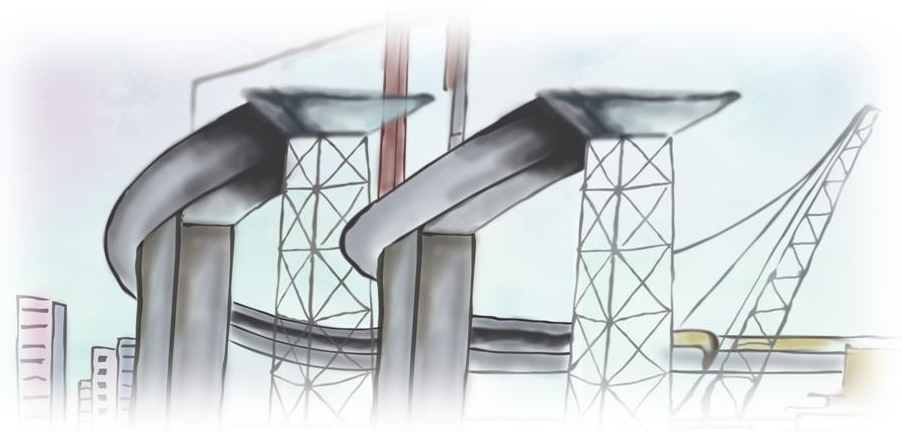


L&T Finance Holdings

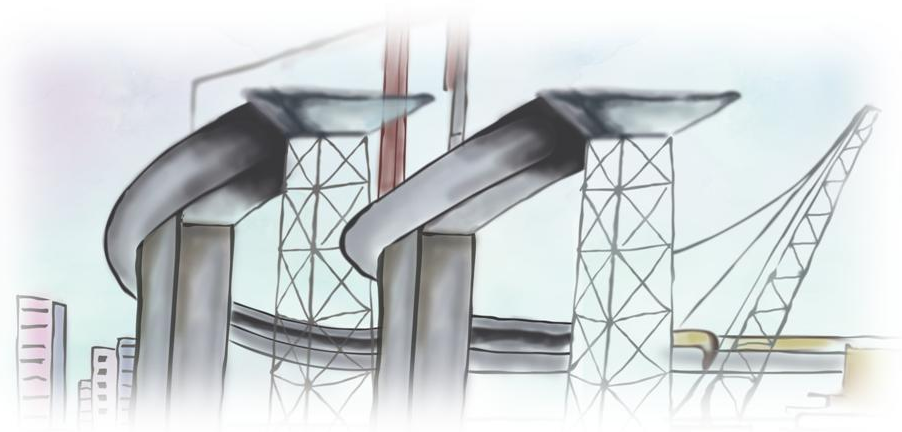
Results Update Q2'FY12

November 2011



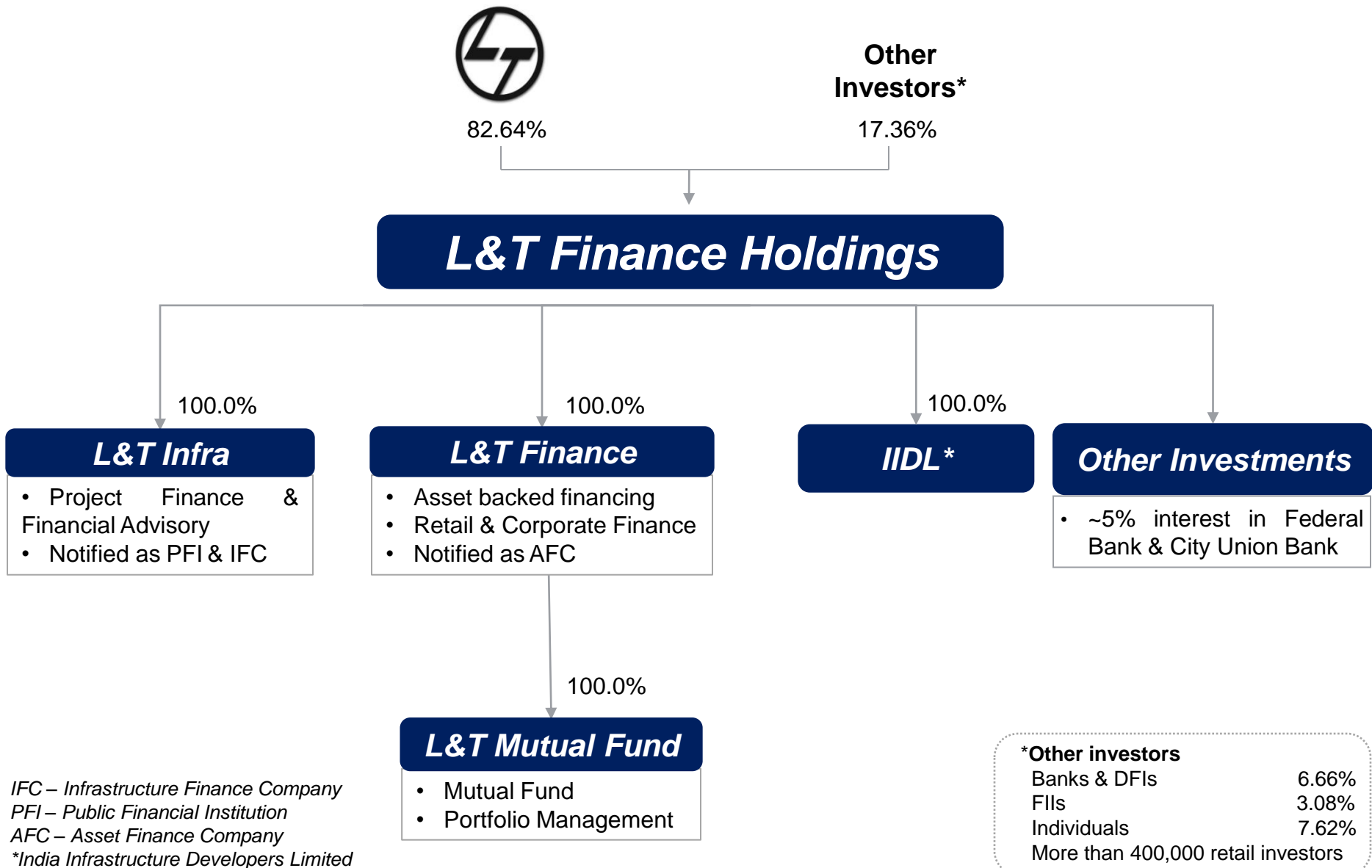
Performance Highlights

- Loans & Advances grew by 53.5% YoY, from ₹ 139.4 Bn as on Sep 2010 to ₹ 214.0 Bn as on Sep 2011
 - 18.1% growth as compared to ₹ 181.1 Bn as on Mar 2011
- PBT (excluding MFI business) showed a growth of 29.1% increasing from ₹ 2.9 Bn for H1FY11 to ₹ 3.7 Bn for H1FY12
 - NIMs contracted on a YoY basis
 - In LTF on account of high interest rate scenario and larger share of corporate business
 - In LTIF mainly on account of higher gearing
 - MFI business suffered a loss before tax of ₹ 484 Mn for H1FY12 as compared to a profit before tax of ₹ 297 Mn for H1 FY11
 - A further provision of ₹ 250 Mn made towards Andhra Pradesh portfolio
- Consolidated PAT increased by 8.6% from ₹ 2.0 Bn for H1FY11 to ₹ 2.2 Bn for H1FY12
- Consolidate Return on Equity for NBFC business (excl. Micro Finance) was healthy at 16.9%
- Asset Quality maintained despite increase in the size of loan book
 - GNPA (excl. MFI) were at 1.08% as on Sep-2011, as compared to 1.99% as on Sep-2010 and 1.02% as on Mar 2011

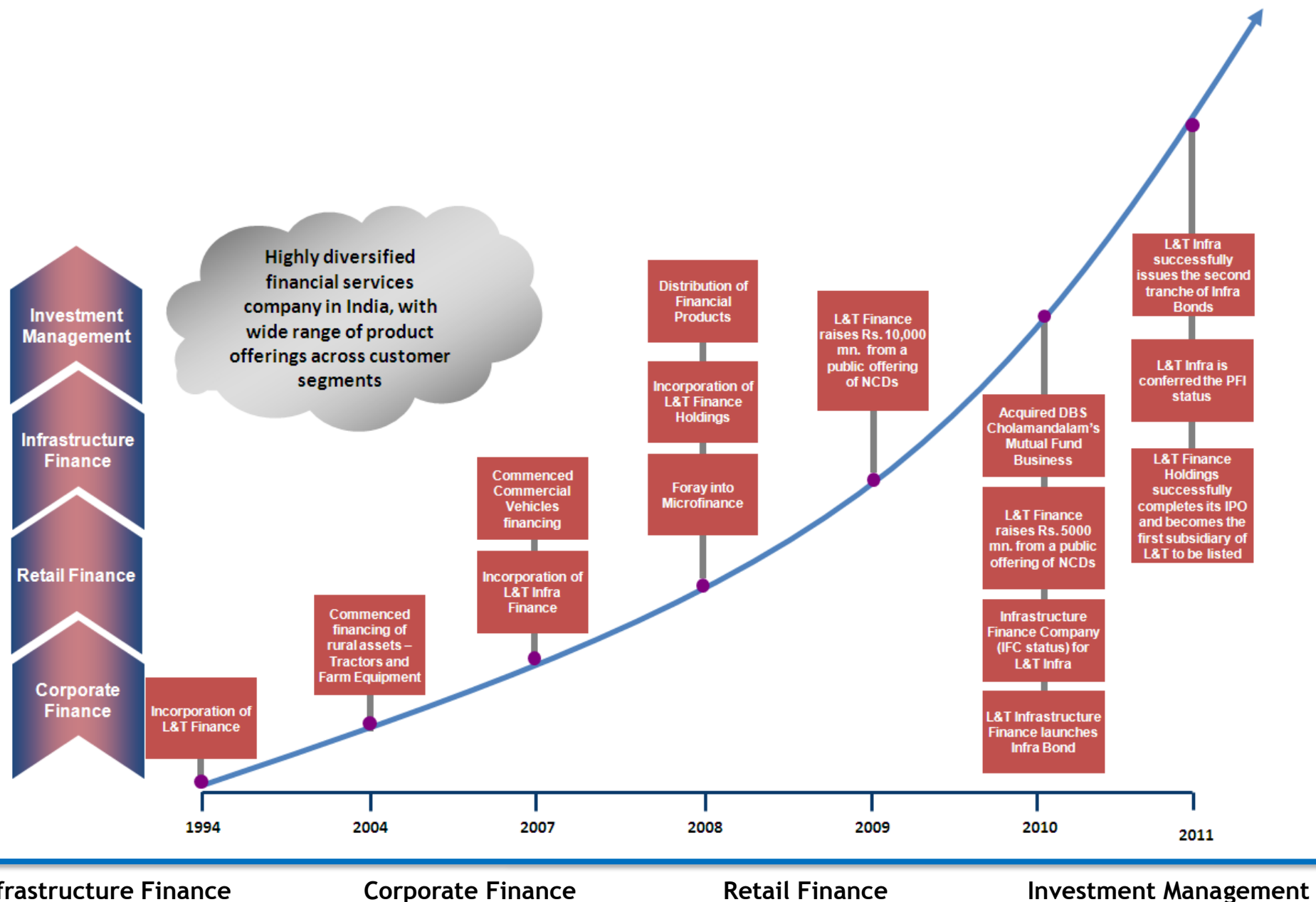


Company Overview

Our Corporate Structure

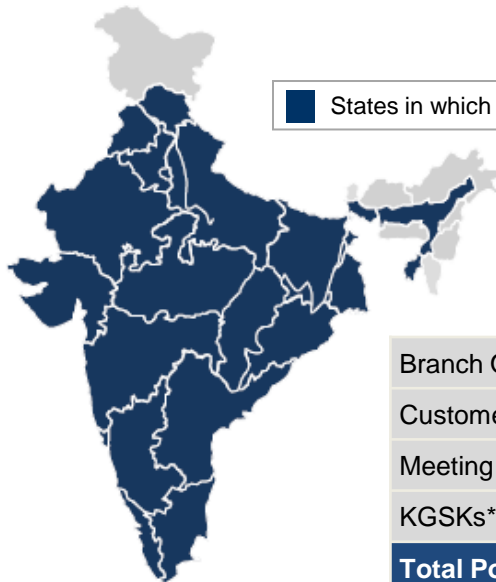


Milestones



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 748 points of presence
- Future expansion to be mostly around spoke areas which would come at a marginal cost

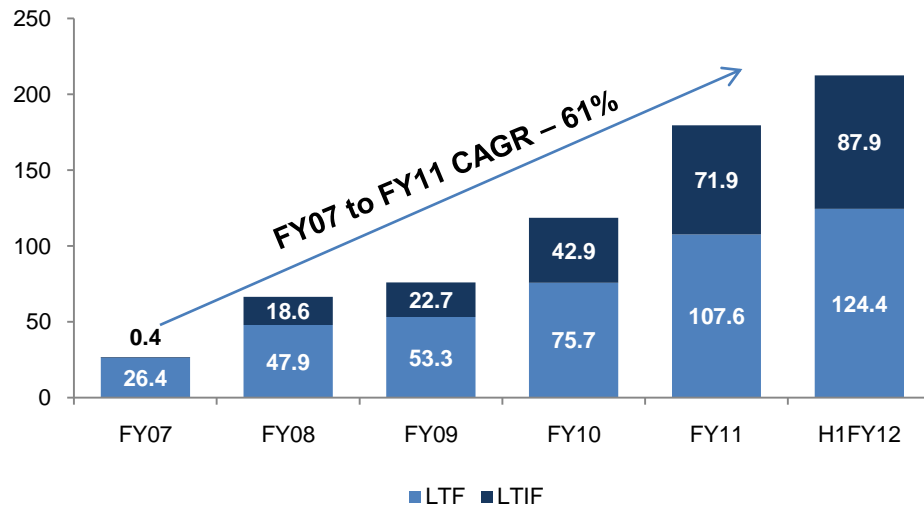


■ States in which L&T Finance Holdings is present

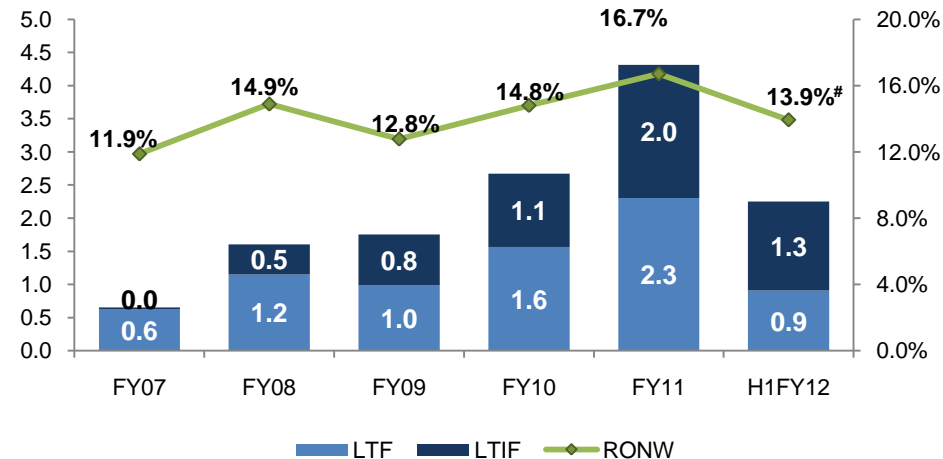
Branch Offices	118
Customer Care Centres	414
Meeting Centres	179
KGSKs*	37
Total Points of Presence	748

*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) excl. MFI business for H1 FY12 is 16.9%

RONW for H1 FY12 has been annualized for purpose of comparison

Returns

- Return on Equity is a key consideration
- Pricing framework in place with focus on returns

Business Focus

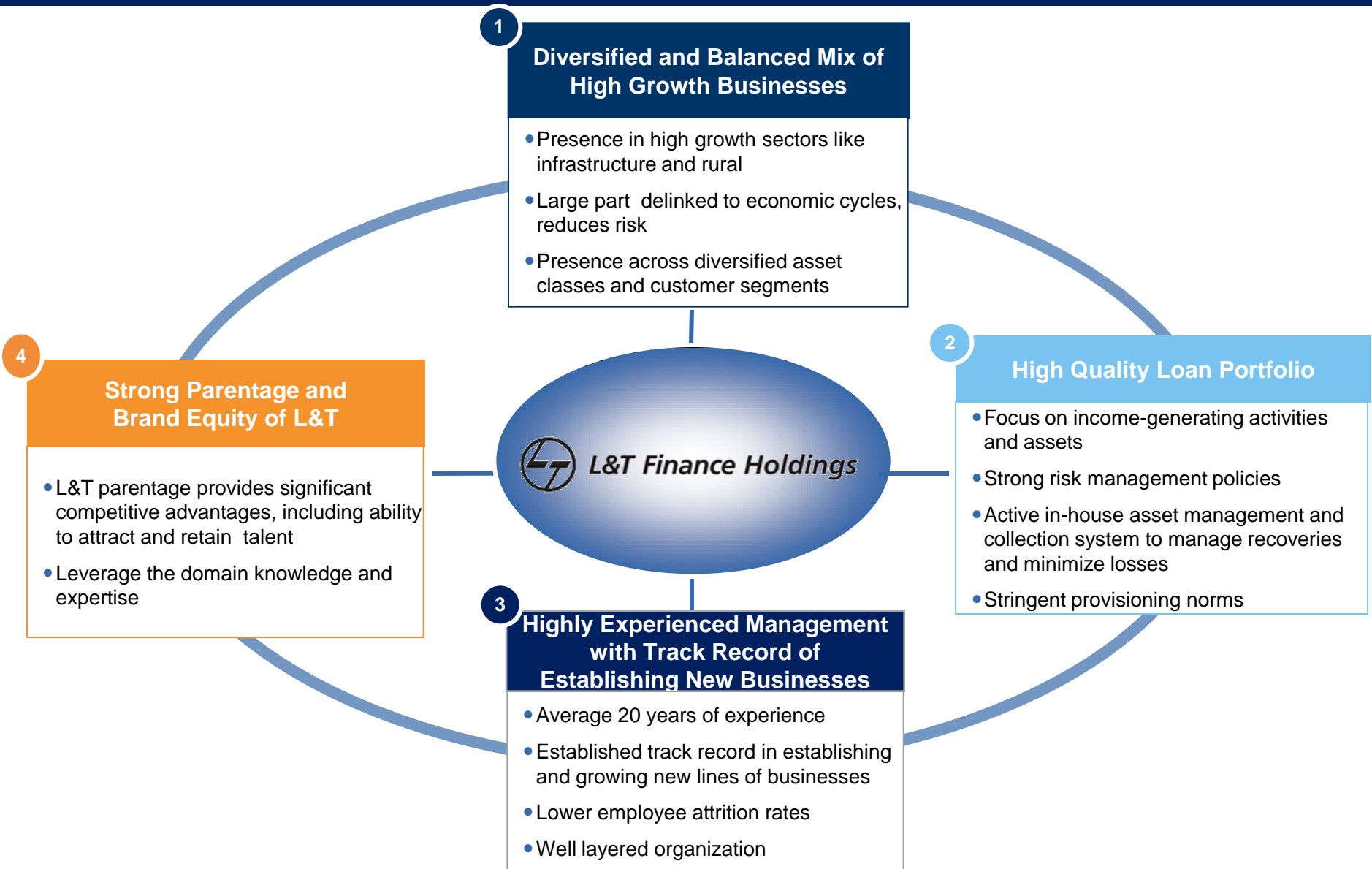
- Focus on income generating activities
- Focus on building size rather than “asset churn”
- Focus on growth and maintaining the share of retail assets in our portfolio
- Leverage infrastructure / technology platform to realize synergies across entities

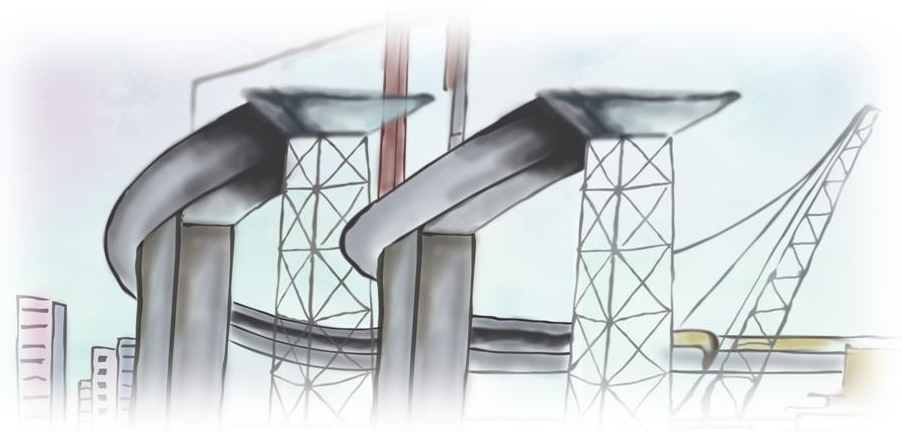
Funding Options

- Operate at a gearing of 5x – 6x
 - Current capital structure primarily comprises of Tier 1, which provides an upside to raise Tier 2
- Traditionally dependent on wholesale sources; have been successfully tapping the retail market

Portfolio Management

- Exclusive team of 200+ to actively manage the portfolio
- Prudent provisioning in both L&T Infra and L&T Finance





Key Subsidiaries

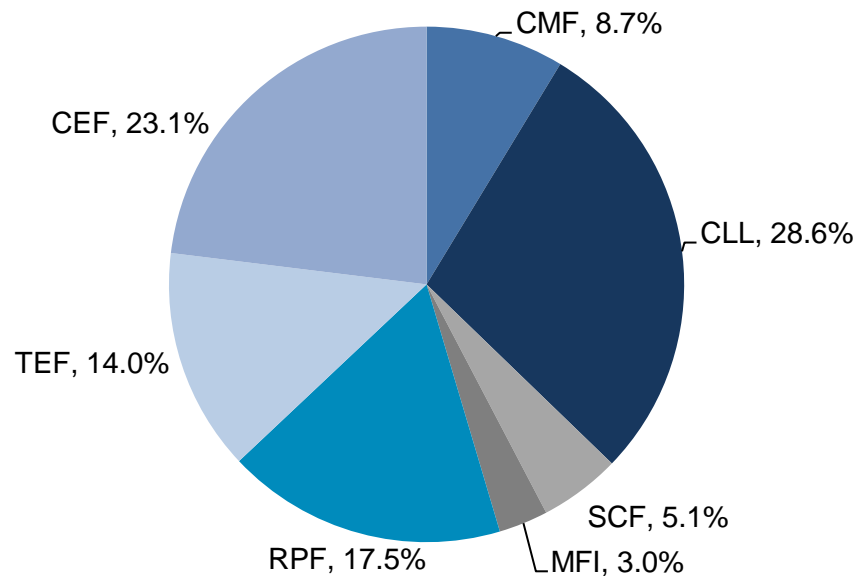
Retail Finance Group

- 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 Sept 30, 2011



Total : ₹ 124.4 Bn

Focus on asset backed lending

Products and Services for clients in Infra Sector

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

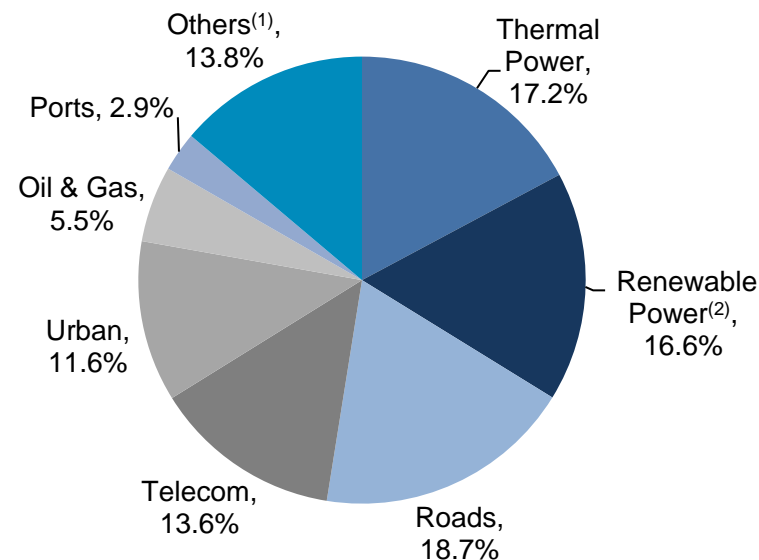
Note:

(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 in Power sector of ₹ 5.92 Bn

Loan Assets as on Sept 30, 2011



Total⁽³⁾: ₹ 81.98 Bn.

Brief Snapshot

- Forayed into the business in Jan 2010 through the acquisition of DBS Cholamandalam AMC
- Operates through two business segments
 - Mutual Fund Segment
 - 30 schemes across asset classes
 - Portfolio Management Services
 - Offered to institutional customers and HNIs
- Since acquisition, the focus has been on expanding the business

Performance since acquisition

Parameter	Jan-10	Sep-11
Avg Net AUM (₹Bn.)	26.2	40.7
No. of branches	19	58
Market share*	0.34%#	0.58%^
No. of employees	102	268

*Source: AMFI.

#Calculations based on the avg AUM for the month of Jan 10.

^Calculations based on the avg AUM for the quarter ended Sept 11

As at Sept 30, 2011

Schemes	AUM (₹ Bn.)	Value Research Rating®
Equity		
L&T Opportunities Fund	1	3 Star
L&T Midcap Fund	0.56	3 Star
Fixed Income (open ended)		
L&T Ultra Short Term Fund (Rating of Institutional Plan – Growth Option of the Scheme)	4.40	4 Star
L&T Select Income Fund - Flexi Debt Fund	1.26	5 Star
Hybrid		
L&T Monthly Income Plan ^{\$}	1.34	4 Star

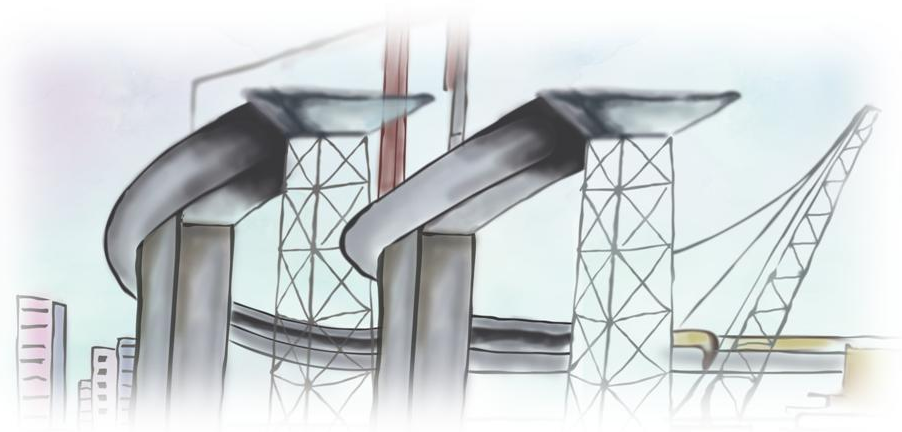
^{\$} Monthly Income is not assured and is subject to availability of distributable surplus

[@] Please refer to ranking methodology and disclaimers mentioned in the Annexure

Note:

Past Performance may or may not be sustained in future and is no guarantee for future results. Please refer to ranking methodology and disclaimers mentioned in the Annexure.

Please refer to Annexure for the asset wise and geography wise AUM disclosure and also statutory details, risk factors.



Financial Performance

L&T FH – Performance Snapshot

Summary P&L (₹ Bn.)	H1FY12	H1FY11	YoY growth	FY11
Total Income	13.6	9.6	41.9%	21.1
Interest Cost	7.8	4.4		10.2
Employee Cost	0.6	0.4		1.0
Other Operating Expenses	0.9	0.7		1.6
Provisions, Write-offs and Foreclosure Losses	0.7	0.6		1.7
PBT excl. Microfinance	3.7	2.9	29.1%	
PAT	2.2	2.0		3.9

Summary Balance Sheet (₹ Bn.)	H1FY12	H1FY11	YoY growth	FY11
Networth	45.7	27.0	69.1%	28.9
Borrowings	175.9	122.9		159.2
Loans & Advances	210.0	136.4	54.0%	177.6
Total Assets	221.6	149.9		188.1
Gross Non Performing Assets	4.3	2.7		1.9
Gross Non Performing Assets (%)	2.04%	2.00%		1.07%
Net Non Performing Assets	2.6	1.6		1.2
Net Non Performing Assets (%)	1.24%	1.14%		0.66%
Gross NPA (excluding Microfinance) %	1.08%	1.99%		1.02%
Net NPA (excluding Microfinance) %	0.73%	1.14%		0.66%

Summary P&L (₹ Bn.)	H1FY12	H1FY11	FY11
Total Income	7.9	6.4	14.0
Interest Cost	4.5	2.9	6.4
Employee Cost	0.5	0.3	0.7
Other Operating Expenses	0.7	0.6	1.2
Provisions, Write-offs and Foreclosure Losses	0.7	0.6	1.6
PAT	0.9	1.2	2.3

Summary Balance Sheet (₹ Bn.)	H1FY12	H1FY11	FY11
Networth	19.5	14.0	17.3
Borrowings	107.5	78.2	88.5
Loans & Advances	119.7	82.9	103.7
Total Assets	127.0	92.4	105.8
Gross Non Performing Assets	3.6	2.1	1.4
Net Non Performing Assets	2.0	1.0	0.8
Gross NPA (excl MFI)	1.5	2.1	1.3
Net NPA (excl MFI)	0.9	1.0	0.8

Key Ratios	H1FY12	H1 FY11	FY11
Yield on Loans	13.3%	15.2%	15.2%
Cost of Funds	9.0%	7.7%	8.2%
Net Interest Margin	5.6%	8.3%	8.1%
Return on Equity	9.9%	19.5%	16.1%
Return on Assets	1.6%	2.9%	2.5%
Closing Gearing	5.5	5.6	5.1
Average Gearing	5.3	5.6	5.3
Gross NPA %	2.92%	2.53%	1.42%
Net NPA %	1.64%	1.23%	0.78%

Key Ratios (excl MFI)	H1FY12	H1 FY11	FY11
Net Interest Margin*	6.0%	7.3%	7.2%
Return on Equity	13.9%	16.9%	18.3%
Return on Assets	2.3%	2.6%	3.0%
Gross NPA %	1.30%	2.68%	1.39%

Note:

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

* NIM before MTM and terminal depreciation on certain lease assets

Summary P&L (₹ Bn.)	H1FY12	H1FY11	FY11
Total Income	5.4	3.1	7.0
Interest Cost	3.2	1.6	3.8
Employee Cost	0.1	0.1	0.1
Other Operating Expenses	0.1	0.1	0.1
Provisions	0.1	-0.0	0.1
PAT	1.3	1.0	2.0

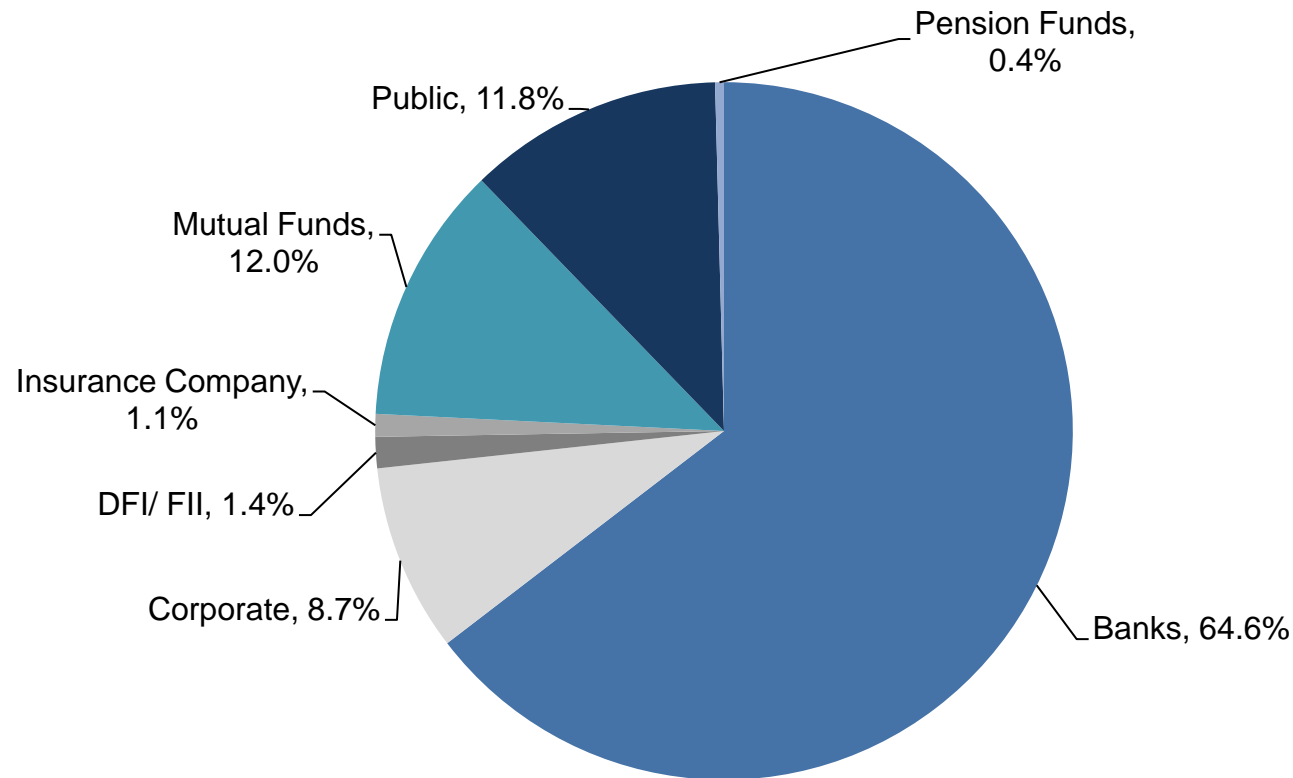
Summary Balance Sheet (₹ Bn.)	H1FY12	H1FY11	FY11
Net worth	14.9	11.1	12.9
Borrowings	76.0	45.2	61.9
Infrastructure Loans	87.7	53.2	71.7
Total Assets	90.9	56.3	74.9
Gross Non Performing Assets	0.8	0.6	0.5
Net Non Performing Assets	0.6	0.5	0.4

Key Ratios	H1FY12	H1 FY11	FY11
Yield on Loans	12.7%	12.4%	11.6%
Cost of Funds	9.4%	8.1%	8.1%
Net Interest Margin	4.6%	5.9%	4.9%
Return on Equity	19.4%	18.5%	17.5%
Return on Assets	3.2%	3.9%	3.4%
Closing Gearing	5.1	4.1	4.8
Average Gearing	5.0	3.7	4.1
Gross NPA %	0.88%	1.20%	0.67%
Net NPA %	0.73%	1.01%	0.53%

Note:

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

Debt Composition as on Sep-2011



Total Borrowings: ₹ 183.28 Bn.

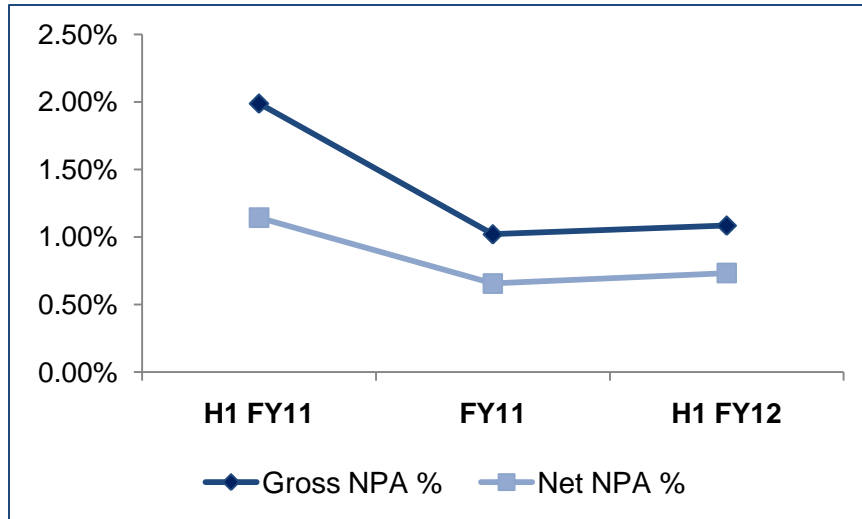
- Focus since H2 FY11 has been on
 - Strengthening the processes and systems
 - New disbursements compliant with Malegam Committee Recommendations
 - Improving the sourcing quality
 - External credit checks (High Mark) before all sanctions
- We have been cautious in disbursements

Loan Assets (₹ Bn)	As on Mar-11	As on Sep-11
Andhra Pradesh	2.0	2.0
Other states	2.6	1.8
Total	4.6	3.8

- Sectoral developments: Scope for the situation to evolve
 - Partial acceptance of Malegam Committee recommendations in the RBI Monetary Policy (May 3, 2011)
 - Draft Micro-finance Institutions (Development & Regulation) Bill, 2011 released by Central Govt. (July 6, 2011)
- In line with prudent provisioning norms, LTF has made additional provisioning of ₹ 250 Mn in Q2 FY12

AP portfolio – as on Sep 30, 2011	(₹ Mn)
Total Exposure	1,938.0
Cumulative provision	846.7

NPA performance (Excluding Microfinance)



Comparative NPA provision in LTF (₹ Mn.)

Particulars	Gross NPA	NPA Provision		Additional Provision
		RBI Norms	Actual provisions	
Micro finance	2,024.0	202.4	961.3	758.9
Other than Micro Finance	1,521.7	269.3	623.5	354.2
Total	3,545.7	471.7	1,584.8	1,113.1

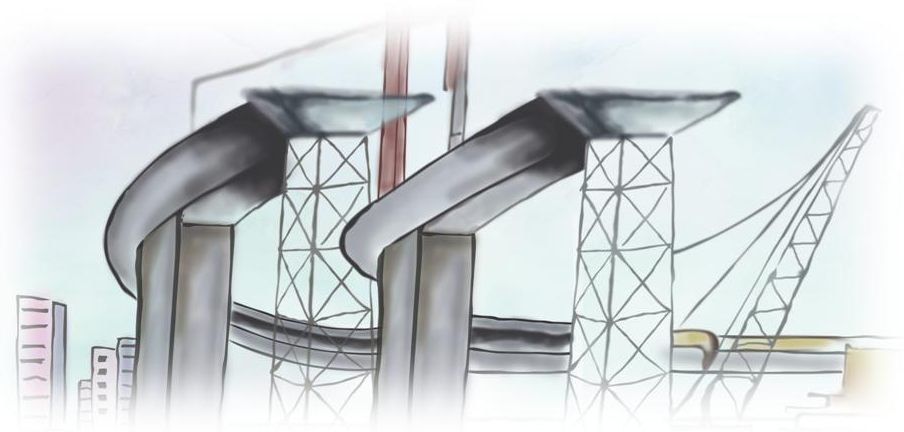
LTIF Provision Norms

- 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

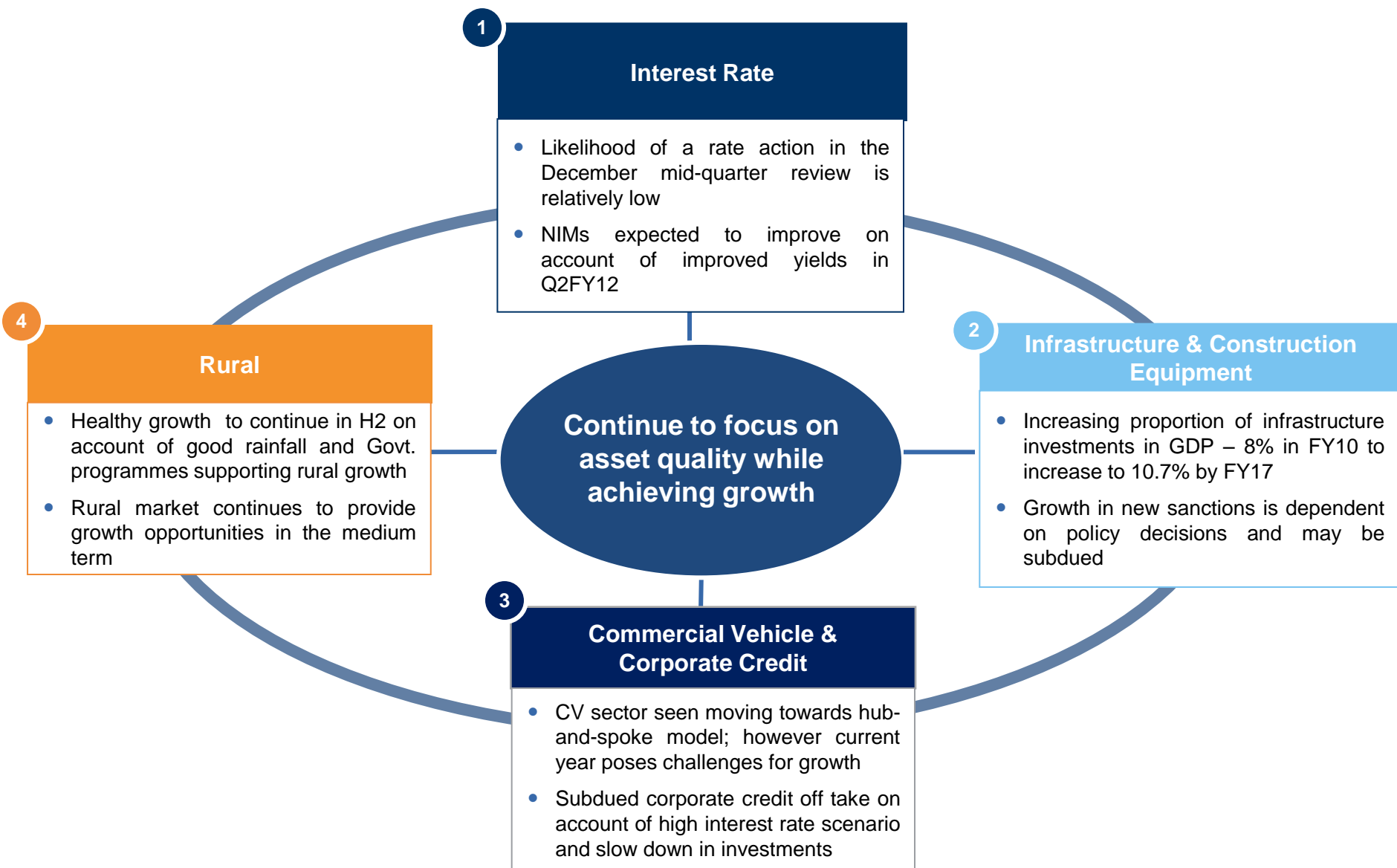
LTF Provision Norms

- 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

** Except for Andhra Pradesh Portfolio of MFI business*



Outlook



Business Model

- Meeting all financial needs of customers under one umbrella
- Focus on income generating assets
- Diversified portfolio, large part of which is delinked to economic cycles; reduces risk

Proven management track record

- Highly experienced management team with track record of establishing new business lines

High quality loan portfolio

- Strong focus on asset recovery
- In-house model of sourcing business
- Focus on keeping assets on the book, instead of securitization

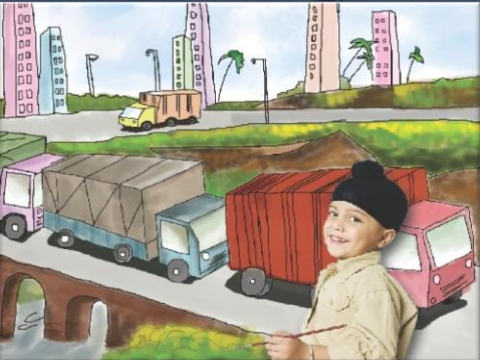
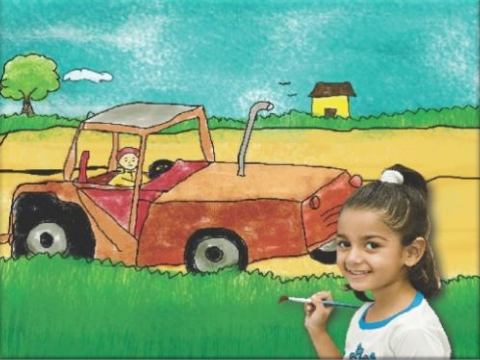
Economies of Scale

- Incremental asset growth at minimal incremental cost, given substantial investments have already been incurred in building the distribution network

Potential upside to Return on Equity

- Funding future growth through Tier II capital will improve Return on Equity
- Focus on growing fee based income – Distribution, PMS and Syndication

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L&T Finance Holdings

Thank you !

Asset class wise disclosure of AUM and AAUM [Rs lakhs]		
Category	AUM as on the last day of the Quarter	Avg AUM for the Quarter
Income	1,28,446	1,62,508
Equity [other than ELSS]	23,511	24,283
Balanced	0	0
Liquid	1,47,763	2,23,477
Gilt	125	134
Equity-ELSS	2,989	3,146
Gold ETF	0	0
Other ETF	0	0
Fund of Fund investing overseas	0	0
Total	3,02,833	4,13,549

Disclosure of percentage of AUM by geography	
Top 5 Cities	84%
Next 10 Cities	10%
Next 20 Cities	3%
Next 75 Cities	2%
Others	1%
Total	100%

Note: Nos as at 30th Sept 2011.

Ranking Methodology & Disclaimers

Value Research Ratings

Value Research Fund Ratings are a composite measure of historical risk-adjusted returns. In the case of equity and hybrid funds this rating is based on the weighted average monthly returns for the last 3 and 5-year periods. In the case of debt funds this rating is based on the weighted average weekly returns for the last 18 months and 3-year periods and in case of short-term debt funds - weekly returns for the last 18 months. These ratings do not take into consideration any entry or exit load. Each category must have a minimum of 10 funds for it to be rated. Effective, July 2008, Value Research have put an additional qualifying criteria, whereby a fund with less than Rs 5 crore of average AUM in the past six months will not be eligible for rating. Five-stars indicate that a fund is in the top 10% of its category in terms of historical risk-adjusted returns. Four stars indicate that a fund is in the next 22.5%, middle 35% receive three stars, the next 22.5% are assigned two stars while the bottom 10% receive one star. The number of schemes in each category is mentioned along side the categories name. Equity: Large Cap (35), Equity: Large & Mid Cap (57), Equity: Multi Cap (45), Equity: Mid & Small Cap (54) Equity: Tax Planning (28), Equity: Infrastructure (18), Hybrid: Equity-oriented (25), Hybrid: Debt-oriented Aggressive (11), Hybrid: Debt-oriented Conservative (43), Hybrid: Arbitrage (14) Debt: Income (54), Debt: Gilt Medium & Long Term (31), Debt: Gilt Short Term (10), Debt: Short Term (23), Debt: Ultra Short Term (126), Debt: Liquid (94). These Fund Ratings are as on September 2011. The Value Research Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight. The Ratings are subject to change every month. The Rating is based on primary data provided by respective funds, Value Research does not guarantee the accuracy.

Past Performance is no guarantee of future results

Statutory details and Risk factors

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 Rs. 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 Rs. 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. For L&T Monthly Income Plan - Monthly Income is not assured and is subject to distributable surplus. 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 are available at AMC Branches / Mutual Fund website at www.ltmf.com or at Investor Service Centres/ Distributors.

Investment objective and classification: L&T Opportunities Fund (an Open Ended Growth Fund): The Scheme will invest mainly to generate long term capital appreciation from a diversified portfolio of equity and equity related securities. The fund will invest in a universe of stocks, which will be identified using fundamental analysis. The fund will invest in a portfolio of both value and growth stocks. The strategy will be to build up diversified portfolio of quality stocks, with medium to long term potential. **L&T Midcap Fund (an open-ended equity scheme):** To generate capital appreciation by investing primarily in midcap stocks. The scheme will invest primarily in companies whose market capitalization falls between the highest and the lowest constituent of the CNX Midcap Index. **L&T Ultra Short Term Fund (an open ended pure income scheme):** To generate reasonable and stable income and provide liquidity to the unit holder. To achieve this objective the scheme will invest predominantly in a well diversified and highly liquid portfolio of money market instruments, government securities and corporate debt. The scheme will not invest in equities or equity related instruments. **L&T Liquid Fund (an open ended high liquidity income fund):** To generate reasonable returns while maintaining safety and providing the investor superior liquidity. To achieve this objective, investments will be predominantly made in a well-diversified and highly liquid portfolio of money market instruments, government securities and corporate debt. **L&T Monthly Income Plan (an open ended income scheme with no assured returns):** the primary investment objective is to generate monthly income through investments in a range of Debt, Equity and Money Market Instruments. Income will be distributed only if the same is earned by the scheme and there can be no assurance that the objective of the scheme will be realized. **L&T Select Income Fund-Flexi Debt Fund (an open ended income scheme):** The Scheme seeks to generate regular returns and capital appreciation by investing in debt (including securitized debt), government and money market securities.

Load Structure: L&T Midcap Fund, L&T Opportunities Fund, L&T Growth Fund, L&T Contra Fund, L&T Infrastructure Fund, L&T Monthly Income Plan: Entry Load – Nil. Exit Load - 1% if redeemed \leq 1 year; Nil - if redeemed $>$ 1 year. For L&T Tax Saver Fund, L&T Liquid Fund, L&T Ultra Short Term Plan: Entry Load and Exit Load – Nil. In case of L&T Select Income Fund - Flexi Debt Fund: Entry Load – Nil. Exit Load - 0.25% if redeemed \leq 30 days. Nil if redeemed $>$ 30 days. Bonus units and units issued on reinvestment of dividends shall not be subject to exit load. The investor is requested to check the prevailing load structure of the Scheme before investing.

Terms of Issue: Units of the Schemes are being offered at NAV based prices, subject to the prevailing loads. The AMC calculates and publishes NAVs and offers for sale, redemption and switch outs, units of the Schemes on all Business Days, at the Applicable NAV of the Schemes. In case of L&T Tax Saver Fund, the units can be redeemed only after expiry of lock-in period of 3 years from the date of allotment. Additionally, units of the Schemes of L&T Mutual Fund can also hold in demat mode.