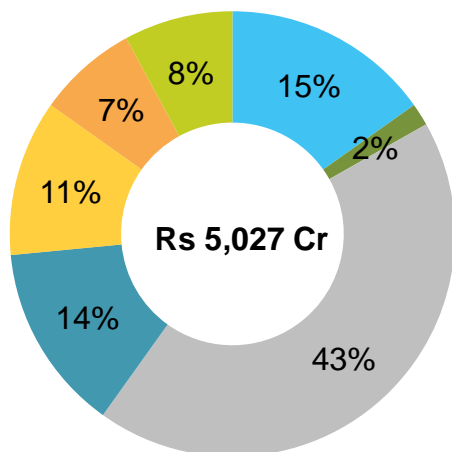


23%

Balanced loan book

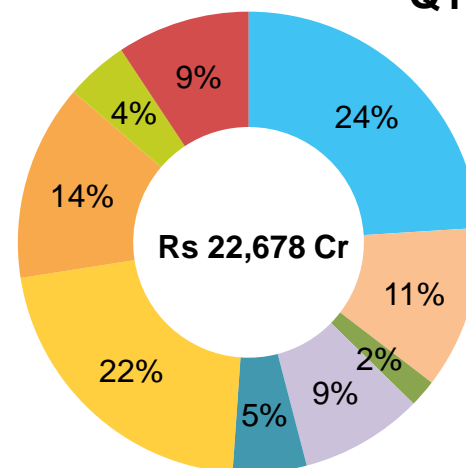
Retail & Mid-Market

FY09

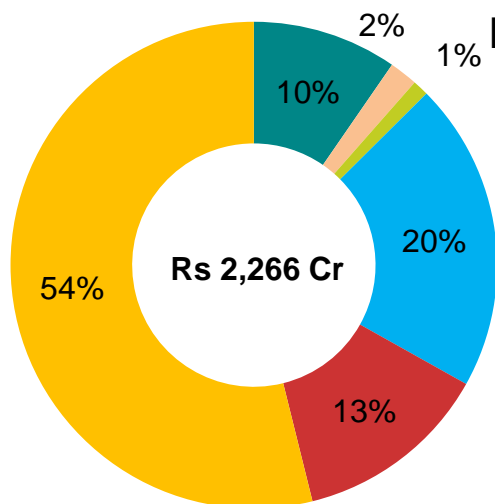


- Rural Products
- Personal Vehicle
- Microfinance
- Construction Equipment
- Commercial Vehicle
- Loans and Leases
- Loan Against Shares
- Supply Chain
- Housing

Q1FY15

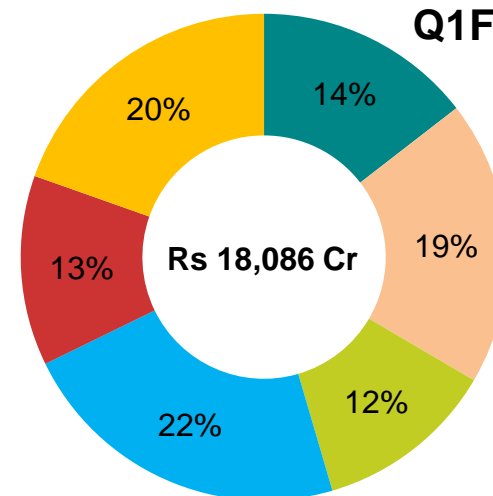


FY09



- Thermal Power
- Renewable Power
- Power – Corp + T&D
- Transportation
- Telecom
- Others

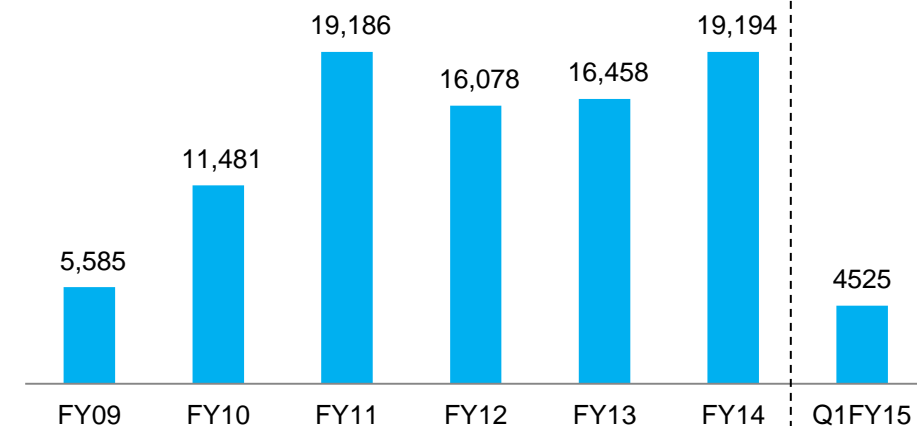
Q1FY15



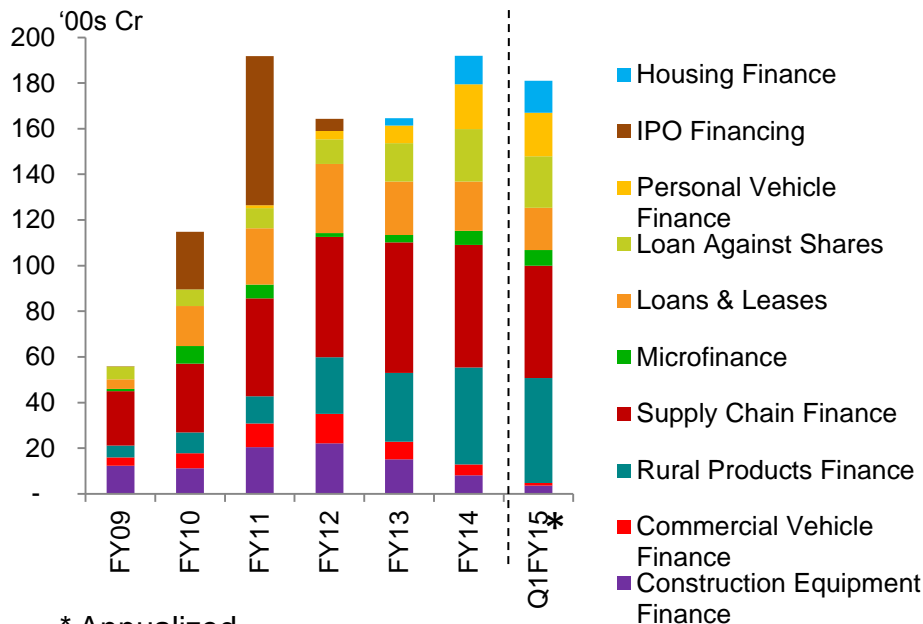
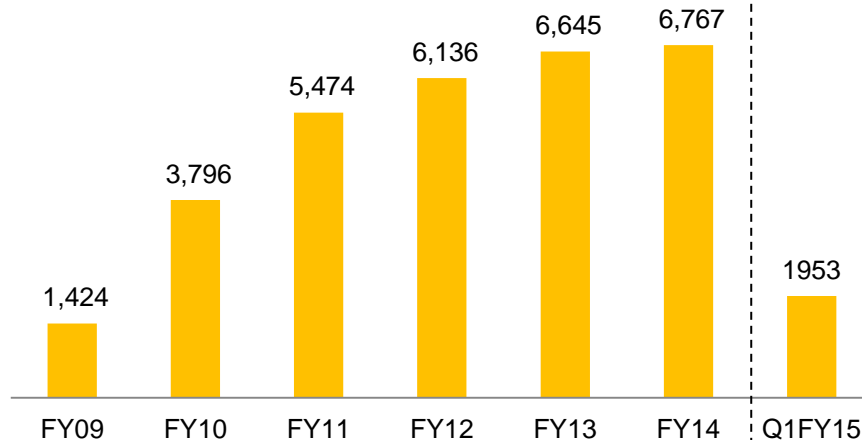
Wholesale

Supported by calibrated disbursement strategy

Retail & Mid-Market Business – Disbursement (Rs Cr) (including Housing)



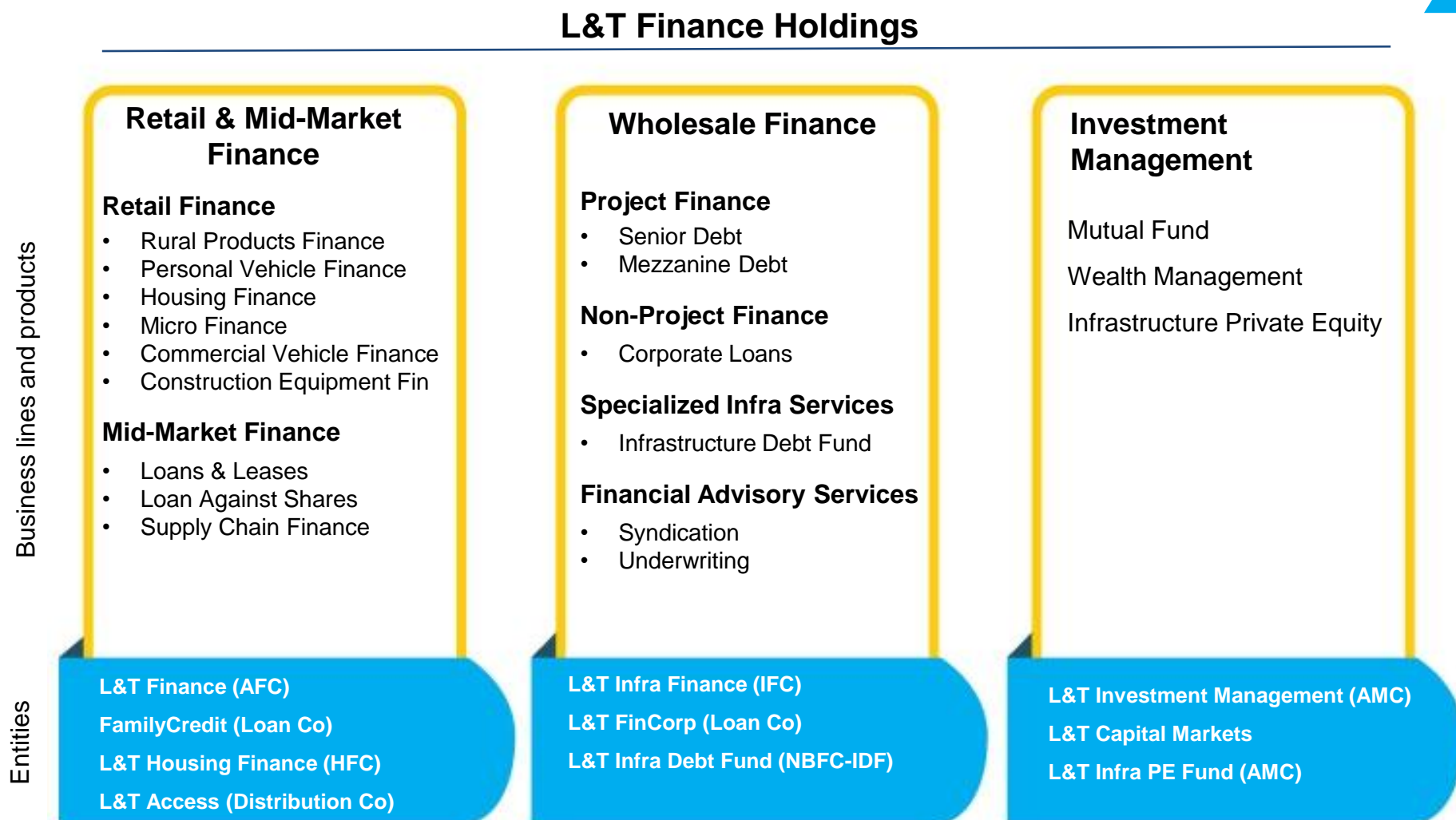
Wholesale Business – Disbursement (Rs Cr)



* Annualized

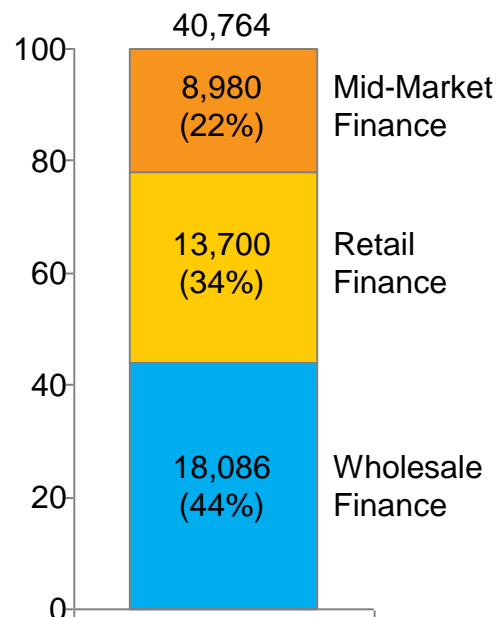
- Disbursements in the Wholesale business have tapered down in the period FY12-FY14
- Disbursements in the Retail and Mid-Market business has also shown flat growth over FY12 –FY14
 - Increase in FY14 largely contributed by start of new lines of business – housing finance and two wheeler finance
 - Commercial vehicle and construction equipment segments have been consciously de-grown from FY12

Collectively, a comprehensive product suite across three lines of business

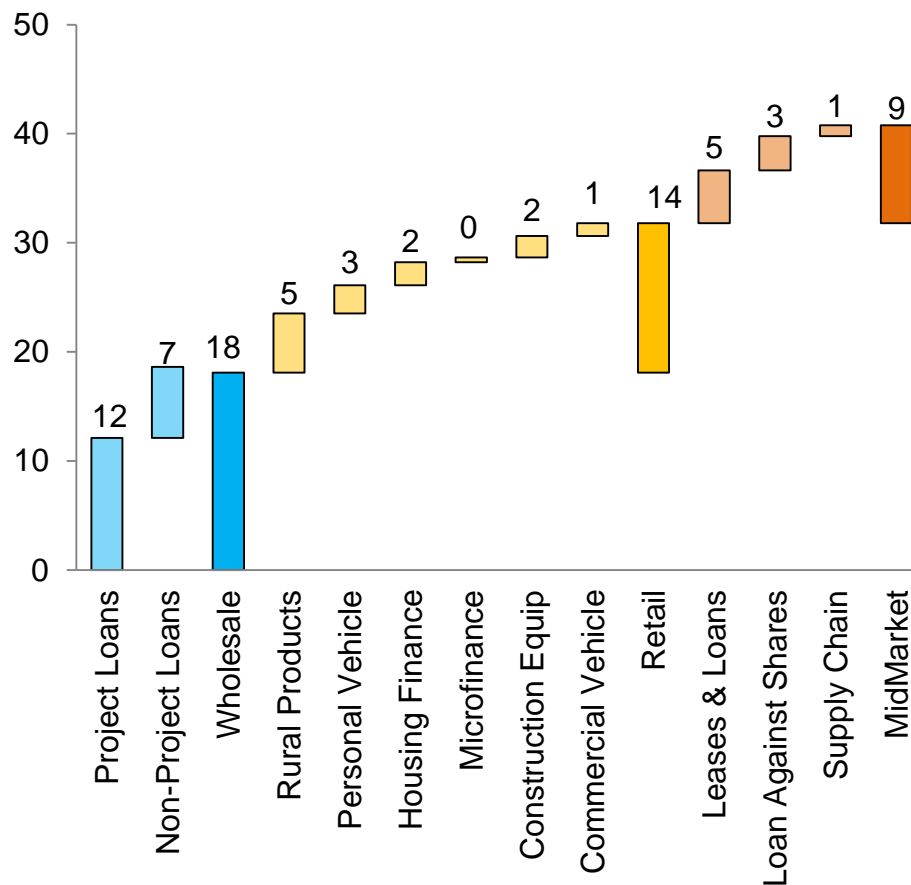


Assets across customer segments, product families...

Asset book by business
(INR Crores and %)

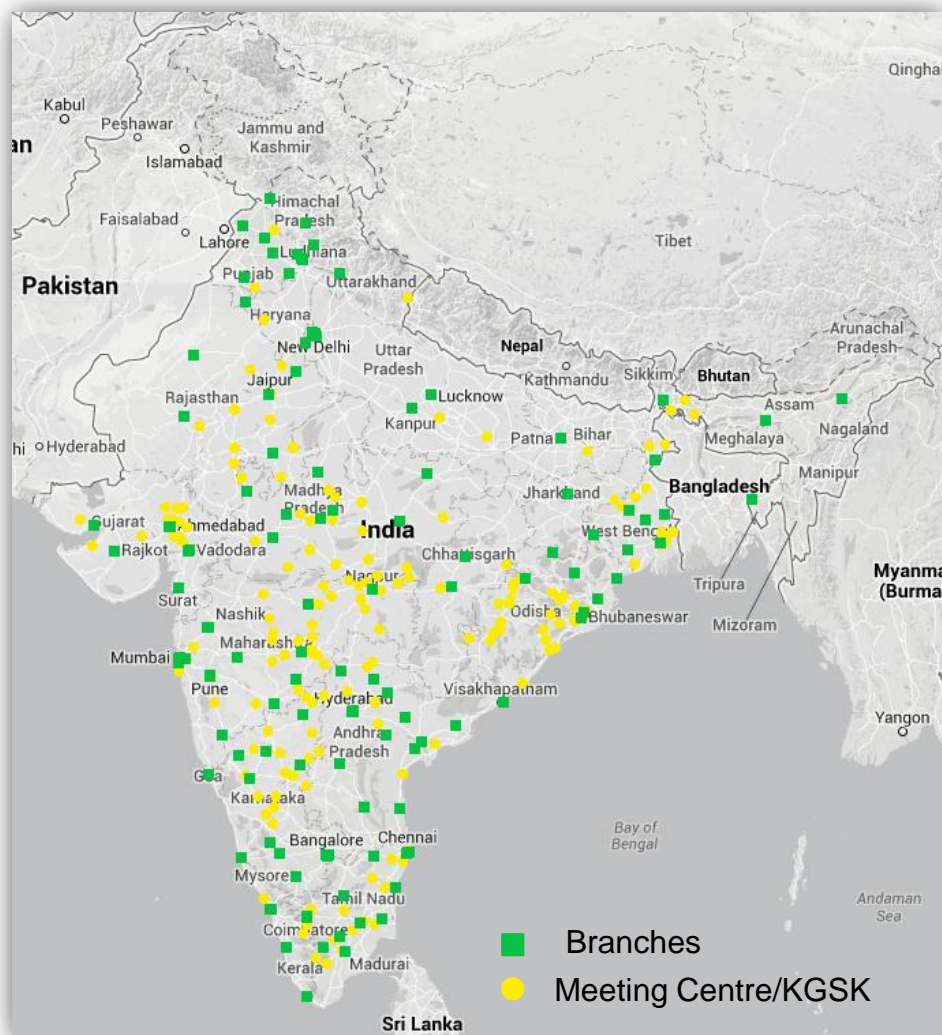


Asset book, by product
(INR '000s Crores)



Serving 7 lakh plus customers across Retail, Corporate, and HNI segments

Extensive footprint of 700+ points of presence across India



Mobile branches not shown

700+ touch points including 150+ branches, 190+ meeting centres, and 60+ KGSKs for LTFH NBFCs

- Presence in **23 out of 28 states**
- 3 branches in North Eastern states
- Rural areas covered extensively by Meeting Centres and *Kisan Gaurav Seva Kendras* (KGSK)

Extensive branch presence complemented with *Gram Sampark* operations (mobile branches)



Leadership comprises a seasoned board of directors ...



Y.M. Deosthalee, *Chairman and Managing Director*

- Chartered Accountant and Law graduate
- 38+ years at L&T Group
- Member of the Advisory Committee for Liquidity Management set by the Ministry of Finance



N. Sivaraman, *President & Whole-time Director*

- CA; B.Com graduate from Madras University
- 30+ years at L&T Group
- Deep experience in finance, including accounts, M&A, and investor relations



R. Shankar Raman, *Non-Executive Director*

- CA; B.Com graduate from Madras University
- Current CFO of L&T Group
- 30+ years of experience in finance, including audit and capital markets



A. K. Jain, *Non-Executive Director*

- B.Com graduate from Delhi University
- Masters in Public Admin. from IIPM
- Joint Secretary in Banking Division of Ministry of Finance
- Board of Director for Canara Bank



S. V. Haribhakti, *Independent Director*
Chairman, Audit Committee, LTFH
Chairman, Nomination & Remuneration Committee, LTFH

- CA; Cost Accountant, and a Certified Internal Auditor
- Masters in Management Studies from Uni. of Mumbai
- Chairman of Future Retail (formerly Pantaloon Retail)



Harsh C. Mariwala, *Independent Director*

- Chairman & MD of Marico Limited
- 30+ years of experience in building some of the leading Consumer brands in India
- President of FICCI 2010 – 2011.



B. V. Bhargava, *Independent Director*

- Post graduate in commerce and Law graduate from the University of Bombay
- Chairman of the Rating Committee of CRISIL Limited
- Former Vice Chairman and MD of ICICI



P. V. Bhide, *Independent Director*

- Hold MBA, L.L.B and B.Sc degrees
- Retired IAS officer
- Former Finance Secretary; 40+ years experience across various positions in the Ministry of Finance

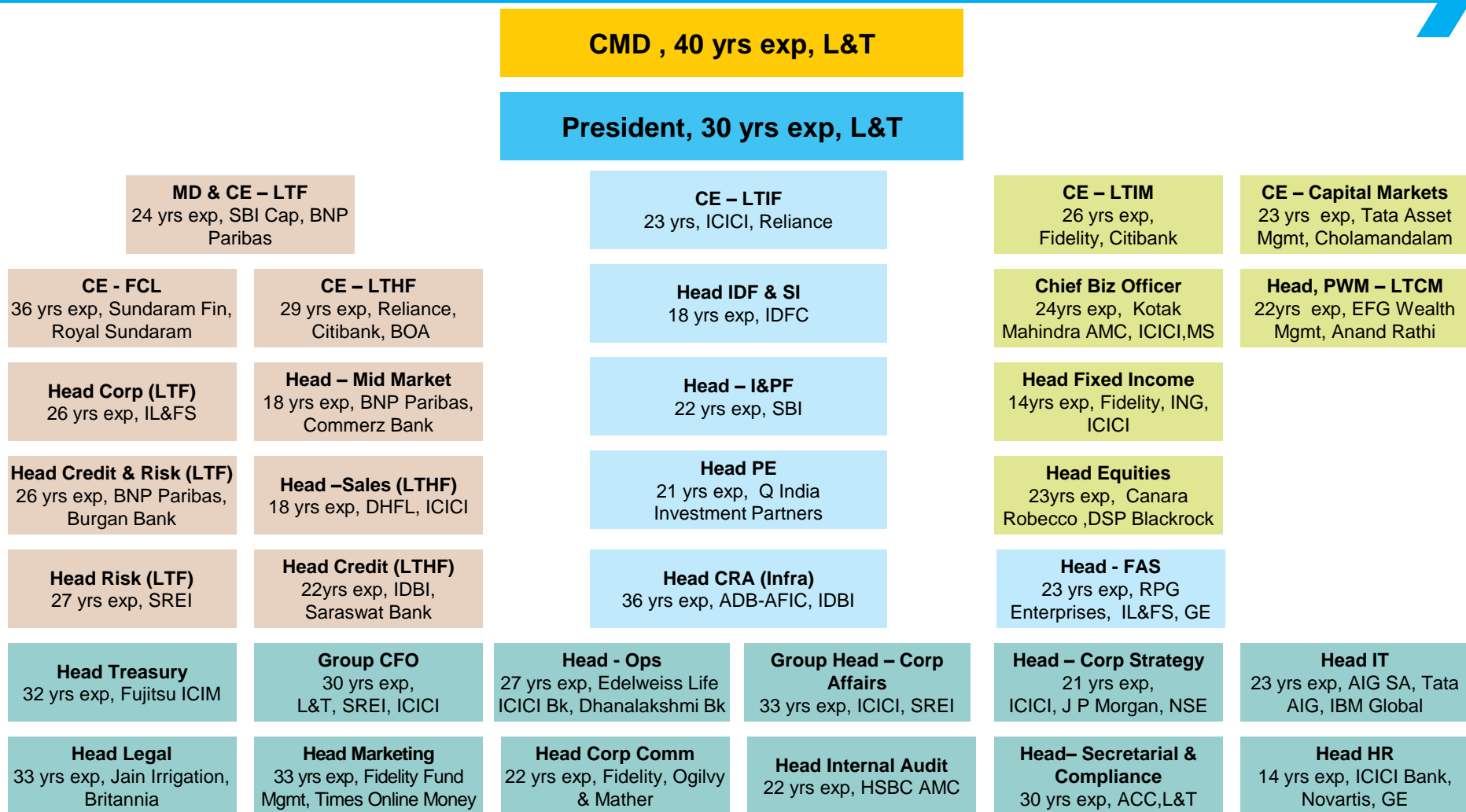


K. Rao, *Independent Director*

- B.A. from Harvard and MBA from UPenn
- Chartered Financial Analyst (CFA)
- 15+ years of experience as an investment professional

■ : Independent directors

... And an experienced management team



¹¹ CBG – Corporate Business Group SI – Strategic Initiatives IDF – Infrastructure Debt Fund
CSA – Corporate & Regulatory Affairs, PWM – Private Wealth Management I&PF – Infra & Project Finance

Continuous, market-leading innovations for efficiency and effectiveness

"My Branch" to provide doorstep access



Advanced sales force extends footprint beyond branches

Sales force equipped with tablets and handheld scanners to increase operational efficiency and faster turn around time

Mobile vans as branch extensions in rural areas



500+ "Gram Sampark" programs conducted per year

Customer education - key focus area

Each van covers 5 -10 villages

Route schedule based on repayment cycles

Retain and sharpen ability to service customers

- Continued focus on growing existing business, gain higher market share and improve returns
- Efforts on to improve services and reduce operating costs
- Explore avenues to diversify sources of funding
- Evaluate banking proposition when the differentiated / on-tap licensing process is introduced

Rationale for the banking proposition remains even as we retain and sharpen our ability to service customers

Agenda

Introduction to L&T Finance Holdings

Key performance highlights

Performance and outlook, by business

Economic Outlook – notable trends

Positive trends

- Govt. initiatives to control food inflation positive
- Tackling hoarding, export limits on staples, creation of Price Stabilization Fund
 - Accelerating reforms to APMC Act, Warehouse Infrastructure Fund and restructuring of FCI

Strong push to revive economic growth

- Focus on PPP, REITs, RBI guidelines on long term bonds, Infrastructure Investment Trust
- Increased FDI limits in defence manufacturing and insurance sector

Liquidity expected at comfortable levels in FY15 due to FII inflows and interventions by RBI

Stable monetary environment with few green shoots

- Healthy growth in exports aided by global demand
- Positive trajectory of IIP growth at 4.0% Apr-May

Key challenges

Impact on inflation due to delayed start in monsoons with deficiency of 35%

- CPI - 7.31%, food inflation - 9.40%, WPI - 5.43%
- Core inflation remains sticky

Status quo expected on regulatory rates till inflation shows sustainable downward trajectory

Fiscal deficit target of 4.1% for FY15 and intent to reach 3.0% in FY17

- Dependent on revenue buoyancy, stable subsidy regime and increase in non-tax revenues

CAD expected to be 2% - 2.5% of FY15 GDP

- Trade deficit widens on surge in gold imports
- Probable pressure on crude oil prices owing to geopolitical crisis in oil nations like Iraq

Stable government leads to positive business sentiment, visible improvement could take 2 quarters
Economic revival expected to be gradual

Highlights of LTFH performance

Healthy Growth in Assets...

Loan assets at Rs. 40,764 Cr registering a growth of 19% Y-o-Y

Disbursement growth of 11% Y-o-Y is a reflection of -

- Thrust on rural products, personal vehicle and housing finance
- Focus on operating projects in infrastructure
- Tight credit selection and structured loans to corporate segment

IDF–NBFC has commenced operations in Q1FY15

AMC achieves AAUM of Rs. 19,000+ Cr, while Wealth Management AAUS is at Rs. 6,000+ Cr

...Leading to Growth in Profits...

- Improved Retail NIMs with change in product mix towards high yielding assets, offset by dip in Wholesale NIMs
- Improvement in retail business opex post completion of integration related activity

AMC business maintains break even

...With Stable Credit Costs...

While asset quality remained under stress due to

- Seasonal pressures in the retail portfolio and minor slippage in infrastructure segment
- Increase in net restructured assets in wholesale finance

Credit costs remained stable with plateauing of stress in the mid-market segment

Summary Financial Performance – Key Operating Entities

Q1FY14	Rs. Crores	Q4FY14	FY14	Q1FY15	Y-o-Y
Lending Businesses (Retail and Mid-Market, Housing, Wholesale)					
34,340	Loans and Advances	40,082	40,082	40,764	19%
5,859	Disbursements	8,134	25,959	6,478	11%
473	NIM	536	1,965	558	18%
346	Earnings before credit cost	423	1,471	409	18%
134	Credit cost	162	578	159	19%
154	PAT	195	656	179	16%
5.59%	NIM (%)	5.61%	5.47%	5.53%	-
2.54%	Gross NPA (%)	3.18%	3.18%	3.57%	-
11.29%	ROE (%)	12.65%	11.23%	11.26%	-
Investment Management					
13,782	Average AUM	18,255	18,255	19,895	44%
(3.5)	PAT before amortization	0.9	0.5	(0.4)	-

- Growth in loan assets driven by disbursements in retail segment and to operating assets in infra sector
- NIMs stable on a Y-o-Y basis while reduction on a Q-o-Q basis due to non-accrual of interest on restructured cases
- Rise in GNPA due to seasonality pressures in retail assets and few stress accounts in infra segment

Summary Financial Performance – LTFH Consolidated

Q1FY14	Summary P&L (Rs. Crores)	Q4FY14	FY14	Q1FY15	Y-o-Y
145	PAT before Exceptional Item	187	597	167	15%
145	PAT	187	597	286	97%

* Exceptional item (net of tax) of ~ Rs 119 Cr on sale of 4.5% stake in City Union Bank

Q1FY14	Summary BS (Rs. Crores)	Q4FY14	Q1FY15	Y-o-Y (%)
5,613	Net worth (excluding preference capital)	5,826	6,105	9%
750	Preference Capital	1,000	1,263	68%
2,810	- Retail & Mid-Market Finance	2,969	3,043	8%
295	- Housing Finance	303	312	6%
2,551	- Wholesale Finance	2,993	3,084	21%
646	- Others	650	674	4%
29,254	Borrowings	35,854	36,276	24%

Agenda

Introduction to L&T Finance Holdings

Key performance highlights

Performance and outlook, by business

Retail and Mid-Market Finance – Market scenario and outlook

Segment	Outlook
Rural Products	<ul style="list-style-type: none"> Tractor sales de-grew by 1% during the quarter Tractor industry expected to grow by 4%-6% in FY15 (Source: ICRA)
Personal Vehicle	<ul style="list-style-type: none"> 2W sales growth positive, Y-o-Y growth of 14% in Q1FY15 Launch of new variants and dealer schemes provides boost to sales of personal vehicles
Microfinance	<ul style="list-style-type: none"> Strong demand continues in microfinance
Construction Equipment	<ul style="list-style-type: none"> CE sales continue to de-grow in excess of 11 % due to pending policy decisions, non-release of funds in approved projects, land acquisition/environmental clearance issues and relatively higher interest rates.
Commercial Vehicle	<ul style="list-style-type: none"> Big drop in CV segment mainly due to slowdown in economic activity and stagnant freight rates; negative impact being seen in LCV segment also
Mid-Market	<ul style="list-style-type: none"> GNPAs for banking system decreased from 4.2% in Sep'13 to 4.0% in Mar'14 due to lower incremental NPAs, higher recovery & write-offs during Q4FY14 Upgrade to downgrade ratio by rating agencies such as CRISIL and CARE shows a positive movement Gradual resumption of stalled projects, improvement in economic growth and a stable government augur well for the mid-market segment High leverage of corporates and regulatory hurdles indicate start of meaningful capex only in 2015-16

Segment (SIAM)	Q1FY14 Growth (%)	Q1FY15 Growth (%)	FY15 Projection (%)
Cars	(10.4)%	2.2%	2.0%- 3.0%
UV	5.2%	3.9%	3.0%-5.0%
LCV	(3.9)%	(19.2)%	(8.0%-10.0%)
MHCV	(15.5)%	(9.8)%	(10.0%-15.0%)
CV (Total)	(8.1)%	(16.1)%	(15.0%-19.0%)
2W	(0.8)%	13.7%	6.0%-8.0%

Growth to be driven by B2C (Rural Products, Personal Vehicle) and selective lending to B2B (Corporate, CE, CV)

Retail and Mid-Market Finance – Performance by product

DISBURSEMENTS

Q1FY14	FY14	Rs. Crores	Q4FY14	Q1FY15	Y-o-Y
900	4,243	Rural Products Finance	1,102	1,149	28%
445	1,966	Personal Vehicle Finance	506	477	7%
95	606	Microfinance	212	171	80%
257	808	Construction Equipment Finance	126	91	-64%
176	480	Commercial Vehicle Finance	69	27	-85%
645	2,162	Loans and Leases	596	462	-28%
425	2,299	Loan Against Shares	1,003	565	33%
2,943	12,564	Sub-Total	3,614	2,941	0%
1,335	5,381	Supply Chain Finance	1,506	1,232	-8%
4,278	17,949	Total	5,121	4,172	-2%

LOANS & ADVANCES

Q1FY14	Q1FY14 (%)	Rs. Crores	Q4FY14	Q1FY15	Q1FY15 (%)	Y-o-Y Growth
3,645	20%	Rural Products Finance	5,088	5,443	26%	49%
2,202	12%	Personal Vehicle Finance	2,638	2,585	13%	17%
234	1%	Microfinance	414	436	2%	86%
2,878	15%	Construction Equipment Finance	2,189	1,954	10%	-32%
1,836	10%	Commercial Vehicle Finance	1,349	1,172	6%	-36%
4,686	25%	Loans and Leases	4,985	4,860	24%	4%
2,049	11%	Loan Against Shares	2,768	3,124	15%	52%
1,060	6%	Supply Chain Finance	1,172	995	5%	-6%
18,590	100%	Total	20,603	20,568	100%	11%

Disbursements in B2C products aids book growth , remain cautious on B2B segment

Retail and Mid-Market Finance – Summary Financials

Q1FY14	Summary P&L (Rs. Crores)	Q4FY14	Q1FY15	Y-o-Y	FY14	TTM	TTM v/s FY14
654	Interest Income	749	777	19%	2,838	2,962	4%
370	Interest Expense	425	438	18%	1,631	1,699	4%
284	NIM	324	339	20%	1,207	1,263	5%
10	Fee Income	22	15	56%	51	56	11%
113	Operating Expense	137	142	25%	519	548	6%
180	Earnings before credit cost	209	212	18%	739	771	4%
80	Credit Cost	91	98	21%	335	352	5%
74	PAT	94	82	11%	300	308	3%
4,278	Disbursements	5,121	4,172	(2%)	17,949	17,843	(1%)

Q1FY14	Summary BS (Rs. Crores)	Q4FY14	Q1FY15	Y-o-Y (%)
18,590	Gross Loans & Advances	20,602	20,568	11%
15,431	Borrowings	17,737	17,845	16%
2,810	Networth	2,969	3,043	8%
623	Gross NPAs	696	770	-
372	Net NPAs	447	538	-

- PAT growth in line with asset growth
- GNPA increase due to seasonality related pressures in retail assets
 - Credit costs remain stable, gradual reduction expected from Q2FY15
- As of June 2014, provision over RBI norms is Rs. 85 Cr with assets of Rs. 47 Cr lying in repossessed stock

Retail and Mid-Market Finance – Key ratios

Q1FY14	Key Ratios	Q4FY14	Q1FY15	FY14	TTM
14.24%	Yield	14.90%	15.10%	14.70%	15.08%
9.72%	Cost of Funds	9.88%	9.83%	10.02%	10.09%
6.17%	Net Interest Margin	6.45%	6.59%	6.30%	6.43%
0.22%	Fee Income	0.43%	0.30%	0.26%	0.29%
2.47%	Operating Expenses	2.72%	2.76%	2.71%	2.79%
3.92%	Earnings before credit cost	4.16%	4.13%	3.86%	3.93%
1.75%	Credit Cost	1.81%	1.90%	1.75%	1.79%
10.45%	Return on Equity	12.83%	10.84%	10.50%	10.61%
1.53%	Return on Assets	1.77%	1.49%	1.48%	1.48%
5.49	Gearing	5.97	5.86	5.97	5.86
3.25%	Gross NPA %	3.42%	3.79%	3.42%	3.79%
2.06%	Net NPA %	2.22%	2.67%	2.22%	2.67%
14.61%	CRAR (Tier 1)	14.28%	14.19%		
1.97%	CRAR (Tier 2)	2.28%	2.48%		
16.58%	CRAR (Total)	16.56%	16.67%		

- NIMs continue to show improvement reflecting the shift in product mix towards higher yielding products
- Opex remains stable and impact of integration related activities to lead to reduction in opex
- TTM ratios indicate improving operating performance

Housing Finance

- Expansion of sourcing to 20 operational markets by addition of 3 new branches, while serving customers in 68 cities
- Product portfolio diversification continues to be a key focus area
 - Sourcing in affordable housing segment begins
- Continue to focus on enhancing customer service with launch of E-Approval platform

Q1FY14	Particulars(Rs. Cr.)	Q4FY14	FY14	Q1FY15
520	Loan Book	1,882	1,882	2,110
206	Disbursements	411	1,245	353
0.43%	GNPA (%)	1.22%	1.22%	2.00%
0.12%	NNPA (%)	0.96%	0.96%	1.52%
2	PAT	8	10	9
295	Networth	303	303	312
0.6	Gearing	5.5	5.5	5.5

Q1'14	Book Split	Q4'14	Q1'15
56%	Home Loans	48%	51%
31%	LAP	44%	43%
13%	CF	8%	6%

- Disbursement growth remains high at 71% Y-o-Y while loan book grows by 4.0 times Y-o-Y
- Increase in GNPA due to seasoning of acquired portfolio and few home loan cases which are under litigation, expect to stabilize going ahead

Wholesale Finance – Market scenario and outlook

Segment	Outlook
Thermal Power	<ul style="list-style-type: none"> • Union Budget provides for adequate quantity of coal availability to power plants which are to commissioned till March 2015 • Tax holiday extension u/s 80 IA extended till Mar 2017 • Setting up of proposed Equity Fund and ARC to lead to revival of stalled projects • Reforms in distribution segment required to improve overall sector outlook
Renewable Energy	<ul style="list-style-type: none"> • Budgetary allocation of Rs. 500 Cr. to set up UMPPs in Solar in Rajasthan, Gujarat, Tamil Nadu and Ladakh • Clear decision on anti-dumping duty on imported equipment is awaited • Accelerated Depreciation for wind projects to increase capacity additions
Roads	<ul style="list-style-type: none"> • Fresh construction target of 8,500 km announced in the Budget a key upside, and increase order book for EPC contractors • NHAI initiatives / reforms will bring about efficiencies to the sector <ul style="list-style-type: none"> • Changes in framework of Model Concession Agreement • Dispute resolution committee being mooted for faster redressal of claims on cost escalations
Regulatory Changes	<ul style="list-style-type: none"> • Regulatory benefits for Long term bonds for infra sector – likely to deepen debt markets and enable us to diversify liability sources • Flexible structuring of long term project loans to Infra and Core industries – to facilitate better structuring of loans and increase fund flows to the sector

Effective implementation of policy measures key to revival of sector

Wholesale Finance – Asset volumes, by product

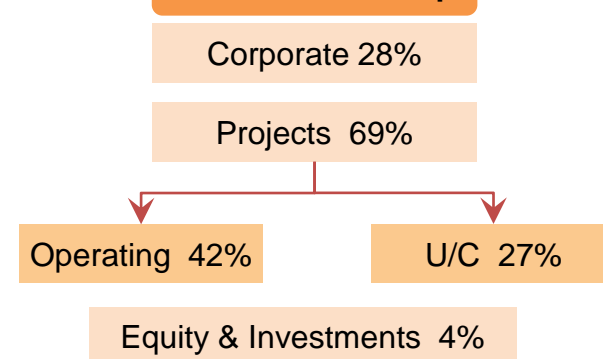
DISBURSEMENTS

Q1FY14	FY14	Rs. Crores	Q4FY14	Q1FY15	TTM	TTM v/s FY14
80	799	Thermal Power	250	269	988	24%
302	1,073	Renewable Power	438	684	1,455	36%
495	877	Power – Corp ¹ + T&D	229	2	384	-56%
286	1,604	Transportation	449	687	2,005	25%
6	570	Telecom	527	258	822	44%
207	1,840	Others ²	719	53	1,686	-8%
1,376	6,767	Total	2,602	1,953	7,344	9%

LOANS & ADVANCES

Q1FY14	Rs. Crores	Q4FY14	Q1FY15	Q1FY15 (%)	Y-o-Y (%)
2,015	Thermal Power	2,586	2,625	15%	30%
3,154	Renewable Power	3,009	3,424	19%	9%
2,271	Power – Corp ¹ + T&D	2,261	2,174	12%	(4%)
2,424	Transportation	3,549	4,035	22%	66%
1,845	Telecom	2,289	2,285	13%	24%
3,521	Others ²	3,904	3,543	20%	0%
15,231	Total	17,598	18,086	100%	19%

Portfolio Break Up



- Top 10 borrowers represent 24% of the outstanding
- Top 10 borrower groups form 31% of outstanding

Disbursements to operating projects drives growth, proportion in book increases to 42% from 37% on Q-o-Q basis

Notes:

1. Corporate loans to Power companies;

2. Others includes IT parks/SEZs, infra project implementers, captive mining for power projects, healthcare, solid waste management, water treatment, select hotels, etc.;

Wholesale Finance – Summary Financials

Q1FY14	Summary P&L (Rs. Crores)	Q4FY14	Q1FY15	Y-o-Y	FY14	TTM	TTM v/s FY14
478	Interest Income	526	545	14%	1,984	2,051	3%
297	Interest Expense	339	358	21%	1,282	1,343	5%
181	NIM	188	187	3%	703	709	1%
3	Fee Income	25	6	105%	36	39	8%
6	Other Income	13	4	(21%)	69	68	(2%)
26	Operating Expense	26	23	(12%)	101	98	(3%)
163	Earnings before credit cost	200	175	7%	706	717	2%
53	Credit Cost	66	53	0%	232	232	0%
79	PAT	94	88	12%	347	356	3%
1,376	Disbursements	2,602	1,953	42%	6,767	7,344	9%

Q1FY14	Summary BS (Rs. Crores)	Q4FY14	Q1FY15	Y-o-Y (%)
15,231	Gross Loans & Advances	17,598	18,086	19%
13,047	Borrowings	15,703	16,042	23%
2,551	Networth	2,993	3,084	21%
221	Gross NPAs	524	609	-
179	Net NPAs	425	482	-

- Rise in GNPA due to additional slippages, delays in restructuring process
 - Assets of net book value Rs 33 Cr sold to ARC at Rs 5 Cr, loss to be amortized equally over 8 quarters
 - Restructured standard asset (excluding FITL) stands at 6.8% as compared to 6.4% in Q4FY14
- As of June 2014, the provision over RBI norms stands at Rs. 105 Cr

Wholesale Finance – Key ratios

Q1FY14	Key Ratios	Q4FY14	Q1FY15	FY14	TTM
12.71%	Yield	12.30%	12.23%	12.37%	12.30%
9.40%	Cost of Funds	9.36%	9.32%	9.51%	9.53%
4.81%	Net Interest Margin	4.40%	4.20%	4.38%	4.25%
0.07%	Fee Income	0.58%	0.13%	0.22%	0.23%
0.15%	Other Income	0.29%	0.10%	0.43%	0.39%
0.69%	Operating Expenses	0.60%	0.51%	0.63%	0.59%
4.34%	Earnings before credit cost	4.68%	3.91%	4.40%	4.30%
1.41%	Credit Cost	1.55%	1.20%	1.45%	1.39%
12.96%	Return on Equity	12.72%	11.60%	12.72%	12.37%
2.01%	Return on Assets	2.02%	1.79%	2.01%	1.96%
5.12	Gearing	5.25	5.20	5.25	5.20
1.53%	Gross NPA %	3.10%	3.51%	3.10%	3.51%
1.24%	Net NPA %	2.53%	2.80%	2.53%	2.80%
15.34%	CRAR (Tier 1)	15.83%	16.09%		
1.58%	CRAR (Tier 2)	1.97%	1.90%		
16.91%	CRAR (Total)	17.80%	17.99%		

- NIMs impacted by non-accrual of interest on NPAs and restructured cases – expected to stabilize at current levels
- Fee income muted in Q1 due to delay in closure of certain large ticket transactions
- Healthy CRAR offers scope to optimize leverage going ahead

Investment Management – Outlook and strategy

Industry update

- Industry average assets increased by 9% from Rs 9,04,538 Cr in Q4FY14 to Rs 9,87,078cr in Q1FY15 based on the quarterly AAUM
- Equity assets increased with market movement and improved gross and net sales
- Increase in money market assets with increased inflow at the start of financial year
- Changes in capital gains and dividend distribution tax for non-equity mutual funds likely to result in significant change in the composition of fixed income funds

Q2FY15 strategy

- Launch of L&T Business Cycles Fund
- Re-positioning fixed income funds' range - enable investors to stay invested for 3+ yrs
- Continue focus on investor education
- On going control on opex and discretionary spends.

Key Risks

- Significant market correction possible in the event of government falling short on expectations

Investment Management – Performance overview

Highlights

- Ranked 14th by AAUM with portfolio of 25+ funds and branch network of 50+ cities, catering to around 8 lakh investors
- 2 NFOs completed – L&T Emerging Business Fund (Rs ~230cr) and L&T Arbitrage Opportunities Fund (Rs ~120cr)
- Turnaround in equities with net sales being positive for the quarter with a positive market movement
- AAUM growth for the quarter in line with industry - net inflow in money market and equity segments

Q1FY14	Rs. Crores	Q4FY14	FY14	Q1FY15
20.9	Operating Revenue	26.3	91.0	24.1
24.4	Opex	25.4	90.5	24.5
(3.5)	PAT(before amortization)	0.9	0.5	(0.4)
13,782	Average AUM ¹	18,255	18,255	19,895
0.56%	Management Fees/AUM	0.53%	0.54%	0.47%
(0.10%)	Net Margin (before amortization)	0.02%	0.00%	(0.01%)

Q1FY14	AAUM Composition	Q4FY14	Q1FY15	AAUM (Rs Cr)
35%	Equity/Hybrid	25%	27%	5,309
36%	Cash/Ultra Short Term	40%	42%	8,280
15%	FMP	21%	20%	2,299
14%	Other Fixed Income	14%	12%	4,007

AAUM (Rs Crores)	Q4FY14	Q1FY15	%
Industry	9,04,538	9.87,078	9%
L&T MF	18,255	19,895	9%

Notes: ¹AUM is quarterly average

Please refer to annexure at the end of this presentation for the asset wise & geography wise AUM disclosures, disclaimers & risk factors

Wealth Management – On the growth path

Profile

- L&T Capital Markets Ltd (LTCM) offers wealth advisory services through two channels

Business	Customer Segment
Private Wealth	High Net Worth Individuals (HNI)
Premier Wealth	Mass affluent

- LTCM has a dedicated set of research professionals along with senior Private Bankers and offers a portfolio of comprehensive products and services (Equity, Mutual Funds, Real Estate and Fixed Income)
- LTCM has a strong team of 53 advisors spread over 9 major locations in India.

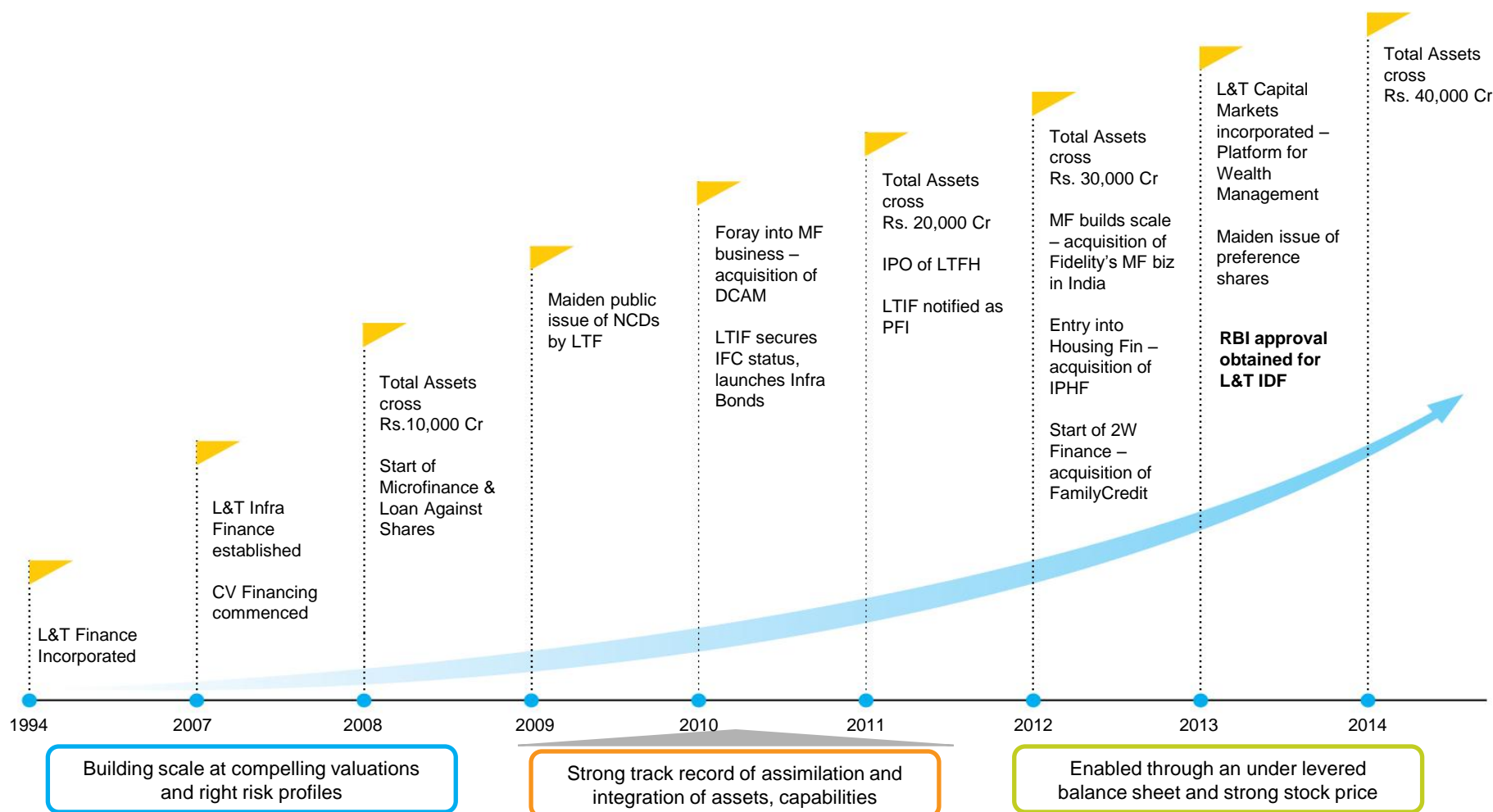
	Q1FY14	Q4FY14	Q1FY15
AAUS (Rs Cr)	3,268	5,012	6,139
No of clients	~844	~1,850	~2,113

- Q2FY15 Strategy
 - Continue focus on domestic clients with customized investment solutions
 - Launch of Dubai operations with a representative license
 - Focus on NRI Clientele in UAE / Muscat

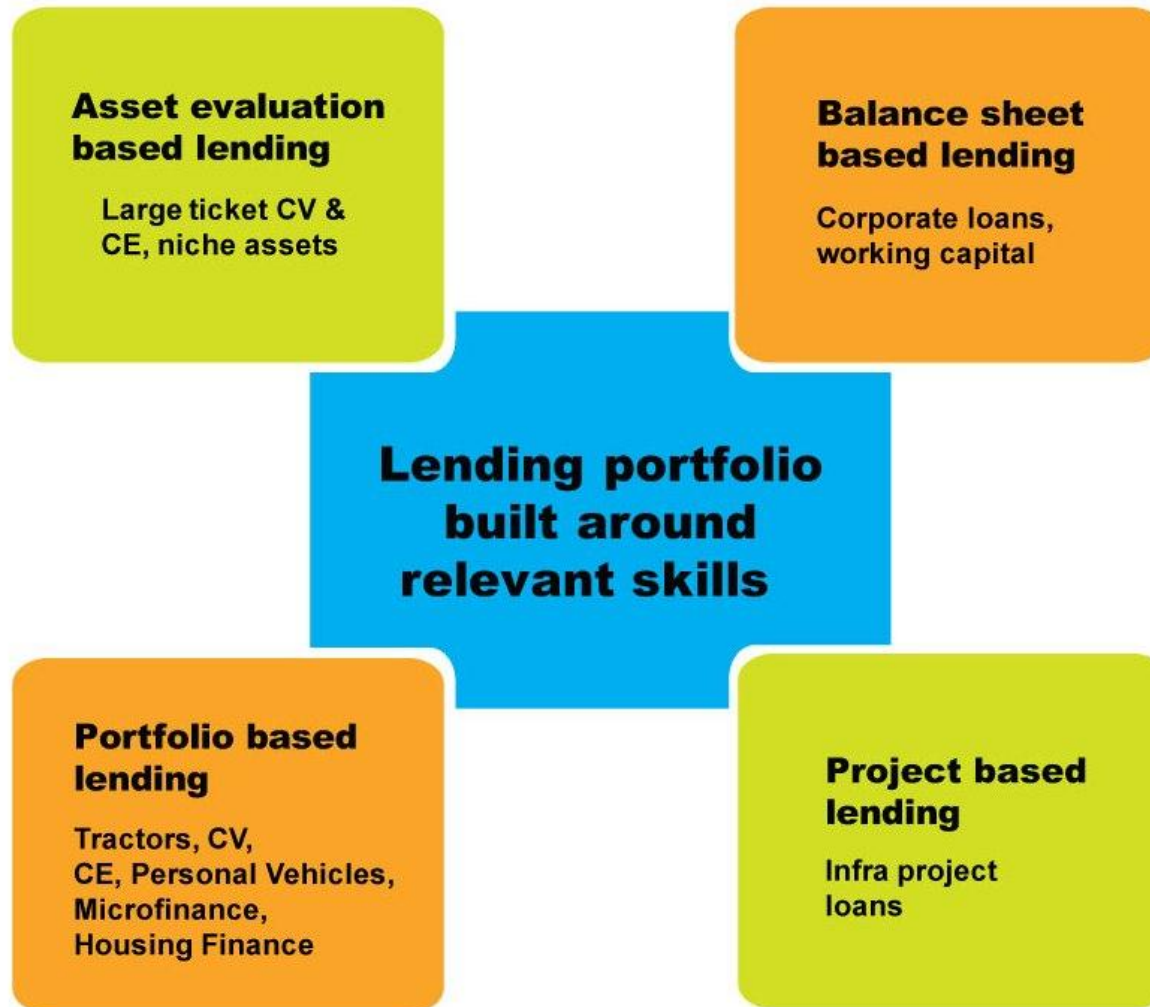
Appendix

Building scale and a comprehensive financial services offer

Key Milestones



Lending business based on four key themes...



Notable risk management enhancements made

	Retail and Corporate Finance	Wholesale Finance
Credit risk	<ul style="list-style-type: none"> Centralized framework for evaluation of loan proposals Strong Analytics team to constantly monitor portfolio and improve quality of sourcing and collection, active usage of credit bureaus 	<ul style="list-style-type: none"> Proposals evaluated per internal model & presented to central committee headed by external director to authorize proposals Regular portfolio review by risk management committee chaired by independent director
Provisioning policy	<ul style="list-style-type: none"> Potential foreclosure losses factored for retail loan provisioning NPAs up to 540 days - Difference between POS & notional value of asset provided for NPAs beyond 540 days – Fully provided for 100% provision against unsecured loans 	<ul style="list-style-type: none"> SAP up to 40 bps Voluntary provision of 3% - 8% for identified assets New restructured standard assets – 5.0% Existing restructured standard assets – to enhance from 2.75% to 5.0% over 3 years
	Operational risk	ALM strategy
	<ul style="list-style-type: none"> Centralized loan authorization and disbursement Quality check for data and process compliance Centralized receipting to control frauds and leakages Change in payment mode- steady movement towards PDC/ECS Fully implemented PML and KYC verifications including negative profile filtering 	<ul style="list-style-type: none"> Combination of short term and long term borrowings to match yield and maturities Good mix of floating and fixed rate loans to manage basis risks Pricing matrix in place to price loans, with periodic review to capture interest rate movement

Robust corporate governance

Corporate Governance

Corporate Governance viewed as an ongoing process at LTFH

- Over and above regulatory requirements, corporate governance has a fundamental link with the organization's business, corporate responsibility and shareholder wealth maximization

Board of Directors

Board of Directors is broad based at LTFH level and at the material subsidiary level

- LTFH board has 5 independent directors, more than that mandated by law
- Presence of independent directors on the boards of all material subsidiary companies much before regulation made it mandatory
- Directors on the boards come with rich experience in their respective fields

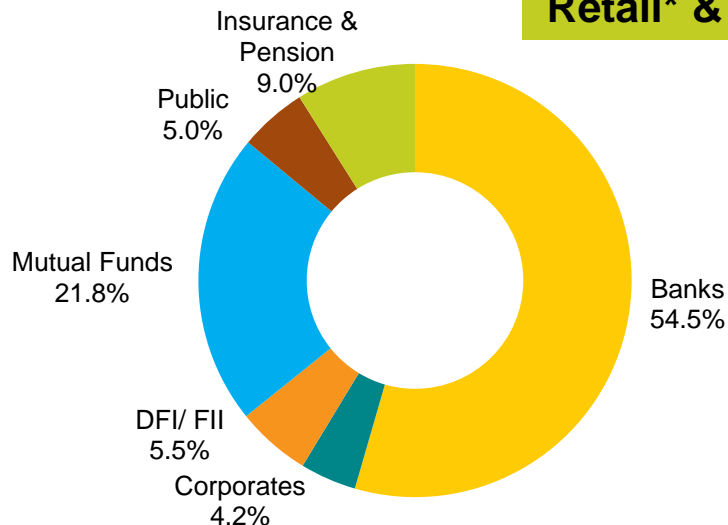
Committees

The boards at LTFH level and at the material subsidiary level have constituted the following committees to oversee specific areas:

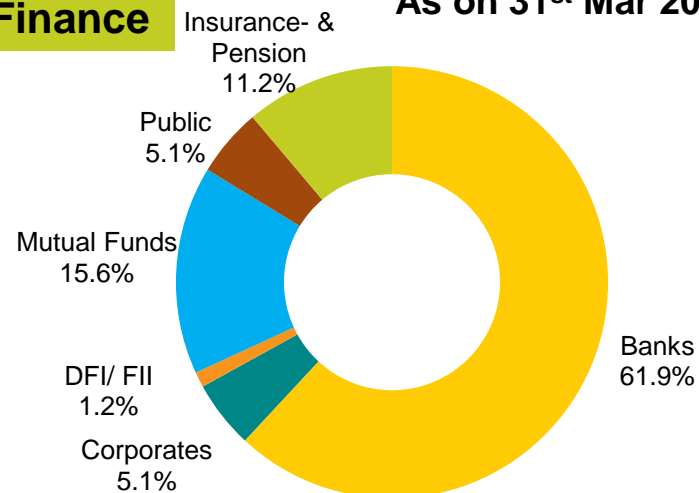
- Audit Committee, Shareholders' Grievance Committee, Nomination & Remuneration Committee, IPO Committee, Committee of Directors, Asset Liability Committee and Risk Management Committee
- Most of these committees are headed by independent directors

Debt Composition – Source Wise

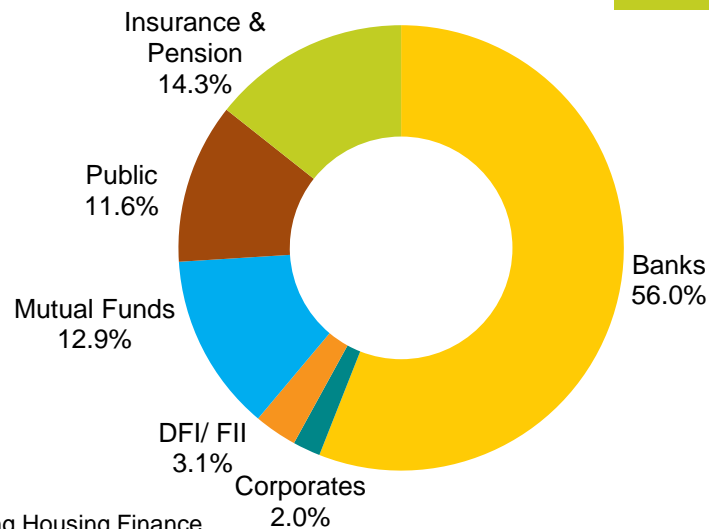
As on 30th Jun 2014



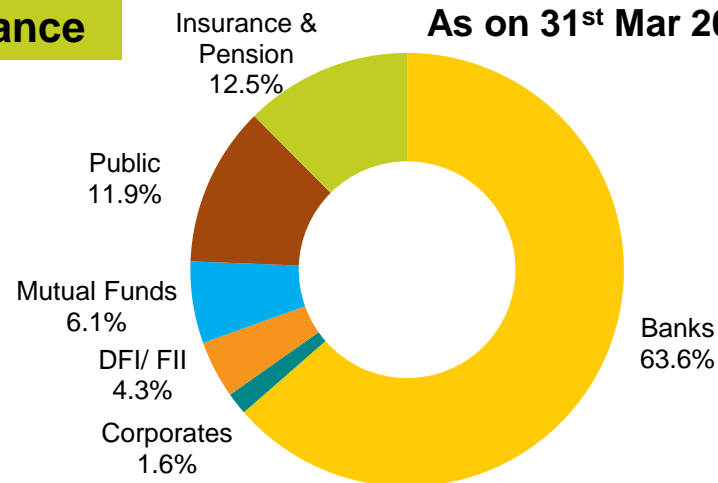
As on 31st Mar 2014



As on 30th Jun 2014

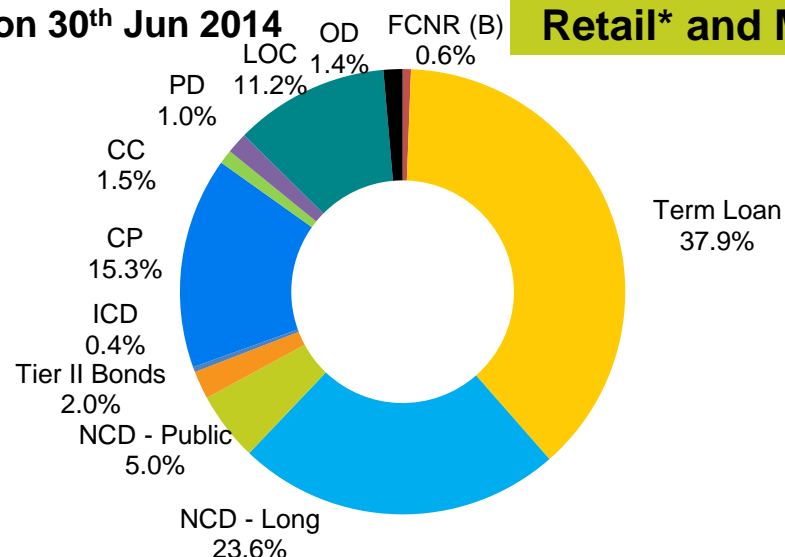


As on 31st Mar 2014

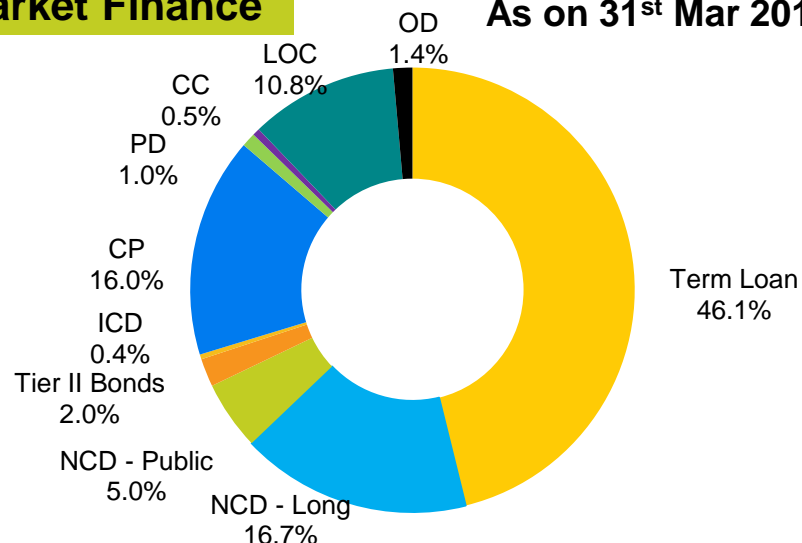


Debt Composition – Instrument Wise

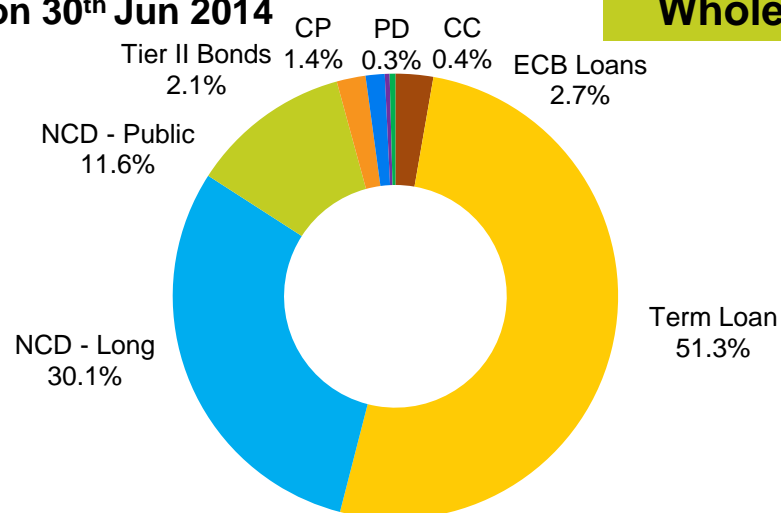
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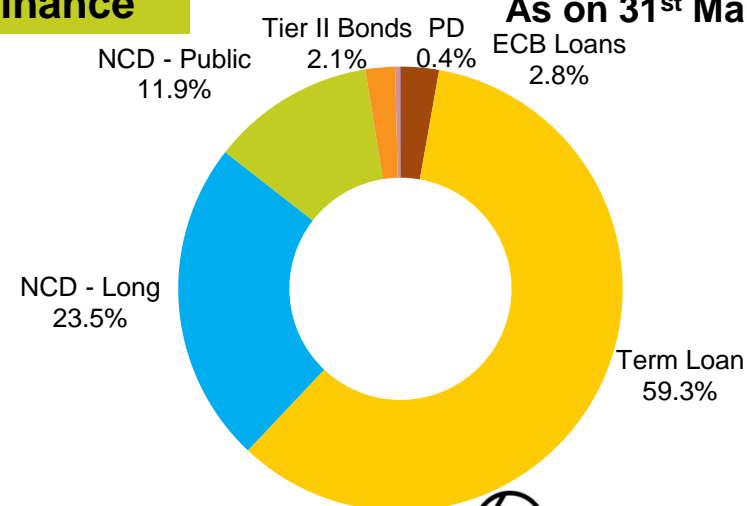
As on 31st Mar 2014



As on 30th Jun 2014



As on 31st Mar 2014



* Excluding Housing Finance

AUM Disclosure for June 2013

ASSETS UNDER MANAGEMENT (“AUM”) REPORT FOR THE QUARTER ENDED June 2013

Table I

Asset class wise disclosure of AUM & Average AUM		
	AUM as on the last day of the Quarter	Average AUM for the quarter (Rs. in Lakhs)
Income	749,960.06	592,723.26
Equity (other than ELSS)	341,508.67	353,056.30
Balanced		
Liquid	382,443.10	309,452.28
Gilt	3,648.53	3,613.53
Equity - ELSS	110,709.63	113,019.84
Gold ETF		
Other ETF		
Fund of Fund Overseas	6,542.46	6,284.66
Total	1,594,812.45	1,378,149.87

Table II

Disclosure of percentage of AUM by geography	
Geographical Spread	% of Total AUM as on the last day of the Quarter
Top 5 cities	77%
Next 10 cities	13%
Next 20 cities	4%
Next 75 cities	3%
Others	3%
Total	100%

AUM Disclosure for March 2014

ASSETS UNDER MANAGEMENT (“AUM”) REPORT FOR THE QUARTER ENDED MARCH 2014

Table I

Asset class wise disclosure of AUM & Average AUM		
	AUM as on the last day of the Quarter	Average AUM for the quarter (Rs. in Lakhs)
Income	841,568.29	752,000.99
Equity (other than ELSS)	348,356.97	330,673.85
Balanced	0.00	0.00
Liquid	509,786.97	608,170.58
Gilt	8,632.62	9,939.64
Equity - ELSS	124,169.66	115,148.40
Gold ETF	0.00	0.00
Other ETF	0.00	0.00
Fund of Fund Overseas	9,392.58	9,585.19
Total	1,841,907.09	1,825,518.65

Table II

Disclosure of percentage of AUM by geography	
Geographical Spread	% of Total AUM as on the last day of the Quarter
Top 5 cities	73%
Next 10 cities	17%
Next 20 cities	4%
Next 75 cities	3%
Others	3%
Total	100%

AUM Disclosure for June 2014

ASSETS UNDER MANAGEMENT (“AUM”) REPORT FOR THE QUARTER ENDED JUNE 2014

Table I

Asset class wise disclosure of AUM & Average AUM		
	AUM as on the last day of the Quarter	Average AUM for the quarter (Rs. in Lakhs)
Income	976,425.71	814,760.36
Equity (other than ELSS)	446,771.16	382,650.42
Balanced		
Liquid	619,156.04	644,764.24
Gilt	6,983.00	8,109.02
Equity - ELSS	142,213.40	130,764.82
Gold ETF		
Other ETF		
Fund of Fund Overseas	7,861.64	8,489.82
Total	2,199,410.96	1,989,538.68

Table II

Disclosure of percentage of AUM by geography	
Geographical Spread	% of Total AUM as on the last day of the Quarter
Top 5 cities	74%
Next 10 cities	16%
Next 20 cities	4%
Next 75 cities	3%
Others	3%
Total	100%

Our parent company, L&T, is India's largest engineering and construction company in the private sector

L&T Group has a long and illustrious history in India...

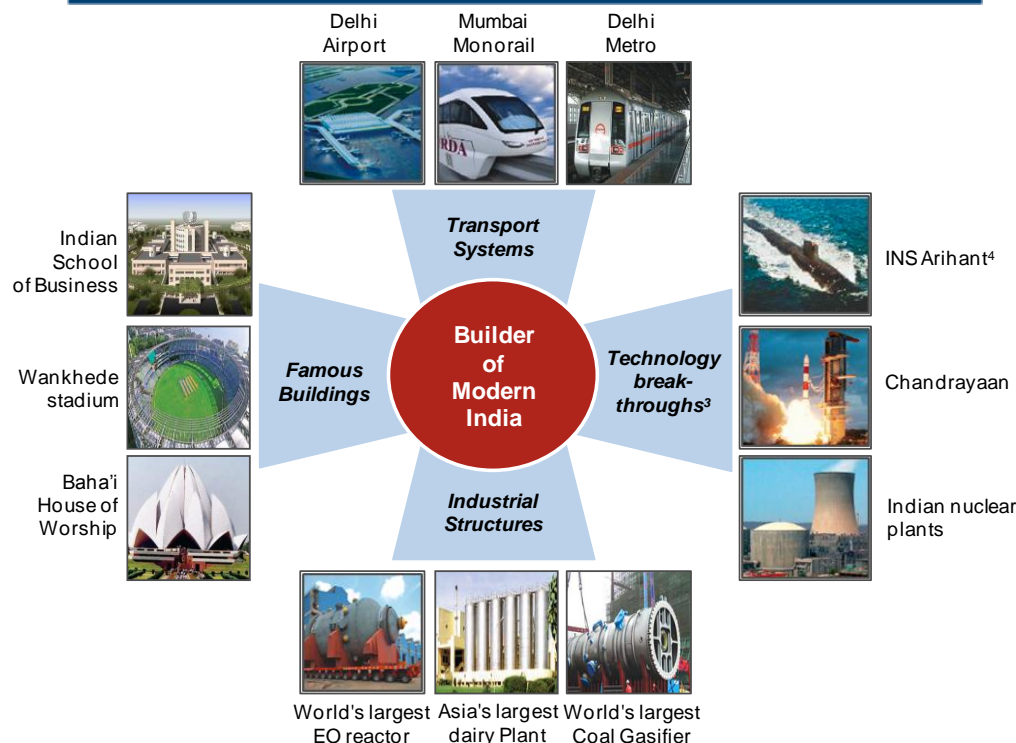
L&T was founded in 1938 by two Danish Engineers



Today, L&T Group is India's largest engineering and construction company in the private sector

- Revenue: ~ 189,75 crores¹
- Market Capitalization: ~153,777 crores²

... and has been involved in India's hallmark projects



"L&T does not belong either to the private sector or the public sector. It belongs to the national sector"

- Former Union Finance Minister Mr. P. Chidambaram

1. For quarter ended Jun, 2014, 2. As on 23rd Jul, 2014 3. Technological support provided 4. Image used is for representational purposes only

**“L&T Finance Holdings will be an admired and inspirational financial institution,
creating sustainable value for all its stakeholders.”**

L&T Finance Holdings Ltd

8th Floor, City 2, Plot No 177
Vidyanagari Marg, CST Road, Kalina
Santacruz (E), Mumbai 400 098

Registered Office

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

T +91 22 6621 7300/400

F +91 22 6621 7509

E igrc@ltfinanceholdings.com
www.ltfinanceholdings.com



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