


Building to become a comprehensive player

Investor Presentation, Q3 2013

L&T Finance Holdings

Disclaimer

- This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of L&T Finance Holdings Limited (the "Company"), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment there for.
- No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information, estimates, projections or opinions contained here in. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice. Neither the Company nor any of its respective affiliates, advisers or representatives, including Lead Managers and their affiliates, or any other persons that may participate in the offering of any securities of the Company, shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.
- The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. Certain statements made in this presentation may be "forward looking statements" for purposes of laws and regulations other than laws and regulations of India. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition, general business plans and strategy and the competitive and regulatory environment of the Company. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions, including future changes or developments in the Company's business, its competitive environment, information technology and political, economic, legal and social conditions in India, which the Company believes to be reasonable in light of its operating experience in recent years. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.
- This presentation is not for publication or distribution or release, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada or Japan or in any other country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale in the United States, Australia, Canada or Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration.
- **Risk Factors and Disclaimers pertaining to L&T Mutual Fund**

  Disclaimer: This document have been prepared by L&T Investment Management Limited (L&TIML) for information purposes only and should not be construed as an offer or solicitation of an offer for purchase of any securities or any of the funds of L&T Investment Management Ltd. The document is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. The same should not be construed as solicitation for purchase of schemes of L&T Mutual Fund. The same is for information purposes only. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this document should understand that statements made herein regarding future prospects may not be realized. He/ She should also understand that any reference to the securities/ sectors / indices in the document is only for illustration purpose. Neither this document nor the units of L&T Mutual Fund have been registered in any jurisdiction. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions.

  Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settler (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: Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Highlights

L&T Finance Holdings

Industry Overview

Macro Environment

- Despite government steps to improve fiscal balances, ratings concerns remain
  - India's GDP growth forecast for FY13 revised downward to 5.5% by CRISIL
  - High fiscal and current deficit still a cause of concern
- Continued tight liquidity and policy rates hindered softening of interest rate, despite weak credit off-take
  - Controlled government spending and CAD keeps liquidity tight
- Progress on reforms in terms of retail FDI, banking laws, Companies Bill are positives and has boosted investor sentiment – actual investments to take time.
- Low growth and expanding working capital cycles keep corporates under stress
- Southern states suffer due to low rains/reservoir storage

Update on Regulations

- Impact of Usha Thorat Committee recommendations
  - Tier I CRAR maintained at higher levels than the proposed 10%
  - Expect a one time increase in GNPAs and credit cost:
    - Impact of additional provisions on retail assets mitigated by current conservative provisioning norms. May recalibrate provisioning norms based on actual loss experience
    - Continue to control foreclosure losses to limit increase in credit cost
- Banking Laws Amendment sets the course for RBI to issue new banking licenses
  - LTFH to await the final guidelines by RBI and respond accordingly
- Modification to "Infrastructure" definition by RBI opens up new lending opportunities
- SEBI regulations for AMCs - direct investment plan may impact distributor interests in the long term

Summary Financial Performance

Q3FY12	YTD Q3FY12	FY12	(Amounts in Rs. Cr.)	Q3FY13	YTD Q3FY13	Y-o-Y Q3 vs Q3	Y-o-Y YTD vs YTD
Lending Businesses[1] (Retail, Corporate, Infrastructure & Housing Finance)							
23,883.3	23,883.3	25,670.6	Loans and Advances	31,230.5	31,230.5	30.8%	30.8%
5,519.4	15,324.6	21,674.0	Disbursements	6,656.1	15,556.2	20.6%	1.5%
97.7	327.3	466.2	PAT	136.3	406.9	39.5%	24.3%
5.21%	5.34%	5.44%	NIM[2] (%)	5.28%	5.24%		
1.33%	1.33%	1.33%	Gross NPA[2] (%)	2.33%	2.33%		
14.54%	16.21%	16.32%	ROE[2] (%)	14.28%	14.39%		
Investment Management[3]							
4,616.0	4,616.0	3,897.6	Average AUM	12,064.1	12,064.1		
(6.4)	(16.7)	(25.3)	PAT before exceptional items	(14.3)	(29.0)		

Notes:
[1]Q3FY13 and YTD Q3FY13 numbers for lending businesses include Housing Finance (and FamilyCredit)
[2]Adjusted for MFI and corporate assets. Refer annexure for details.
[3]Numbers for Q3FY13 and YTD Q3FY13 are post acquisition of Fidelity Mutual Fund. Average AUMs are averages for the quarter.
Past performance may or may not be sustained in the future. Please refer to the website www.lntmf.com for further details.
Please refer to annexure at the end of this presentation for the asset wise and geography wise AUM disclosures, disclaimers and risk factors.

L&T Finance Holdings – Summary Financials

Q3FY12	Particulars (Rs. Cr.)	Q2FY13	Q3FY13	Y-o-Y
93.6	PAT before exceptional items	143.7	118.8	26.91%
93.6	PAT	143.7	294.6	214.78%

YTD Q3FY12	Particulars (Rs. Cr.)	FY12	YTD Q3FY13	Y-o-Y
314.1	PAT before exceptional items	454.8	383.2	22.00%
314.1	PAT	454.8	559.0	77.98%

Exceptional items (net of tax)	Q2FY13	Q3FY13	YTD Q3FY13
Profit on sale of Federal Bank stake[1]	-	190.3	190.3
Less Integration-related costs	-	14.5	14.5
Total	-	175.8	175.8

- PAT before exceptional items is lower on a Q-o-Q basis mainly on account of higher credit costs in Q3FY13
- Exited the ~4.86% stake in Federal Bank in Nov 2012 for Rs. 362.7 Cr.
  - Investment value was Rs. 123.8 Cr. and was made during Jun-Dec 2008
- Integration-related costs include professional fees, retention payments and other acquisition-related costs
- LTFH and LTIM also incurred total cost of Rs. 8.4 cr towards brand-building during Q3FY13

Notes:
[1]Net of MAT

L&T Finance Holdings – Summary Financials

YTDQ3FY12	FY12	(Amounts in Rs. Cr.)	H1 FY13	YTDQ3FY13	Y-o-Y
Summary Balance Sheet					
4,633.9	4,752.7	Networth	5,015.0	5,415.0	16.86%
20,140.7	21,077.3	Borrowings	23,440.5	27,063.4	34.37%

Liquid and available sources of Funds (Rs Cr.)	
ICDs in subsidiaries	142.2
Perpetual debt in LTF	200.0
Mutual fund investments	145.7
Market value of investments in CUB	107.4
Tier II debt in LTF	84.0
Cash	13.2
Total liquid sources of funds	**679.3**

O/S Borrowing details (Rs Cr.)	
Maturity by Mar-13	250.0
Maturity by Mar-14	349.0
Maturity by May-14	100.0

Rs. Cr.	Networth
L&T Finance[1]	2,030.3
L&T Fincorp	323.6
L&T Infra[2]	2,212.0
Mutual Fund businesses (incl LTIM)[3]	48.2
L&T Housing Finance	144.3
FamilyCredit	196.7
LTFMPL + LTSPL	30.7

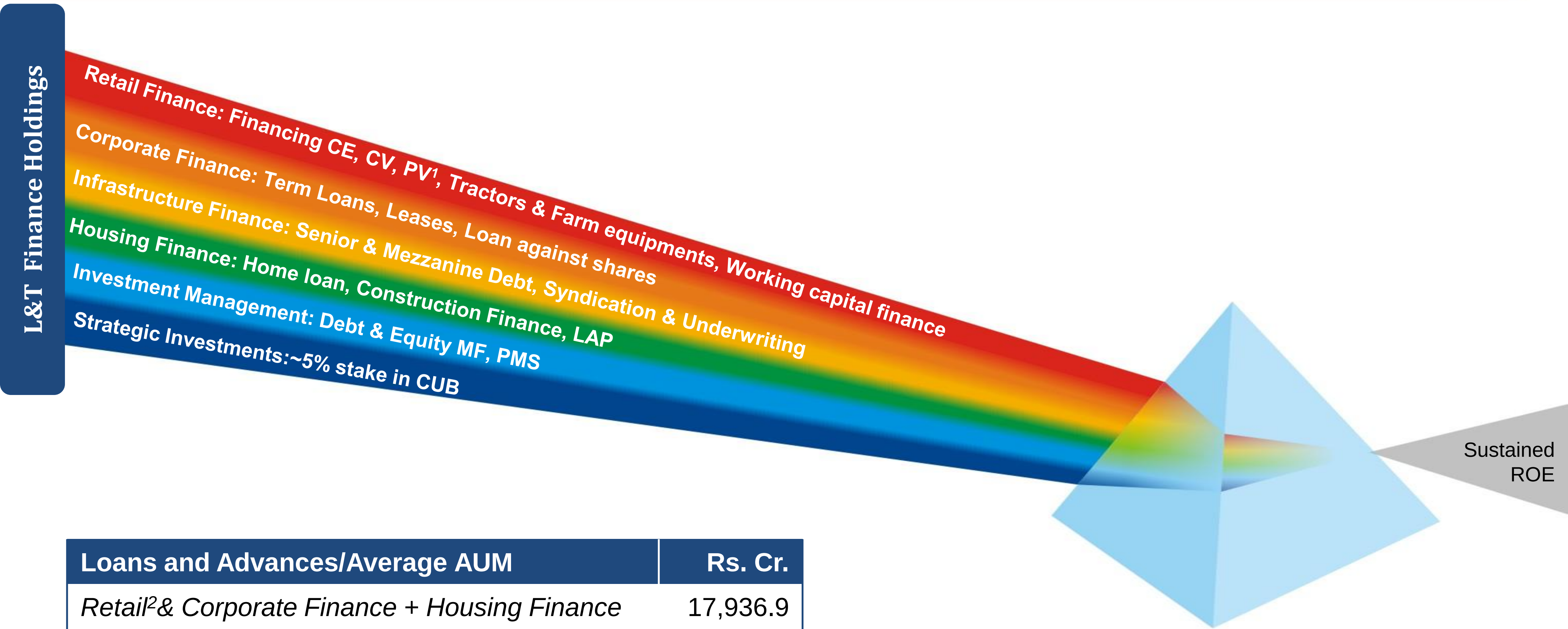
Plan to raise preference capital in LTFH to optimize returns

Notes:
[1]NW excl investment in LTIM and L&T MF Trustee
[2]Consolidated NW. incl L&T Infra Investment Partners
[3]LTF investment in LTIM = Rs. 210 Cr

Company Overview

L&T Finance Holdings

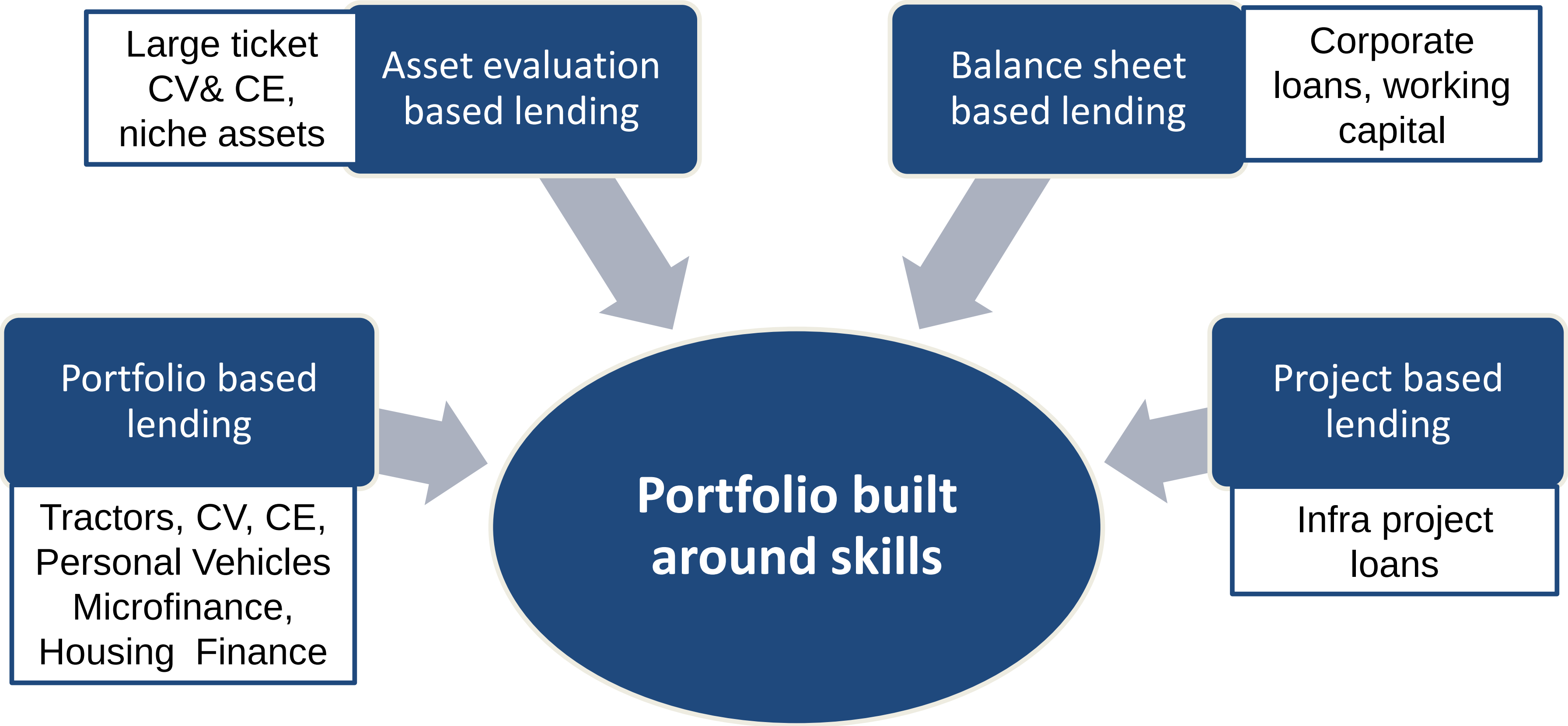
Building to become a comprehensive player with critical size



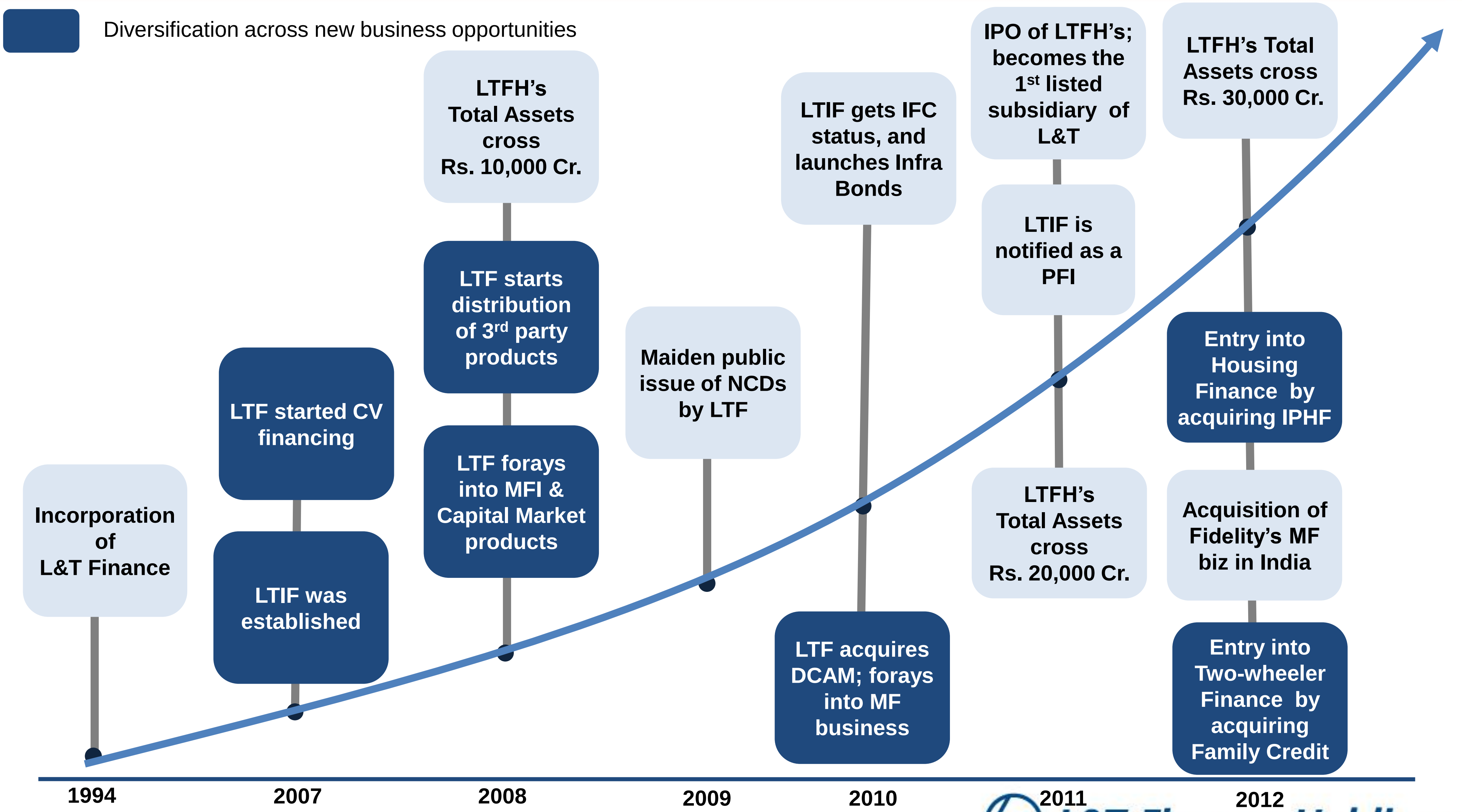
Loans and Advances/Average AUM	Rs. Cr.
Retail[2] & Corporate Finance + Housing Finance	17,936.9
Infrastructure Finance	13,293.7
Investment Management[3]	12,064.1

Notes:
[1]PV – Personal Vehicles – Includes cars & two wheeler portfolio; CV – Commercial Vehicles
[2]Retail Finance includes FamilyCredit portfolio
[3]AAUM is average for the quarter

Talent with relevant knowledge and deep experience



Key Milestones



Overview of Businesses

L&T Finance Holdings

Retail & Corporate Finance

Business Segments

Retail Finance
- Construction Equipment Finance (CEF)
- Transportation Equipment Finance (TEF)
- Rural Products Finance (RPF)
- Supply Chain Finance (SCF)
- Personal Vehicle Finance (PVF)
- Financial Product Distribution (FPD)
- Micro Finance (MFI)

Corporate Finance
- Corporate Loans & Leases (CLL)
  - Term Loans
  - SME Financing
  - Operating & Financial Lease
- Capital Market Products (CMP)
  - Loan Against Shares
  - IPO Financing

Reach & Presence

- Hub and spoke model drives cost efficiency
- Pan India presence to cater to customers across rural, corporate and SME segment
- Network of 100+ branches across 21 states
- 500+ rural points of presence

New Initiatives

- Separate surveillance team for internal branch audit to detect frauds
- Restructuring to move towards branch structure and multi skilling of sales force
- Roll out of mobile receipting solution in 7 locations planned for Q4FY13

Retail & Corporate Finance – Market Scenario & Outlook

Segment	Outlook
Rural Products	▪ Overall sales have been flat; markets in south & west declined by 20-40%, central grew by 35% ▪ Festive season has slightly improved the market in Q3 as compared to H1 ▪ Despite sharp increase in MSP of kharif crops(15%-53%), weak output and concerns over delayed sowing of Rabi crop may keep sales growth tepid in Q4FY13
Construction Equipment	▪ Delay in decision making on policy changes and investment approvals leading to no new capex in real estate and infra segments ▪ De-growth in sales of CE due to land acquisition issues, environmental clearances issues and mining being banned in Karnataka, Orissa and Goa

Auto & Transportation	▪ CV sales witnessed a growth of 3-5%. While MHCV registered de-growth of 11-13%, LCV grew by 14-16%.
	  ▪ Decline in freight rates due to slowdown in economic activity
	  ▪ Slowdown in CV sector on account of hike in diesel prices and increasing asset costs,
	▪ Sales of Passenger Vehicles segment grew by 8-10%, driven mainly by Utility Vehicles
	  ▪ New launches in UV segment contributed to growth
	▪ Auto and 2 wheeler segment witnessed de-growth in sales by ~2.9% on Y-o-Y basis. SIAM forecast for Auto at 9 yr low in FY13
	  ▪ Sentiment could improve slightly in next quarter, 2W expected to grow by 5-7% YoY

Corporate	▪ SME's under stress on account of deteriorating cash flows & higher working capital requirement ▪ Credit off take expected to be moderate in last quarter of FY 13 ▪ Growth dependent on new investments in Power, Railways, Mining & Road

Retail & Corporate Finance

LOANS & ADVANCES						
Rs. Cr.	**Q3FY12**	**FY12**	**Q2FY13**	**Q3FY13**		**Y-o-Y Growth YTD**
CEF	3,482	3,244	3,150	3,145	19%	(10%)
TEF	1,879	2,080	2,106	2,033	12%	8%
RPF	2,502	2,855	3,336	3,760	23%	50%
SCF	923	941	993	1,026	6%	11%
MFI[1]	333	215	198	179	1%	(46%)
CLL	3,319	4,140	4,286	4,516	28%	36%
CMP	1,358	1,281	1,557	1,743	11%	28%
Sub-total	**13,796**	**14,757**	**15,626**	**16,402**	**100%**	**19%**
PVF – FCL[2]				**1,339**		
Total	**13,796**	**14,757**	**15,626**	**17,742**	**100%**	**29%**

DISBURSEMENTS					
Rs. Cr.	**Q3FY12**	**YTD Q3FY12**	**Q3FY13**	**YTD Q3FY13**	**Y-o-Y Growth YTD**
CEF	660	1,637	440	1,145	(30%)
TEF	350	846	171	623	(26%)
RPF	755	1,793	1,080	2,491	39%
SCF	1,362	3,836	1,450	4,265	11%
MFI	36	132	80	195	48%
CLL	751	2,234	640	1,679	(25%)
CMP	254	649	494	1,016[3]	57%
Total	**4,168**	**11,127**	**4,354**	**11,413**	**3%**

Notes:

[1] *The AP portfolio of MFI has shrunk from 193 cr in Dec 2011 to 20 cr in Dec 2012*
[2] *PVF-FCL – Personal Vehicle Finance – FamilyCredit Limited*
[3] *Renewals contribute to 33% of CMP disbursements*

Retail & Corporate Finance – Summary Financials

Q3FY12	YTD Q3FY12	FY12	Summary P&L (Rs. Cr.)	Q2FY13	Q3FY13	YTD Q3FY13	Y-o-Y Q3 over Q3	Y-o-Y YTD over YTD
458.9	1,259.8	1,762.5	Interest Income	539.2	567.2	1,644.4	23.6%	30.5%
15.8	38.3	58.9	Fee Income	11.7	16.1	40.7	1.9%	6.3%
279.1	736.1	1,032.0	Interest Expense	323.0	343.5	994.1	23.1%	35.0%
89.1	244.8	337.7	Operating Expense	96.1	102.4	297.8	14.9%	21.7%
106.5	317.3	451.7	Contribution before credit cost	131.8	137.4	393.2	29.0%	23.9%
48.5	118.9	151.8	Credit Cost	47.5	65.7	159.2	35.5%	33.9%
39.1	134.3	202.2	PAT	61.2	53.3	167.2	36.3%	24.5%
4,168.5	11,127.5	15,538.3	Disbursements	3,632.0	4,354.4	11,413.4	4.5%	2.6%

YTD Q3FY12	FY12	Summary BS (Rs. Cr.)	H1 FY13	YTD Q3 FY13	Y-o-Y
13,796.3	14,757.1	Gross Loans & Advances	15,626.5	16,402.2	18.9%
12,089.0	12,631.3	Borrowings	13,569.4	14,474.2	19.7%
2,089.5	2,326.9	Networth	2,439.3	2,492.6	19.3%
369.2	271.8	Gross NPAs	309.9	347.1	(6.0)%
165.9	139.6	Net NPAs	178.1	264.7	59.5%

- Growth in disbursements contributed mainly by Rural Products Finance segment
- Increase in credit costs largely on account of stress witnessed in corporate and CE assets
- As of Dec 2012, provision over RBI norms is Rs 36.9 crs with assets worth Rs 26.7 crs lying in repossessed stock

Notes
All numbers are reported numbers including MFI and do not include FamilyCredit

Retail & Corporate Finance – Key Ratios

All ratios are calculated based on adjusted numbers for MFI and Corporate Assets, and exclude FamilyCredit.
Please refer to the computation of adjusted numbers in Annexure.

Q3FY12	YTD Q3 FY12	FY12	Key Ratios	Q2FY13	Q3FY13	YTD Q3FY13
13.93%	13.58%	13.63%	Yield	14.01%	14.08%	14.04%
9.77%	9.16%	9.33%	Cost of Funds	9.73%	9.78%	9.77%
5.73%	5.88%	5.87%	Net Interest Margin	5.86%	5.87%	5.80%
5.82%	6.01%	5.87%	NIM (w/o MTM/one-time)	5.79%	5.92%	5.85%
0.48%	0.41%	0.46%	Fee Income	0.29%	0.39%	0.34%
2.50%	2.41%	2.38%	Operating Expenses	2.31%	2.37%	2.37%
3.71%	3.89%	3.94%	Contribution before credit cost	3.85%	3.89%	3.77%
0.63%	0.60%	0.47%	Credit Cost	0.86%	1.29%	0.98%
14.51%	15.49%	15.82%	Return on Equity	15.17%	13.96%	14.24%
2.00%	2.15%	2.27%	Return on Assets	2.09%	1.85%	1.92%
6.16	6.16	5.74	Gearing	5.92	6.25	6.25
1.22%	1.22%	1.06%	Gross NPA %	1.58%	2.05%	2.05%
0.63%	0.63%	0.57%	Net NPA %	0.99%	1.57%	1.57%
13.80%	13.80%	15.73%	CRAR (Tier 1)	14.88%	14.36%	14.36%
2.10%	2.10%	0.71%	CRAR (Tier 2)	0.67%	2.13%	2.13%
15.90%	15.90%	16.44%	CRAR (Total)	15.55%	16.49%	16.49%

- NIMs stable despite increase in gearing levels; expect improved NIMs going forward on the back of lower borrowing costs
- Contribution before credit costs steady; drop in RoE on account of higher credit costs

Notes:
The denominator for all ratios have been taken as the average of opening and closing numbers for the period
Credit costs include provisions, write offs, foreclosure losses, interest provisions/reversals

Retail & Corporate Finance – Risk Management

Credit Risk

- 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

Provisioning Policy

- For retails loans provision policies factor potential foreclosure losses
- NPAs upto 540 days, the difference between principal outstanding & notional value of asset provided for
- NPAs beyond 540 days is provided in total (*Except MFI of AP portfolio)*
- 100% provision against unsecured loans

Operational Risk

- Centralized loan authorization and disbursement
- Quality check to ensure both data and process compliance
- Centralized receipting to control frauds and leakages; advanced stages of implementing an online mobile receipting solution
- Fully implemented PML and KYC verifications including negative profiles filtering

Infrastructure Finance

Business Segments

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

Portfolio break-up

Corporate	Projects	Equity
34%	64%	2%

Projects:

Operating	U/C
34%	30%

New Initiatives

- Infrastructure Debt Fund (IDF) – L&T Infra would be principal sponsor of proposed IDF, expected to be operational in H1FY 14
- Exploring opportunities in Financial Advisory Services –
  - Structuring and placing long term infrastructure debt in the Bond Market
  - Non infra debt syndication

Infrastructure Finance – Market Scenario & Outlook

Segment	Outlook
Thermal Power	▪ More clarity on coal allocation, possibility of increase in domestic coal production by CIL is expected ▪ Incremental power tariff hikes by SEBs and agreement on coal price pool mechanism to be positives for sector ▪ Opportunities of gap financing in coal thermal projects provided there is comfort on fuel linkages
Renewable Energy	▪ Continuing thrust on renewable energy and stricter implementation of RPO for state utilities to create large opportunities
Roads	▪ Impacted by pending financial closure of projects, tighter net worth criteria for large projects and optimistic traffic estimates ▪ Stricter funding by banks as developers face stressed valuations, over leveraged balance sheets and strained profitability ▪ Slowdown and cancellation in projects awarded by NHAI ▪ Focus on securitization & joint underwriting opportunities
Others	▪ Telecom – Consolidation expected despite cut in reserve price ▪ Refinancing opportunities across all sectors
Overall	▪ Non-food Credit growth of 8.6% in 9M FY13 v/s 10.4% in 9M FY13 (Source: RBI) ▪ Margins expected to remain stable/marginal reduction with reduction in L&T Infra PLR ▪ Increasing stress in some sectors with more loans under CDR

Infrastructure Finance

LOANS & ADVANCES						
Rs. Cr.	Q3FY12	FY12	Q2FY13	Q3FY13		Y-o-Y Growth YTD
Thermal Power	1,511	1,542	1,583	1,841	14%	22%
Renewable Power	1,790	2,101	2,525	2,585	19%	44%
Power- Corp[1] & T&D	848	1,205	1,387	1,349	10%	59%
Transportation	1635	1,573	2,051	2,236	17%	37%
Telecom	1,119	1,216	1,236	1,857	14%	66%
Others[3]	3185	3,275	3,257	3,425	26%	8%
Total	**10,087**	**10,912**	**12,039[2]**	**13,293[2]**	**100%**	**32%**

DISBURSEMENTS					
Rs. Cr.	Q3FY12	YTD Q3FY12	Q3FY13	YTD Q3FY13	Y-o-Y Growth YTD
Thermal Power	85	1,053	208	412	(61)%
Renewable Power	406	918	249	716	(22)%
Power- Corp[1] & T&D	250	445	51	307	(31)%
Transportation	256	492	287	871	77%
Telecom	45	432	945	987	128%
Others[3]	307	857	530	820	(4)%
Total	**1,350**	**4,197**	**2,271**	**4,112**	**(2)%**

Notes:
[1]Corporate loans to Power companies
[2]Includes Rs. 2 Cr investment in Venture Capital Units
[3]Others includes oil & gas, IT parks/SEZs, infra project implementers, captive mining for power projects, healthcare, solid waste management, water treatment, select hotels, etc.

Infrastructure Finance – Summary Financials

Q3FY12	YTD Q3FY12	FY12	Summary P&L (Rs Cr.)	Q2FY13	Q3FY13	YTD Q3FY13	Y-o-Y Q3 over Q3	Y-o-Y YTD over YTD
302.7	820.9	1,163.0	Interest Income	385.3	397.9	1,147.7	31.5%	39.8%
1.8	21.2	30.0	Fee Income	10.4	9.3	24.9	416.7%	17.5%
194.0	517.9	717.4	Interest Expense	234.7	248.8	711.2	28.2%	37.3%
15.3	35.3	55.1	Operating Expense	18.8	20.4	56.7	33.3%	60.6%
95.2	288.9	420.5	Contribution before credit cost	142.2	138.0	404.7	45.0%	40.1%
13.0	18.2	45.8	Credit Cost	25.2	27.2	71.0	109.2%	290.1%
58.7	192.9	264.0	PAT	82.2	81.9	238.6	39.8%	23.7%
1,350.9	4,197.1	6,136.0	Disbursements	1,261.3	2,270.7	4,112.0	68.1%	-1.9%

YTD Q3FY12	FY12	Summary BS (Rs. Cr)	H1 FY13	YTD Q3FY13	Y-o-Y
10,086.9	10,913.5	Gross Loans & Advances	12,039.3	13,293.7	31.8%
8,822.8	8,942.1	Borrowings	10,091.1	11,050.7	25.3%
1,731.7	1,834.0	Networth	1,988.6	2,220.3	28.2%
143.7	177.7	Gross NPAs	177.8	233.3	62.4%
121.2	151.8	Net NPAs	154.6	200.1	65.1%

- Growth in loans and advances have kept pace since Q3 FY12
- Focusing on high-quality, larger-ticket relationships
- Rs.150 cr equity infusion in last week of December 2012
- As of Dec 2012, the provision over RBI norms stands at Rs. 47.1 cr
- Credit cost includes voluntary provision of Rs.29.4 Cr. for YTD Dec FY13 on certain standard assets

Infrastructure Finance – Key Ratios

Q3FY12	YTD Q3FY12	FY12	Key Ratios	Q2FY13	Q3FY13	YTD Q3FY13
12.60%	12.42%	12.64%	Yield	13.30%	12.57%	12.64%
9.46%	9.20%	9.49%	Cost of funds	9.66%	9.41%	9.49%
4.52%	4.59%	4.87%	Net Interest Margin	5.20%	4.71%	4.81%
0.07%	0.32%	0.32%	Fee Income	0.36%	0.29%	0.27%
0.64%	0.53%	0.60%	Operating Expenses	0.65%	0.64%	0.62%
3.97%	4.43%	4.60%	Contribution before credit cost	4.97%	4.46%	4.51%
0.54%	0.28%	0.50%	Credit Cost	0.87%	0.86%	0.78%
14.58%	17.04%	16.91%	Return on Equity	16.89%	15.57%	15.69%
2.34%	2.78%	2.81%	Return on Assets	2.74%	2.51%	2.57%
5.09	5.09	4.88	Gearing	5.07	4.98	4.98
1.48%	1.48%	1.69%	Gross NPA %	1.54%	1.83%	1.83%
1.25%	1.25%	1.45%	Net NPA %	1.34%	1.57%	1.57%
16.35%	16.35%	16.02%	CRAR (Tier 1)	14.19%	15.03%	15.03%
0.23%	0.23%	0.34%	CRAR (Tier 2)	1.78%	1.72%	1.72%
16.58%	16.58%	16.36%	CRAR (Total)	15.98%	16.75%	16.75%

- Drop in yields & margins is mostly on account of large disbursements falling in latter part of the quarter
- Credit Cost is largely same with continuing voluntary provisions on standard assets with overdues
- GNPA increase due to slippage on 2 additional accounts, part recovery is expected in Q4

Note: The denominator for all ratios have been taken as the average of opening and closing numbers for the period
Credit costs include provisions, write offs, foreclosure losses, interest provisions/reversals

Infrastructure Finance – Risk Management

Credit Risk

- Proposals are evaluated as per internal model & presented to central committee
- Investment & credit committee headed by external director to authorize proposals
- Regular portfolio review by risk management committee chaired by independent director

Provisioning Policy

- Provision on standard assets upto 40 bps
- Voluntary provision of 3% - 8% for all assets overdue in 4-6 months bracket
- Introduced 2.75% provisions on all restructured standard assets from this quarter onwards

Restructured Cases

- Restructured , standard cases amounts to 3.05% of the portfolio, all of which are standard assets

Concentration Analysis

- Top 10 borrowers represent 22% of the outstanding & Top 10 borrower groups form 29% of outstanding

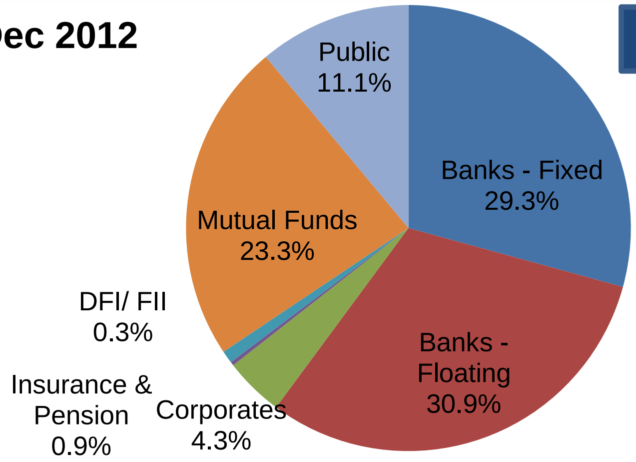
Asset Liability Management

- Combination of short term and long term borrowings to effectively 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

Debt Composition – Source wise

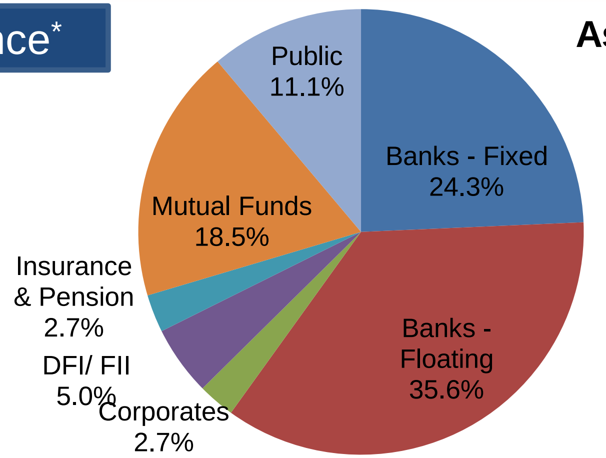
Retail & Corp Finance*

As on 31st Dec 2012



Total Debt – Rs. 14,474.2 Cr.

As on 30th Sep 2012

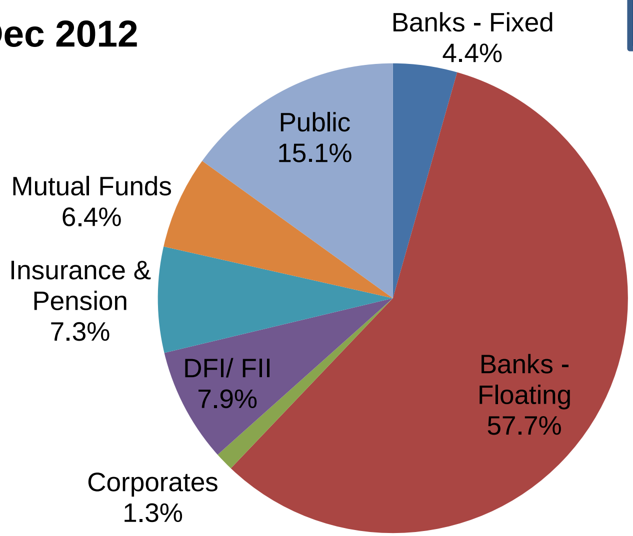


Total Debt – Rs. 13,569.4 Cr.

* Excludes FamilyCredit

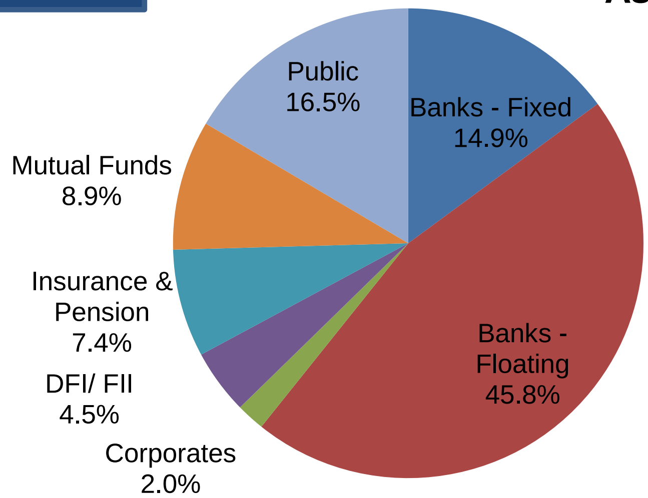
Infra Finance

As on 31st Dec 2012



Total Debt – Rs. 11,050.7 Cr.

As on 30th Sep 2012



Total Debt – Rs. 10,091.1 Cr.

Investment Management

- Expansion through acquisition of Fidelity MF in 2012
  - Business and Scheme mergers carried out simultaneously and acquisition completed on 23rd Nov'12
  - Net consideration of ~ USD 108 mn (6.5% of AUM) subject to closing adjustments
  - Largest M&A in Asset Management industry, transfer of nearly 2 mn folios
  - Average AUM of combined entity at Rs 12,000 Cr with investor base of 9.5 lakh investors based out of 200+ towns and cities with a branch network spanning 55 cities
  - No gaps in product portfolio, with 25+ funds across asset classes, risk profiles and time horizons
- Outlook remains positive for Q4FY13, due to
  - Successful completion of the merger of schemes and smooth integration of businesses
  - Multiple distributor and customer engagement initiatives underway

Summary Financials (Rs. Cr.)					
Q3FY12	YTD Q3FY12		Q2FY13	Q3FY13[1]	YTD Q3FY13[1]
2.9	11.0	Operating Revenue	2.1	9.6	14.0
9.3	27.7	Opex	9.0	23.9	43.0
(6.4)	(16.7)	PAT before exceptional items	(6.9)	(14.3)	(29.0)
-	-	Exceptional items	1.5	12.3	13.8
(6.4)	(16.7)	PAT	(8.4)	(26.6)	(42.8)
4,616.0	4,616.0	Average AUM	3,883.1	12,064.1	12,064.1

AAUM Composition (Dec'12)	
Equity/ Hybrid	50%
Cash / Ultra Short Term	35%
FMP	7%
Other Fixed Income	8%

Notes:
[1]Q3FY13 and YTD Q3FY13 numbers are post acquisition of Fidelity Mutual Fund
Past performance may or may not be sustained in the future. Please refer to the website www.lntmf.com for further details..
Please refer to annexure at the end of this presentation for the asset wise and geography wise AUM disclosures, disclaimers and risk factors

Investment Management - Outlook

Segment	Outlook

Impact of recent regulatory changes	**Profitability**
	▪ Opportunity to improve revenue with the recent SEBI circulars
	    ▪ Service tax on management fees to be charged over and above the TER (12 bps)
	    ▪ Incremental 20 bps in lieu of exit loads
	▪ Fungibility of Total Expense Ratio (TER) is favourable
	Market Penetration
	▪ Incentive for AMCs to go beyond the top 15 cities
	▪ Favourable distribution registration process

Industry Outlook	▪ Successful execution of major reforms initiative to guide market sentiments -
	    ▪ Equity funds susceptible to profit booking if markets continue favouring the bulls
	    ▪ Surge in inflows into ELSS , gilt funds and bonds expected
	    ▪ Mar 2013 numbers could be impacted due to large outflows in cash category

Housing Finance

Industry Outlook

- Credit growth in HFCs to be higher than SCBs due to better focus
- Opportunity for LAP due to large inventory of unleveraged homes
- Mortgage market expected to grow at 18% CAGR over next 3 yrs (Source: BCG estimates)
- Scope for growth with market share of top 6-10 companies increasing from 12% to 15% (Source: ICRA report)

Key Strengths

- Ability to leverage brand loyalty of L&T
- Key corporate & retail relationships within and outside of the L&T ecosystem
- Centralized operations infrastructure
- Distribution reach across India
- Strong presence in tier II cities which account for more than 80% of the 34 branches

Focus Areas

- Strengthening organizational structure and sales distribution approach
- Achieving closure on existing opportunities in the construction funding space
- Continue building retail sales pipeline in 9 operating markets
- Technology enabled processes, low opex, innovative products and best in class TAT

Target Market

- Utilize strengths of group companies to target different market segments

Customer Segment	Company
HNI	L&T Wealth Management
Urban Middle Class	LTHFL Channel & L&T Access
Rural	L&T Finance – branch network

Housing Finance

- Indo Pacific Housing Finance renamed as L&T Housing Finance Ltd (effective 04 Dec'12).
  - Acquisition completed on Oct 9 2012. Final consideration after adjustment is ~ Rs. 118 Cr.

- Credit rating from CARE
  - AA for FDs, bank borrowings and NCDs
  - A1+ for Commercial paper

- Current product portfolio includes Home Loans, Loan Against Property, Construction Finance (Residential Construction) and Balance Transfer
  - Home Loans account for 82% and LAP accounts for 18% of total loan book

- Changed the provisioning policy based on our analysis of the portfolio
  - Written-off unrealizable portfolio in Q3FY13

- Expect to build on the momentum in disbursements in Q4FY13

FY12	Particulars (Rs. Cr.)	Q2FY13	Q3FY13[1]
166.7	Loan Book	181.7	195.3
9.7	Disbursements	20.3	31.0
9.03%	GNPA (%)	7.55%	1.40%
0.14%	NNPA (%)	0.12%	0.74%
2.8	PAT	4.0	1.1
118.9	Networth	124.5	144.2

Notes:
[1]Figures are for the period from October 9, 2012 to December 31, 2012

Update on Acquisition

FamilyCredit Limited (FCL) - Profile

- Overview
  - Family Credit Limited (FCL) is an NBFC involved in two-wheeler financing and auto financing
  - Preferred financier for leading two-wheeler manufacturers and auto OEMs
  - Presence in 52 branches (17 states) of which LTFH did not have a presence in 13 locations
  - Customer base of approx. 5,00,000, with 1,000+ DSTs and 600+ dealer points

- Rationale for the acquisition
  - Consolidate position in auto financing – LTF is already present in car financing. Total auto portfolio (including LTF) = ~ Rs. 2,000 cr
  - Ready operating platform offers time and cost-advantage than organic growth
  - Significant revenue- and cost-synergy opportunities

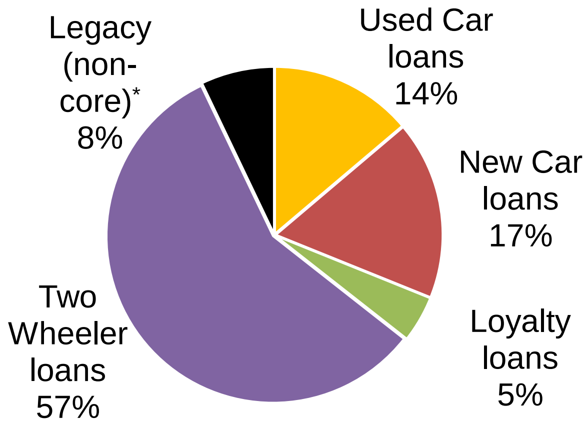
- Update
  - Acquisition from Société Générale Consumer Finance completed on 31st Dec., 2012 for a consideration of ~ Rs. 125 cr. , subject to closing adjustments
  - Charting a detailed plan to ensure smooth and efficient integration with minimal impact on customers and external stakeholders

FCL – Performance Update

(Rs. Cr.)	Q3FY13*	Q2FY13*	Q1FY13*
Loan Book	1,339.4	1,296.5	1,285.6
Disbursements	261.4	222.2	220.6
Networth	196.7	193.8	189.7
PAT	2.9	4.1	5.0
Net NPA %	0.29%	0.26%	0.24%
CRAR %	16.37%	16.71%	16.46%

* Unaudited numbers

Portfolio mix as of Q3FY13



INR 1,339.4 cr

- Q3FY13 saw an increase in disbursements due to festive season in Oct-Nov
- Q3 PAT was lower as compared to Q1/Q2 due to
  - Higher disbursements (commissions are recognized on an upfront basis),
  - One-time transaction costs such as retention payments were absorbed, and
  - Some slippage in asset quality which is expected to improve in Q4
- Going forward, expect to
  - Pick-up the momentum in disbursements and
  - Margins to improve due to better borrowing costs – all loans were substituted on closing
- GNPA as of Dec 2012 is Rs. 143.3 cr, of which GNPA of legacy portfolio is 95.1 cr. It has been entirely provided for. New disbursements of legacy products have been discontinued from Sep09.

Annexure

Company Structure

L&T Finance Holdings

L&T Finance
- Retail Finance
- Corporate Finance
- Financial Products Distribution

L&T Fincorp
- Loan Company for non-AFC+ loans

L&T Infra Finance
- Project Finance
- Corporate Loans
- Financial Advisory

L&T Housing Finance
- Home loans
- Construction Finance
- Loan Against Property

L&T Mutual Fund
- Mutual fund
- Portfolio management
- Wealth Management

Family Credit
- 2 Wheeler Finance
- Car Loans

Investments*
- 4.76% in City Union bank valued at Rs. 107.4 cr

Fee based business

Fund based businesses

Shareholding as on 31st Dec, 2012	
Category	**%**
Promoter (L&T)	82.57 %
Retail	8.82 %
FIIs	2.51 %
DII	1.13 %
Others	4.97 %

•Based on share price as on 31st Dec 2012
• Asset Finance Company, as classified by RBI

Management Strength

CMD , 38 yrs exp, L&T

President, 30 yrs exp, L&T

CE – LTF
23 yrs exp, SBI Cap, BNP Paribas

CE – LTHF
27 yrs exp, Reliance, Citibank, BOA

CE – LT Access
24 yrs exp, Metlife, Franklin Templeton

CE – LTIM
25 yrs exp, Fidelity, Citibank

MD & CE – LTIF
32 yrs exp, ICICI, SREI

COO
35 yrs exp, Sundaram Fin, Royal Sundaram

Head Corp
25 yrs exp, IL&FS

Head Retail
26 yrs exp, SREI

Head Credit
25 yrs exp, BNP Paribas, Burgan Bank

Head Prod & Strategy
16yrs exp, Reliance, ICICI

Head Risk
22yrs exp, IDBI, Saraswat Bank

Head Operations
21yrs exp, DCB, Reliance Finance, HFDC Ergo

CFO – FCL
25 yrs exp, Tradewings, NUAC

Chief Biz Officer
23yrs exp, Kotak Mahindra AMC, ICICI, Morgan Stanley

Head Fixed Income
13yrs exp, Fidelity, ING, ICICI

Head Equities
21yrs exp, Canara Robeco AMC, Emkay Global

Head CSA (Infra) (58 yrs)
36 yrs exp, ADB-AFIC, IDBI

Head PFG & FAS
22 yrs, ICICI, Reliance

Head SPP
17 yrs exp, IDFC

Head Credit
22 yrs exp, CRISIL Infra & Risk Solutions

Head PE
20 yrs exp, Q India Investment Partners

Head Treasury
31 yrs exp, Fujitsu ICIM

Head Marketing
31 yrs exp, Times Online Money Ltd.

Head Legal
22 yrs exp, Jain Irrigation, Britannia

Head A/Cs, Ops, & IR
32 yrs exp, American Express, L&T InfoTech

Head HR
21 yrs exp, Reliance Life, ICICI, Tata Telecom

Head IT
22 yrs exp, AIG SA, Tata AIG , IBM Global

Notes:
PFG – Project Fin Group, FAS – Fin Advisory Services, SPP – Structured Products & Planning,
CSA – Corporate & Strategic Affairs and Risk

Rationale for acquisition of FamilyCredit

Strategic Fit	▪ In line with LTFS' vision of being a full-scale financial services provider, with presence across product ranges and customer segments

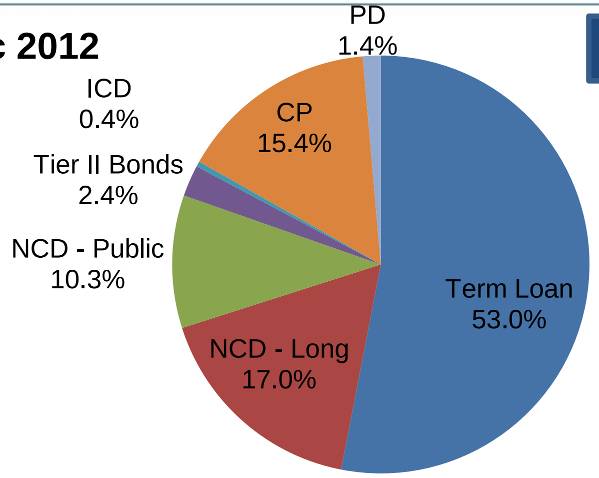
Industry	▪ Consolidates LTF's position in auto financing – LTF is already present in car financing
	▪ TW financing
	    ▪ Sizeable market (INR 10,800 cr (FY13E) to grow at 15-17% CAGR) offers huge opportunity
	    ▪ Finance penetration to increase – Tier-3 / Tier-4 locations to support growth
	    ▪ LTVs expected to increase on account of higher risk appetite of financiers
	    ▪ Opportune time to enter – profitability improving with the advent of CIBIL

Company	▪ Ready operating platform offers time and cost-advantage than organic growth ▪ Improving operating metrics – FCL has a healthy portfolio, backed by conservative provisioning policies ▪ Robust systems and efficient processes enable easy scale-up
Synergy Opportunities	▪ Branch rationalization – overlap with LTFH branches in 42 of 53 locations ▪ Centralized back-office hub at Bhubaneshwar operating at <50% of capacity ▪ Scope to improve borrowing cost from current levels
Valuation	▪ The consideration would be ~120 crs, subject to closing adjustments
Integration	▪ To implement a detailed transition plan to ensure smooth and efficient integration with minimal impact on customers and external stakeholders

Debt Composition – Instrument wise

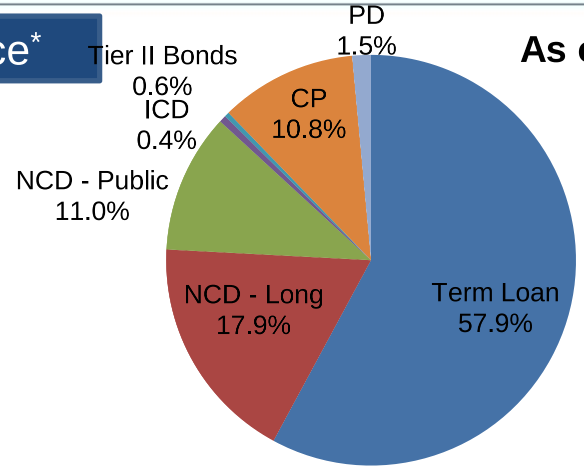
Retail & Corp Finance*

As on 31st Dec 2012



Total Debt – Rs. 14,474.2 Cr.

As on 30th Sep 2012

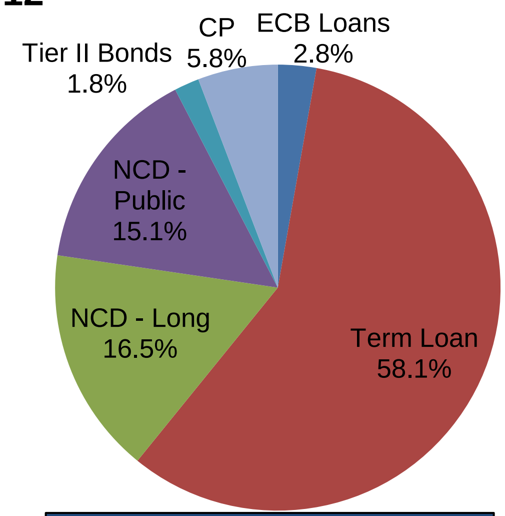


Total Debt – Rs. 13,569.4Cr.

* Excludes FamilyCredit

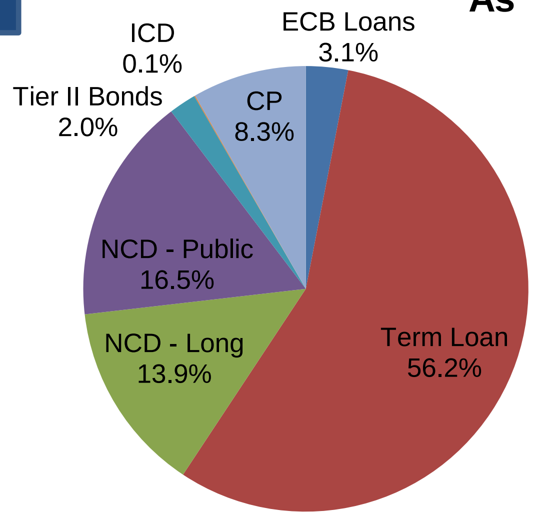
Infra Finance

As on 31st Dec 2012



Total Debt – Rs. 11,050.7 Cr.

As on 30th Sep 2012



Total Debt – Rs. 10,091.1 Cr.

Adjustment – Retail & Corporate

Summary P&L and Balance Sheet	Q3FY13				Q3FY12			
	Reported	MFI	Corp. Assets	Adjusted	Reported	MFI	Corp. Assets	Adjusted
Total Gross Income	583.2	8.0	2.7	572.5	474.7	7.6	4.1	462.9
Includes Fee Income	16.1	0.7		15.3	15.8	0.4		15.5
Interest Expense	343.2	4.4	13.7	325.1	279.1	7.4	8.4	263.3
MTM/One Time Items	2.4	0.1	0.1	2.3	3.0		0.1	2.9
Total Operating Cost	102.5	8.8		93.7	89.1	8.8		80.3
Credit Cost	65.7	14.6		51.1	48.5	28.4		20.1
PBT	71.8	(19.8)	(11.0)	102.7	58.0	(37.0)	(4.2)	99.2
PAT	53.3	(14.7)	(8.2)	76.2	39.1	(24.9)	(2.8)	66.8
Networth	2,492.6	27.3	261.1	2,204.3	2,089.5	50.5	181.7	1,857.3
Borrowings	14,474.2	158.2	535.6	13,780.4	12,089.0	292.1	357.7	11,439.3
Loan & Advances	16,402.2	179.3		16,222.9	13,796.6	333.3		13,463.2
Total Assets	18,007.1	196.9	796.6	17,013.6	14,909.9	360.2	539.4	14,010.3

Corporate Assets (Rs Cr)	Q3FY13	Q3FY12
Investments, AMC and Others	594.3	334.9
Under Construction Property	202.3	204.5
Total Corporate Assets	796.6	539.4

AUM Disclosure for Dec 2011

Table I

AUM REPORT FOR THE QUARTER ENDED (31/12/2011)

Asset class wise disclosure of AUM & AAUM

Rs. in Lakhs

Category	AUM as on the last day of the Quarter	Average AUM for the Quarter
Income	163366	174579
Equity (other than ELSS)	21313	22987
Balanced	0	0
Liquid	149088	260981
Gilt	130	130
Equity - ELSS	2722	2932
GOLD ETF	0	0
Other ETF	0	0
Fund of Fund investing overseas	0	0
Total	**336619**	**461609**

Table II

AUM REPORT FOR THE QUARTER ENDED (31/12/2011)

Disclosure of percentage of AUM by geography

Geographical Spread	% of Total AUM as on the last day of the Quarter
Top 5 Cities	90%
Next 10 Cities	8%
Next 20 Cities	2%
Next 75 Cities	0%
Others	0%
Total	**100%**

Mutual Fund Investments are subject to Market Risks. Please read the Scheme Information Document and Statement of Additional Information carefully before investing

AUM Disclosure for Mar 2012

AUM REPORT FOR THE QUARTER ENDED (31/03/2012)

Asset class wise disclosure of AUM & AAUM

Rs. in Lakhs

Category	AUM as on the last day of the Quarter	Average AUM for the Quarter
Income	128622	165137.37
Equity (other than ELSS)	23484	23906.53
Balanced	0	0.00
Liquid	78868	197465.49
Gilt	170	170.14
Equity - ELSS	3141	3081.07
GOLD ETF	0	0.00
Other ETF	0	0.00
Fund of Fund investing overseas	0	0.00
Total	**234286**	**389760.61**

AUM REPORT FOR THE QUARTER ENDED (31/03/2012)

Disclosure of percentage of AUM by geography

Geographical Spread	% of Total AUM as on the last day of the Quarter
Top 5 Cities	84%
Next 10 Cities	11%
Next 20 Cities	3%
Next 75 Cities	2%
Others	5%
Total	**100%**

AUM Disclosure for Sep 2012

Table I

AUM REPORT FOR THE QUARTER ENDED (30/09/2012)

Asset class wise disclosure of AUM & AAUM

Rs. in Lakhs

Category	**AUM as on the last day of the Quarter**	**Average AUM for the Quarter**
Income	204924	157079
Equity (other than ELSS)	22747	22588
Balanced	0	0
Liquid	278992	205227
Gilt	539	352
Equity - ELSS	3199	3065
GOLD ETF	0	0
Other ETF	0	0
Fund of Fund investing overseas	0	0
Total	**510400**	**388312**

Table II

AUM REPORT FOR THE QUARTER ENDED (30/09/2012)

Disclosure of percentage of AUM by geography

Geographical Spread	**% of Total AUM as on the last day of the Quarter**
Top 5 Cities	91%
Next 10 Cities	6%
Next 20 Cities	2%
Next 75 Cities	1%
Others	0%
Total	**100%**

Mutual Fund Investments are subject to Market Risks, read all Scheme related documents carefully.

AUM Disclosure for Dec 2012

ASSETS UNDER MANAGEMENT ("AUM") REPORT FOR THE QUARTER ENDED DECEMBER, 2012

Table I

Asset class wise disclosure of AUM & Average AUM		
		Rs. in Lakhs
	AUM as on the last day of the Quarter	
Income	273606.70	354098.59
Equity (other than ELSS)	405790.57	414411.60
Balanced	0.00	0.00
Liquid	308838.33	302361.01
Gilt	2846.55	5734.54
Equity - ELSS	124243.46	123465.51
GOLD ETF	0.00	0.00
Other ETF	0.00	0.00
Fund of Fund investing overseas	6539.94	6338.77
Total	1,121,865.56	1,206,410.02

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	72%
Next 10 Cities	14%
Next 20 Cities	5%
Next 75 Cities	5%
Others	4%
Total	100%

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

L&T Finance Holdings

L&T Finance Holdings
8th Floor, City 2, Plot No 177,
CST Road, Vidyanagari Marg, Kalina,
Santacruz (East), Mumbai - 400 098