

TRANSFORM FOCUS DELIVER



Strategy & Results Update – Q1FY17

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L&T Finance Holdings – Strategy Roadmap Recap

Progress on Specific Initiatives

L&T Finance Holdings – Financial Performance

Performance and Outlook – By Business

Appendix

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Progress on Specific Initiatives

L&T Finance Holdings – Financial Performance

Performance and Outlook – By Business

Appendix

Transform. Focus. Deliver.

Roadmap to continuous improvement in RoE

TRANSFORM

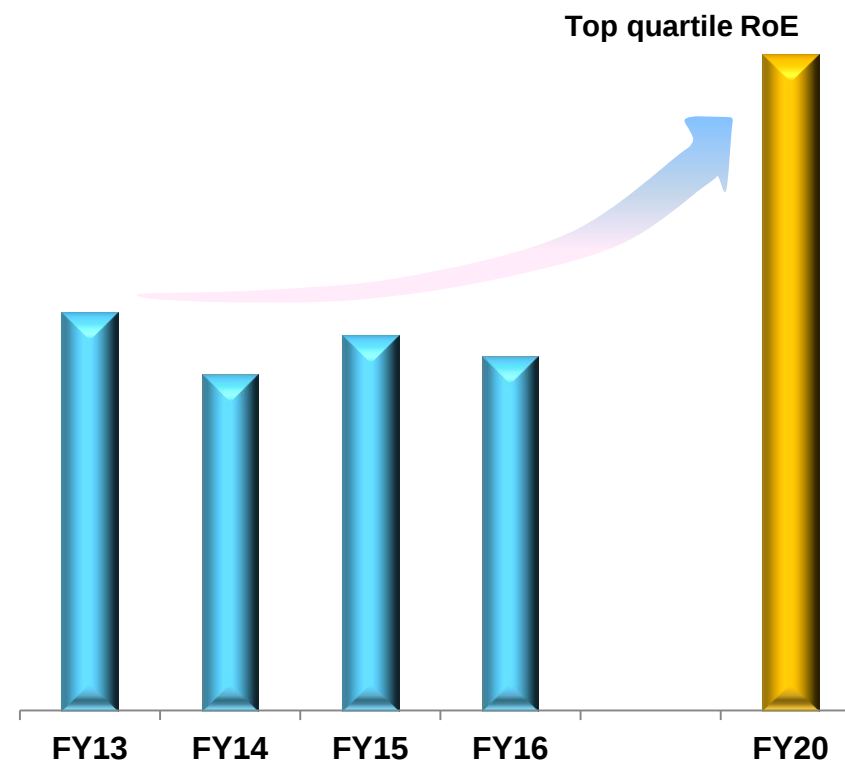
2007 - 2015

Growth Phase with focus on building a comprehensive product offering in line with **banking aspirations**

- ✓ LTFH amongst the largest NBFCs by size with a play on growth engines of India – infrastructure, housing and rural
- ✓ Widespread reach with 700+ points of presence, in 24 out of 29 states
- ✓ Total Assets in excess of Rs 50,000 Cr - portfolio of 17 lending products, complemented by AMC and Wealth Management platforms
- ✓ Distinctive market leadership position in 4 key businesses
 - ❑ Renewable Energy Project Finance (Ranked No. 2)
 - ❑ Tractor Finance (Top 3 with ~8% market share)
 - ❑ Two Wheeler Finance (Top 5 with ~10% market share)
 - ❑ Microfinance (Ranked 7 on asset size)
- ✓ Presence in many products with a few among them sub-scale and non-distinctive. This has led to RoE remaining in bottom quartile.

2016 - 2020

Re-orient strategy to focus on select products and deliver **steady improvement in RoE**



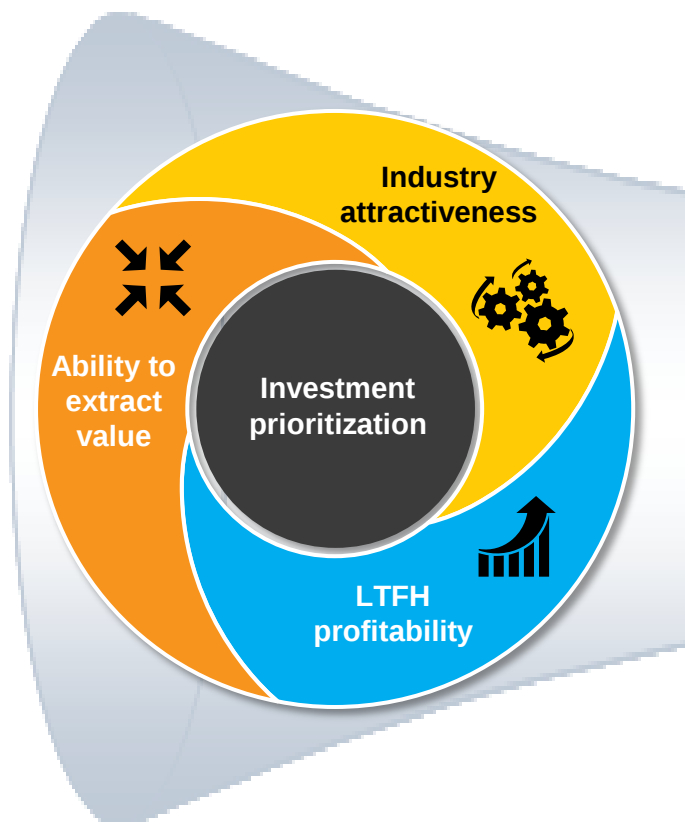
To transform RoE from ~10% to top quartile over next 4 years

Transform. Focus. Deliver.

Roadmap to continuous improvement in RoE

FOCUS

- Farm equipment
- Microfinance
- Two wheelers
- Home loans
- LAP
- Construction finance
- Infrastructure finance
- Supply Chain Finance
- Mid-Market Loans
- Loan Against Shares
- Cars
- MHCV/ LCV/ SCV
- CE
- Receivable discounting
- Leasing
- Warehouse Receipting
- Genset Finance
- 3 Wheeler
- ...



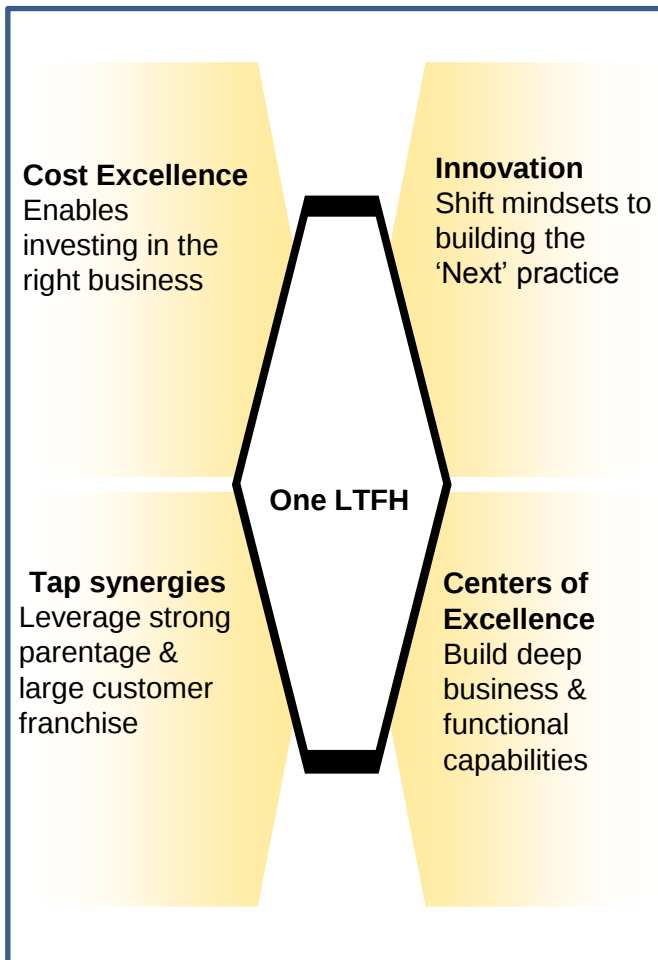
Rural	Farm Equipment
	Microfinance
	Two-wheelers
Housing	Home Loans & LAP
	Real Estate Finance
Wholesale	Infrastructure Finance
	Structured Corporate Loans

Focus on 3 key lending businesses, augmented by value creation in the AMC and fee income from Wealth Management

Transform. Focus. Deliver.

Roadmap to continuous improvement in RoE

DELIVER



Short Term

- Drive efficiency to lower Cost to Income ratio
- Sell-down CoE to increase fee and balance portfolio risks



Medium Term

- Shift majority of capital to prioritized segments
- Unlock value of investments



Long Term

- Upside from focus on prioritized businesses with value creation
- Build strong structural capabilities for sustainable profitable growth



Progress on **Specific Initiatives**



Improvement in **Cost to Income** ratio



Continuous improvement in **RoE**

Execution driven approach to deliver continuous improvement in RoE

L&T Finance Holdings – Strategy Roadmap Recap

Progress on Specific Initiatives

L&T Finance Holdings – Financial Performance

Performance and Outlook – By Business

Appendix

Progress on specific initiatives

Key initiatives

Centre of Excellence – Focused Businesses

- 7 Core themes identified in focused businesses to build our “Right To Win” proposition
- Setting up framework for opportunity scanning to cover untapped opportunities
- Engagement programmes with intermediaries to create partnership models

Centre of Excellence – Functional Capabilities

- CoE for digital & data analytics, generation of fee income and sell-down being set up
- Indicative framework for client profiling and monetization of assets completed



Divestment of non-core businesses

- Non core and non interest bearing assets identified - investment banker finalized
- Strategic options being evaluated for value maximization

Cost Optimization

- To improve cost efficiency by right sizing and optimum utilisation of all resources
- The savings would be utilized to invest in building capacity in focused products

Merger of Entities

- Entities to be merged are identified
- Benefits will include more efficient utilisation of capital and management bandwidth
- Expected completion date Q4 FY17

All specific initiatives are reviewed by a senior level executive committee and consistent progress is tracked periodically

Impact of Initiatives on RoE Tree

	Parameter	Initiatives	Expected Impact
	Loans & Advances	- COE – Focused Businesses - COE – Digital & Data Analytics - Divestment of non-core businesses	- Realignment of portfolio towards focused businesses - Profitable growth within the focused businesses
	Income	- COE – Focused Businesses - COE – Fee Income - COE – Sell-down	- Maximize top line through high yielding assets in Rural and Housing Businesses - Augment income through fee and syndication income in Wholesale Business
—	Operating Expenses	Cost Optimization	- Cost saving by cutting redundancies - Cost optimization through increased efficiency and reinvestment of cost saved
—	Credit Cost	- Divestment of non-core businesses - COE – Risk Management	- Risk framework to set guardrails within which each business would achieve profitable growth - Analytics to further enhance early warning capability
=	Return on Assets		
×	Leverage	- Divestment of non-core businesses - Merger of entities	- Reallocation of capital towards high RoE businesses - Ability to leverage further as credit cost comes down
=	Return on Equity		

L&T Finance Holdings – Strategy Roadmap Recap

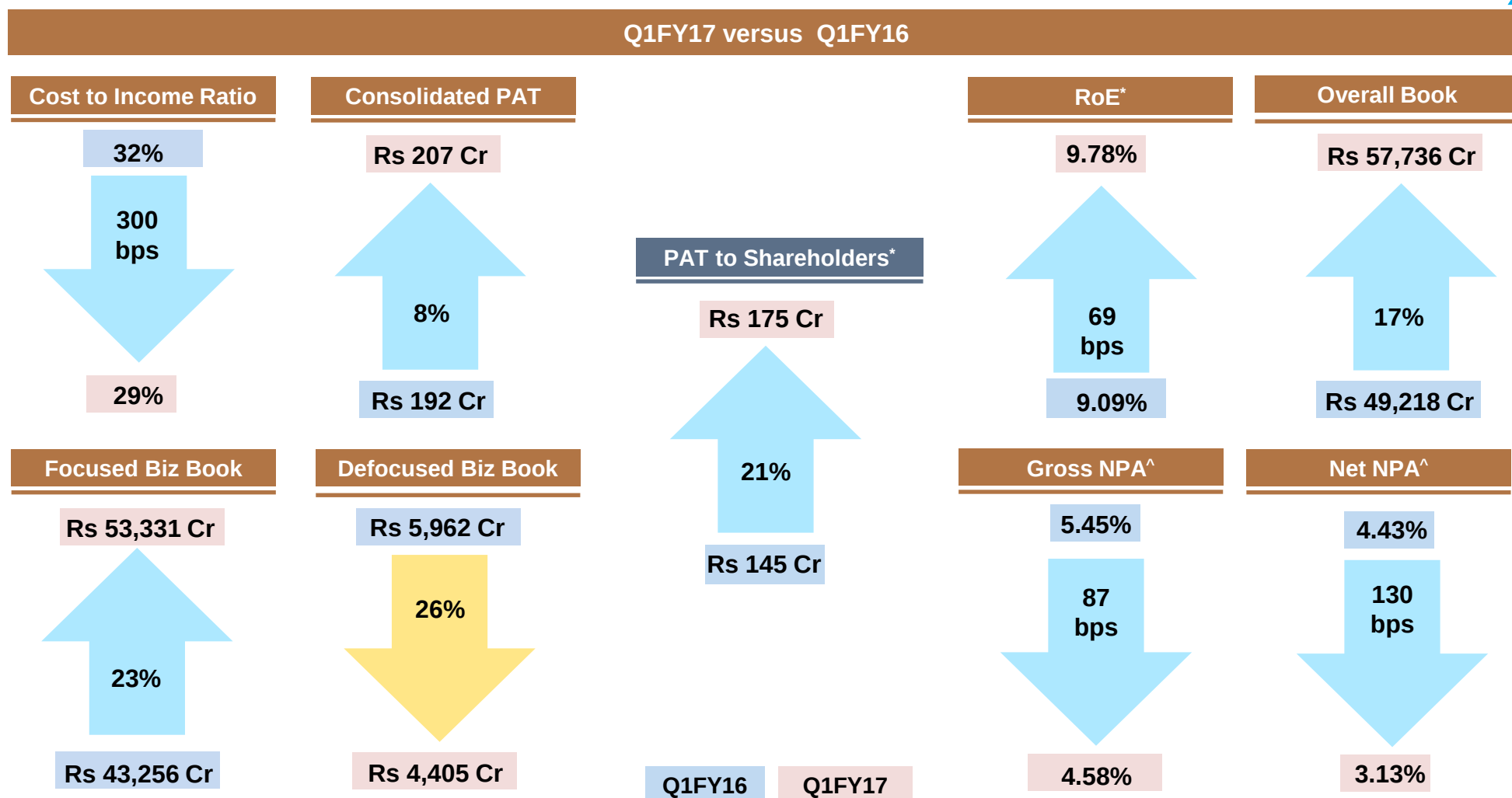
Progress on Specific Initiatives

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LTFH Consolidated – Financial Performance Highlights



LTFH Consolidated – Capital Allocation & RoE Bridge

Q1FY16			Business Segments (Rs Cr)	Q1FY17			PAT Y-o-Y (%)
PAT	Net Worth	RoE		PAT	Net Worth	RoE	
45	1,120	16.53%	Rural Business	67	1,234	21.99%	49%
16	692	9.66%**	Housing Business	39	1,058	15.04%	141%
132	4,107	13.05%	Wholesale Business	129	4,631	11.36%	(2%)
193	5,919	13.22%	Focus Business	235	6,923	13.81%	21%
(16)	891	(6.82%)	De-focussed Business	(36)	635	(21.70%)	-
178	6,810	10.57%	Lending Businesses	198	7,558	10.66%	12%
15	1,718 ¹	4.25%	Other Businesses ^{&}	9	1,059	3.47%	(43%)
192	8,528	9.48%	LTFH Consol. (Reported)	207	8,617	9.82%	8%
47	1,963	-	Less Pref. Div. / Pref. Cap	32	1,213	-	(32%)
145	6,517	9.09%	LTFH Consol. (To Shareholders) *	175	7,253	9.78%	21%

- Rural Business: Increase in proportion of Microfinance and TW leading to improved NIM; improved opex % achieved through Cost Optimization initiatives have led to improved RoE
- Housing Business: Higher yield achieved through increased LAP and Real Estate Finance leading to improved RoE
- Drag of non-core products continues; would sequentially fade away with divestment/run-down
- ¹Part repayment of Preference Capital has improved capital efficiency

* Consol. PAT to Shareholders is after considering dividend on preference shares on pro-rata basis; Net Worth excludes preference shares, pref. dividend on pro-rata basis and share warrant money

[&] Other Businesses include Mutual Fund, Wealth Management, Private Equity, L&T Vrindavan, L&T Access and LTFH Standalone

** Adjusted for one time expense RoE is 12%

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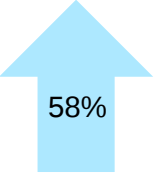
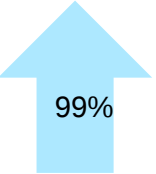
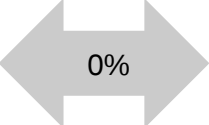
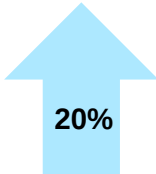
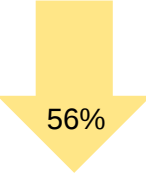
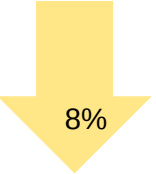
Progress on Specific Initiatives

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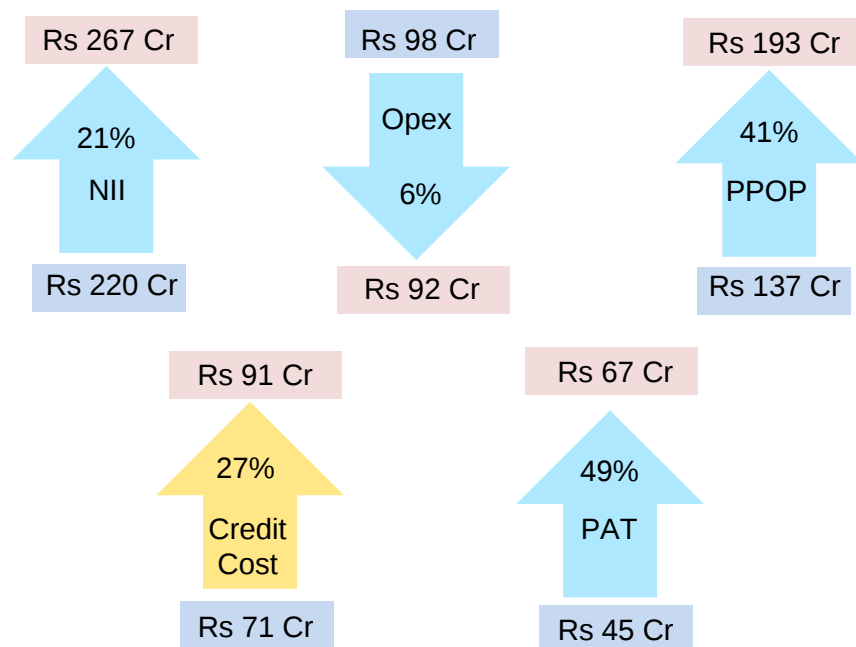
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Rural Business – Market Scenario and Outlook

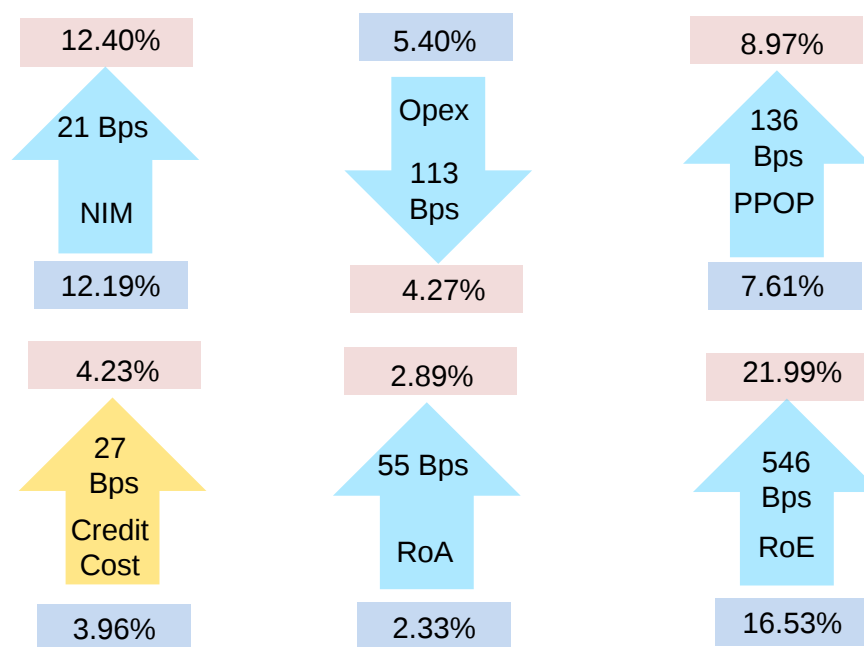
Segment	Q1FY17 v/s Q1FY16		Management Discussion
	Disbursements	Loan Book	
Micro Finance	Rs 767 Cr  58% Rs 485 Cr	Rs 2,421 Cr  99% Rs 1,213 Cr	- Market expected to grow at 30%-40% annually - Digitized customer acquisition process using mobility solutions 100% Aadhar based KYC to minimize multiple lending
2 Wheelers	Rs 349 Cr  0% Rs 348 Cr	Rs 1,770 Cr  20% Rs 1,478 Cr	- Markets expected to grow at 10%-12% - Continued focus on profitability by reducing opex and focus on early bucket collection efficiency exhibiting early results - Right growth model established in the marketplace towards combination of profitability and growth - Delivering customer proposition though improved TAT
Farm Equipment	Rs 819 Cr  56% Rs 360 Cr	Rs 4,796 Cr  8% Rs 4,394 Cr	- Ceded market share in specific high risk geographies based on analytics and risk framework - Good monsoon expected to improve sentiments - market growth by 5%-6% - As fundamentals in the sector improve we would push market share and growth in subsequent quarters
Book growth of 15% - from Rs 7,486 Cr to Rs 8,586 Cr			

Rural Business – Performance Highlights

Key Financial Metrics (Q1FY17 v/s Q1FY16)



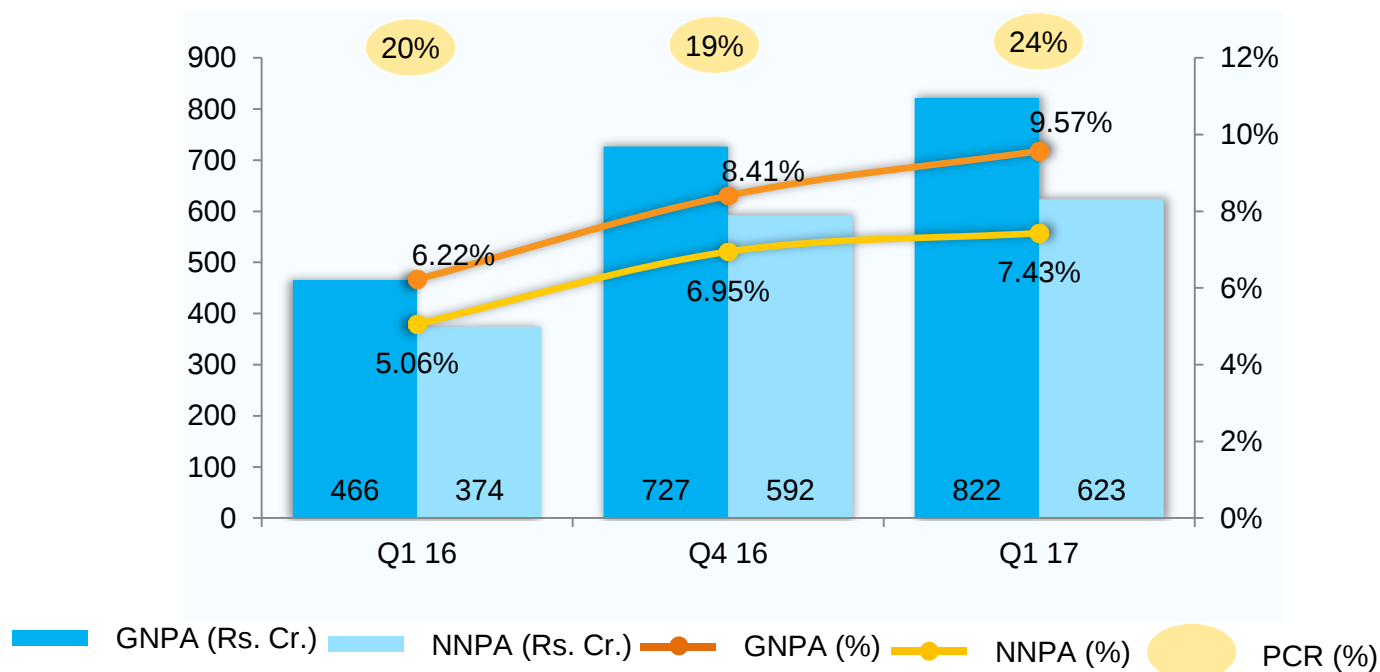
Key Ratios (Q1FY17 v/s Q1FY16)



- Increase in NII resulting from higher proportion of Micro finance and 2W finance
- Despite this, Opex has reduced by 113 Bps as initiatives on improving productivity have already started yielding results. Gives us the ability to invest in core growth businesses
- Gradual reduction in Farm credit losses as we experience couple of good crop cycles

Rural Business – Asset Quality

Asset Quality Indicators – 120 DPD



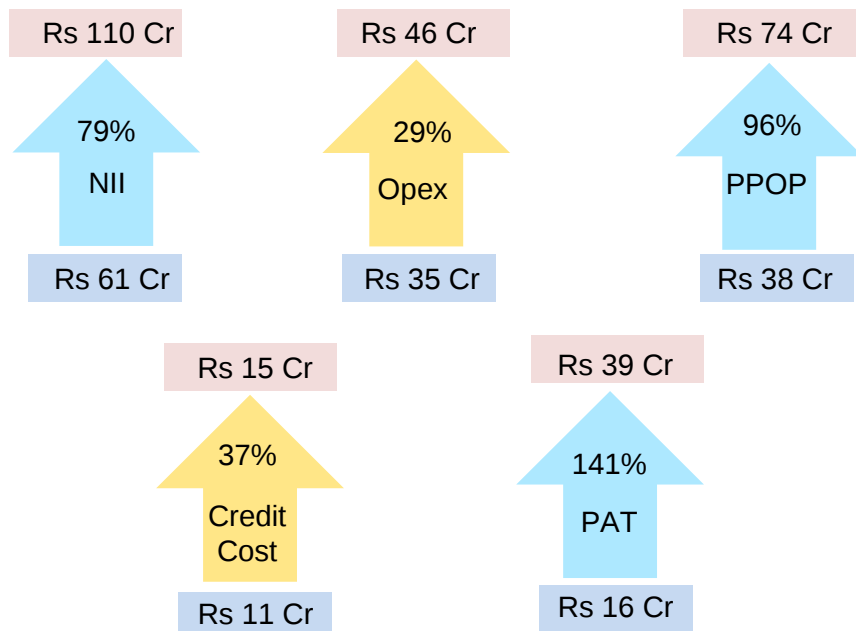
- Increase in the GNPA levels is primarily due to the cyclical nature of farm sector in Q1
- With three continuous bad crop cycles, the farmers' input costs have increased more rapidly than his income
- Although, the current monsoon season seems to be progressing well, gradual reduction in the farm credit losses can be expected as we experience couple of good crop cycles

Housing Business – Market Scenario and Outlook

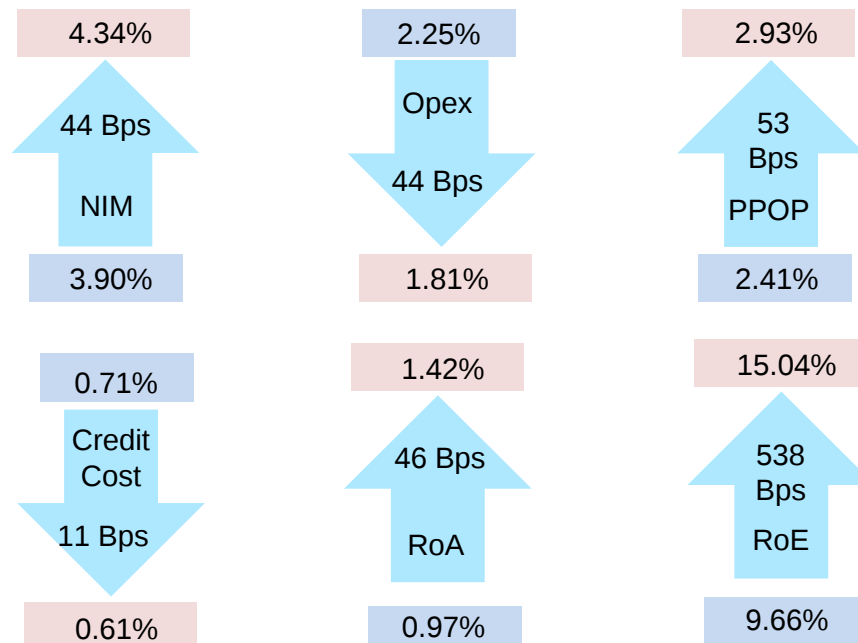
Segment	Q1FY17 v/s Q1FY16		Management Discussion
	Disbursements	Loan Book	
Home Loans & LAP	Rs 681 Cr	Rs 6624 Cr	- Strategic shift from a much broader segment of customers to primarily self employed segment - Redesigned process has improved TAT - Risk framework strengthened to support this strategy - Disbursement run-rate remains steady despite major change in target segment
	↓ 4%	↑ 60%	
	Rs 652 Cr	Rs 4,146 Cr	
Real Estate Finance	Rs 955 Cr	Rs 3,784 Cr	Pipeline for disbursements remains strong with substantial sanctions happening in the last fortnight of the quarter; conversion into disbursal expected in Q2
	↓ 59%	↑ 44%	
	Rs 393 Cr	Rs 2,635Cr	
Book growth of 53% - from Rs 6,781 Cr to Rs 10,408 Cr			
	Q1FY16	Q1FY17	

Housing Business – Performance Highlights

Key Financial Metrics (Q1FY17 v/s Q1FY16)



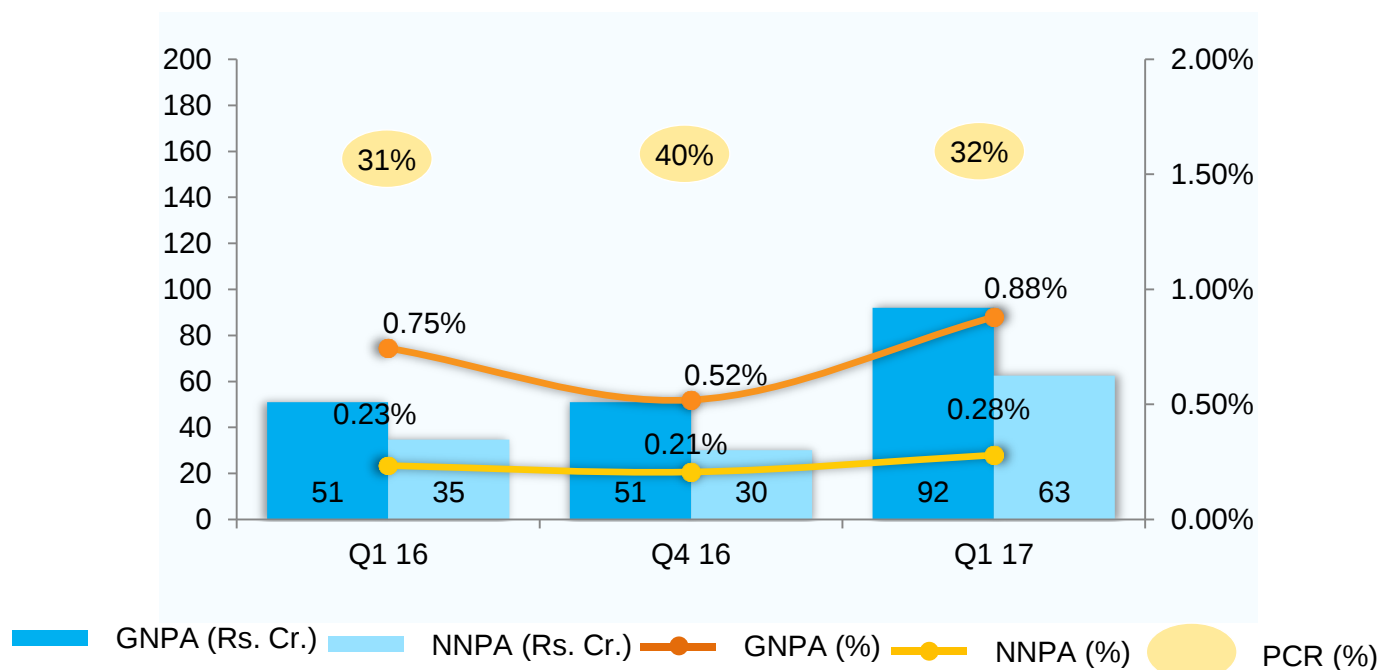
Key Ratios (Q1FY17 v/s Q1FY16)



- Healthy improvement in NIM due to shift towards Self-Employed Non professional (SENP) segment and LAP products
- Improvement in Opex due to organizational focus on cost efficiency
- Credit cost continues to be stable

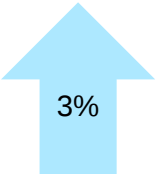
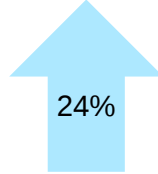
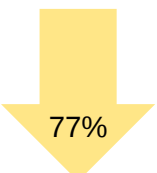
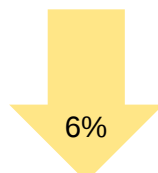
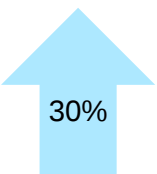
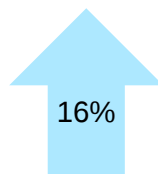
Housing Business – Asset Quality

Asset Quality *



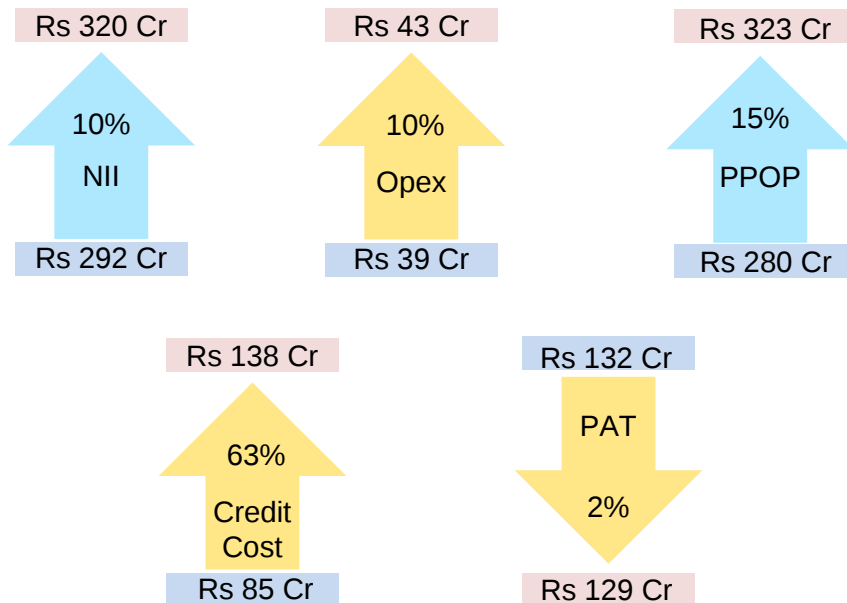
- While there is increase over March levels, the overall GNPA levels continue to be in line with the SENP led strategy
- The GNPA% in our organic portfolio is at 0.64% in Q1FY17
- Overall, book quality would continue to remain robust

Wholesale Business – Market Scenario and Outlook

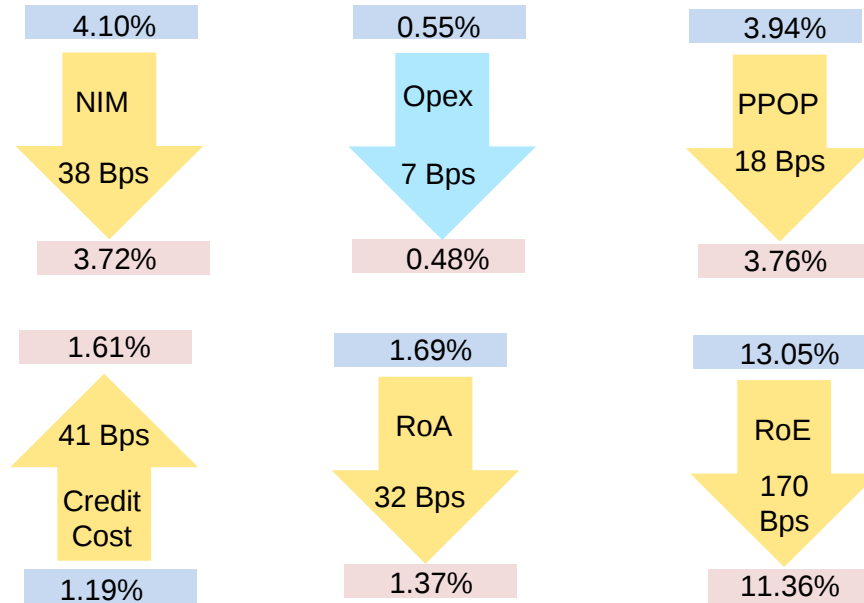
Segment	Q1FY17 v/s Q1FY16		Management Discussion
	Disbursements	Loan Book	
Infra Finance	Rs 2,112 Cr	Rs 27,557 Cr	Roads: HAM road projects attractive from a risk – return perspective : 17 HAM projects worth ~Rs 12,300 Cr awarded during Dec'15 – Jun'16 Renewables: Increased receivable cycles in certain states – opportunities in greenfield solar and refinancing of renewable power projects - Focus on large underwriting deals and refinancing of operational projects using the IDF platform
	 3%	 24%	
	Rs 2,060 Cr	Rs 22,215 Cr	
Structured Corporate Finance	Rs 1,029 Cr	Rs 4,951 Cr	- Given our selective approach in this product, it tends to be lumpy in nature –comparatively, Q1 FY'16 had some large disbursements - Growth in corporate bond market creating opportunities for origination and down selling of bonds - Exploring opportunities for high yield mezzanine financing to bridge equity requirements
	 77%	 6%	
	Rs 233 Cr	Rs 4,669 Cr	
Supply Chain Finance	Rs 2,812 Cr	Rs 2,110 Cr	- Increased consumption demand and government capital spending will be prime growth drivers - Stress on yields as banks see this as a relatively scalable area and are extremely aggressive - This product is expected to yield steady volumes and profitability
	 30%	 16%	
	Rs 2,164 Cr	Rs 1,823 Cr	
Book growth of 18% - from Rs 28,989 Cr to Rs 34,336 Cr			

Wholesale Business – Performance Highlights

Key Financial Metrics (Q1FY17 v/s Q1FY16)



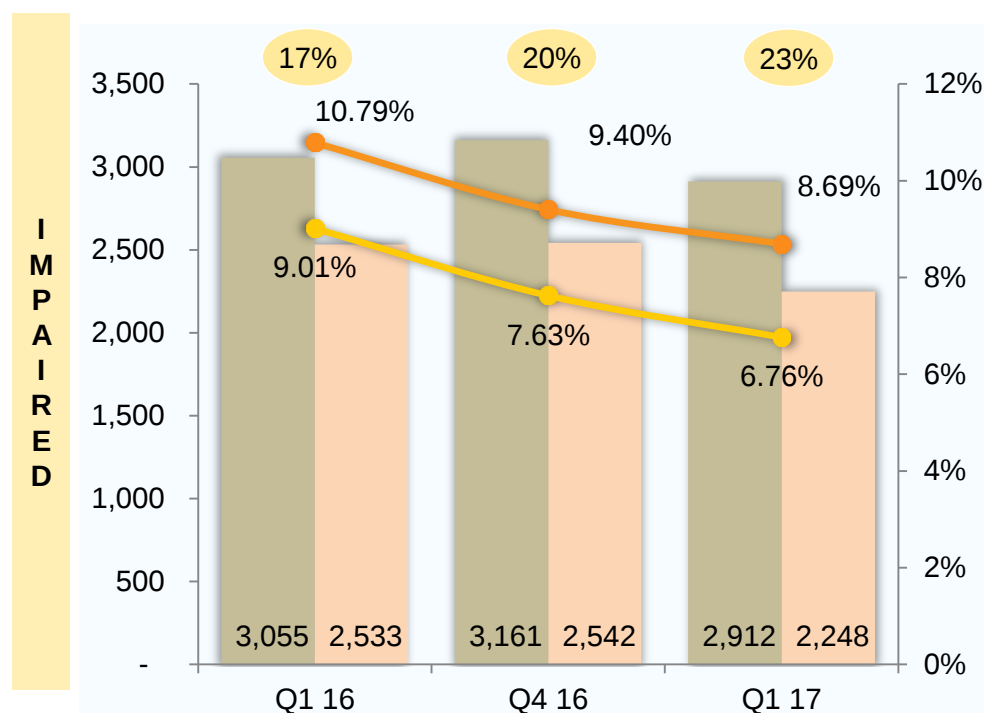
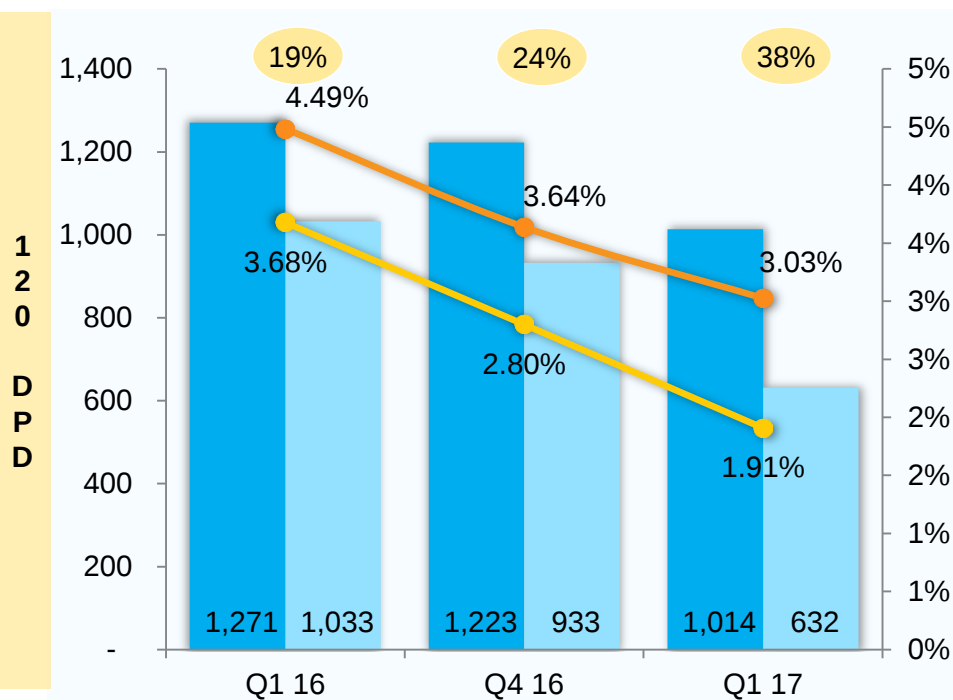
Key Ratios (Q1FY17 v/s Q1FY16)



- Reduction in NIMs is reflective of our growth in IDF portfolio and increasing proportion of operational assets
- Fee Income continues to be healthy contributing to improved PPOP
- Of the 41 Bps increase (increase of Rs 53 Cr) in credit cost, Rs.40Cr is voluntary

Wholesale Business – Asset Quality

Asset Quality Indicators

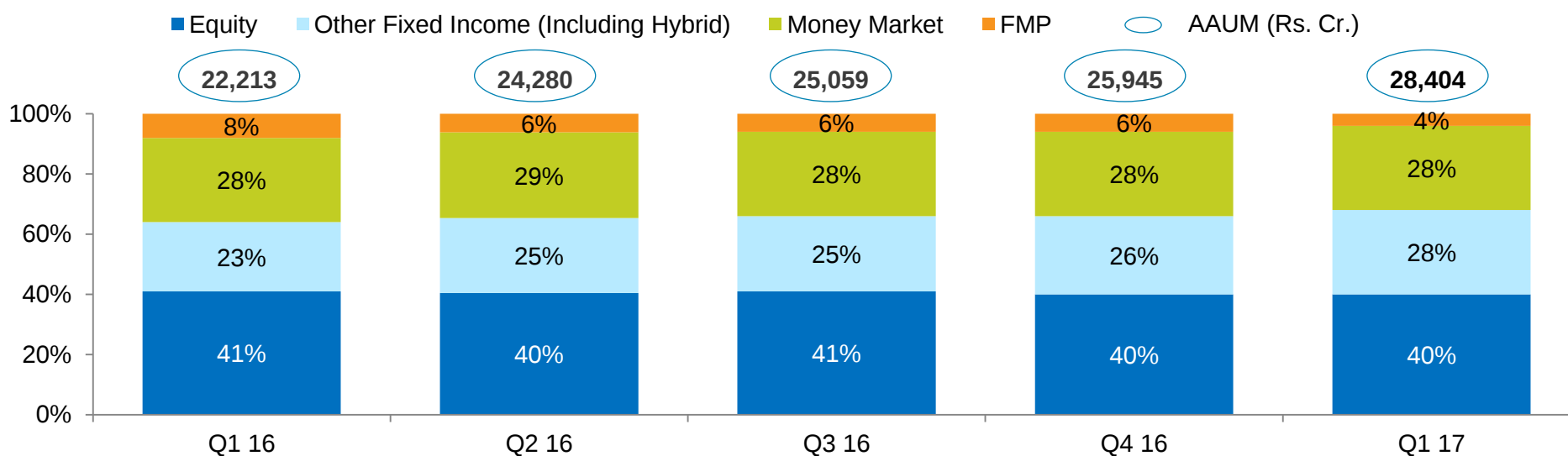


- Provision Coverage Ratio on total impaired assets has improved from 17% in Q1 FY16 to 23% in Q1 FY17

Investment Management

L&T Mutual Fund

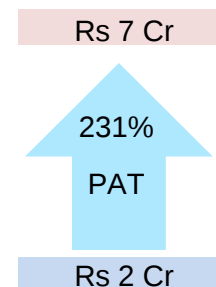
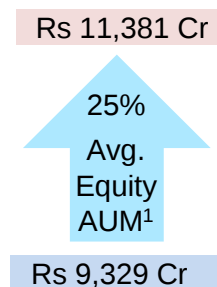
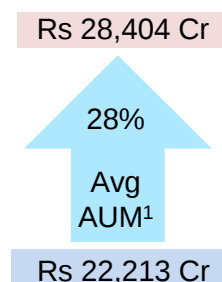
- Diversified investor base of ~9 lakh accounts based out of 500+ districts with a branch network spanning 60 cities
- Comprehensive portfolio, with 29+ funds across asset classes, risk profiles and time horizons



- Average AUM at Rs. 28,404 Cr represents a 28% increase on a Y-o-Y basis
 - Equity AAUM grows by 25% on a Y-o-Y basis to reach Rs 11,381 Cr led by strong net inflows
 - Ranked 11th amongst Equity Funds
 - Core assets (Equity & Other Fixed Income) increase to 68% of AAUM from 64% in Q1FY16

Investment Management – Performance Overview

Key Financial Metrics (Q1FY17 v/s Q1FY16)



- AAUM growth of 9% on a sequential quarter basis compared to industry growth rate of 6%
 - Growth led by net inflows across all product categories; aided by good and consistent fund performance
- Focus to remain on growing core assets and the SIP book
- Opex control through efficient spends and optimal cost structures to continue

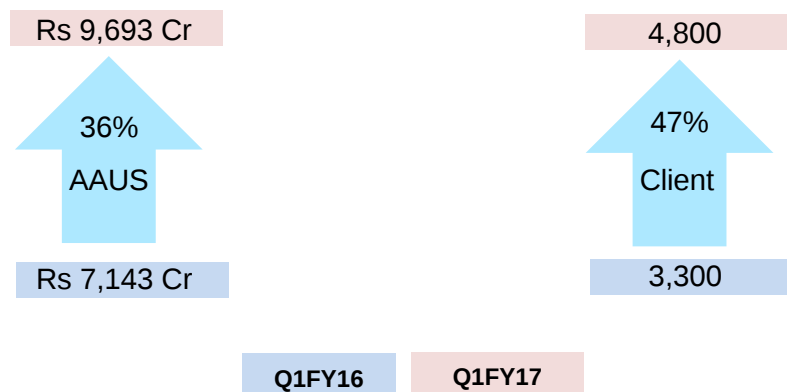
AMC business contributes positively to the bottom line - strong growth in revenues and optimal cost structures

Wealth Management – On the Path of Steady Growth

Profile

- L&T Capital Markets Ltd (LTCM) is one of the fastest growing Wealth Management companies in India with presence across 9 major locations in India
- **Ranked 6th** Best Private Bank (Overall) and **Ranked 1st** in Client Confidentiality & Security (US\$ 1M-5M category) in the ASIAMONEY Polls - Jun 15
- Offers a portfolio of comprehensive products and services (Equity, Mutual Funds, Real Estate and Fixed Income) through a dedicated set of research professionals along with Senior Private Bankers
- With product offerings and operations platform reaching a matured stage, thrust is on gaining a larger share of the client's allocations and increasing profitability

Key Metrics (Q1FY17 v/s Q1FY16)



Conclusion & outlook

- ❖ The strategy to do the right businesses using the right structures and through the right people is under active implementation – consistent progress seen on the specific initiatives
- ❖ PAT to Shareholders improved by 21% in Q1FY17 as against Q1FY16
- ❖ Loans and advances in focused business grew by 23% vs. 26% decline in the de-focused business; overall growth in loans & advances is 17%
- ❖ The drag on RoE from the de-emphasized products would pare off over the subsequent quarters as we divest/run-down
- ❖ Divestment of de-emphasized portfolio and merger of entities would lead to optimal utilization of capital – expected to be completed by end of this financial year

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Lending Business – Segment Wise Disbursement Split

Disbursements				
Q1FY16	Q4FY16	Segments (Rs. Cr.)	Q1FY17	Y-o-Y (%)
485	954	Microfinance	767	58%
819	417	Farm Equipment	360	(56%)
349	381	2W Finance	348	(0%)
1,653	1,753	Rural Finance	1,475	(11%)
681	1,138	Home Loans / LAP	652	(4%)
955	460	Real Estate Finance	393	(59%)
1,636	1,598	Housing Finance	1,045	(36%)
2,060	3,189	Infrastructure Finance	2,112	3%
1,029	570	Structured Corp Finance	233	(77%)
2,164	3,079	Supply Chain Finance	2,812	30%
5,253	6,838	Wholesale Finance	5,156	(2%)
8,542	10,189	Focused Business	7,677	(10%)
302	499	De-focused Products	35	(89%)
8,845	10,688	Total	7,711	(13%)

- Disbursement reduced by 13% due to:
 - Negligible disbursement in non core products (3% impact)
 - Farm sector continues to be muted (5% impact)
 - Large ticket transactions have moved forward resulting into healthy pipeline for Q2 and Q3

Lending Business – Segment Wise Book Split

Loans & Advances						
Q1FY16	Q1FY16(%)	Q4FY16	Segments (Rs. Cr.)	Q1FY17	Q1FY17(%)	Y-o-Y (%)
1,213	2%	2,234	Microfinance	2,421	4%	99%
1,478	3%	1,761	2W Finance	1,770	3%	19%
4,796	10%	4,649	Farm Equipment	4,394	8%	-8%
7,486	15%	8,644	Rural Finance	8,586	15%	15%
4,146	8%	6,313	Home Loans / LAP	6,624	11%	60%
2,635	5%	3,498	Real Estate Finance	3,784	7%	44%
6,781	14%	9,811	Housing Finance	10,408	18%	53%
22,215	45%	27,179	Infrastructure Finance	27,557	48%	24%
4,951	10%	4,979	Structured Corp Finance	4,669	8%	-6%
1,823	4%	2,287	Supply Chain Finance	2,110	4%	16%
28,989	59%	34,445	Wholesale Finance	34,336	59%	18%
43,256	88%	52,900	Focused Products	53,331	92%	23%
5,962	12%	4,931	De-focused Products	4,405	8%	-26%
49,218	100%	57,831	Total	57,736	100%	17%

- Non Core products book size share down from 12% to 8%
- Strong growth continues in Microfinance and expected to maintain growth for rest of the year
- Contribution from housing finance business expected to increase

Lending Business – Summary Financials

P&L Summary				
Q1FY16	Q4FY16	Summary P&L (Rs. Cr.)	Q1FY17	Y-o-Y
1,656	1,896	Interest Income	1,907	15%
976	1,112	Interest Expense	1,140	17%
680	784	NIM	768	13%
37	74	Fee Income	50	34%
15	24	Other Income	25	67%
220	236	Operating Expense	223	1%
512	646	Earnings before credit cost	620	21%
249	326	Credit Cost	329	32%
178	227	PAT	198	12%

Balance Sheet Summary				
Q1FY16	Q4FY16	Balance Sheet (Rs. Cr.)	Q1FY17	Y-o-Y
53,362	62,014	Total Assets	63,577	19%
49,218	57,831	Gross Loans & Advances	57,736	17%
43,818	50,914	Borrowings	52,783	20%
6,810	7,362	Networth	7,558	11%

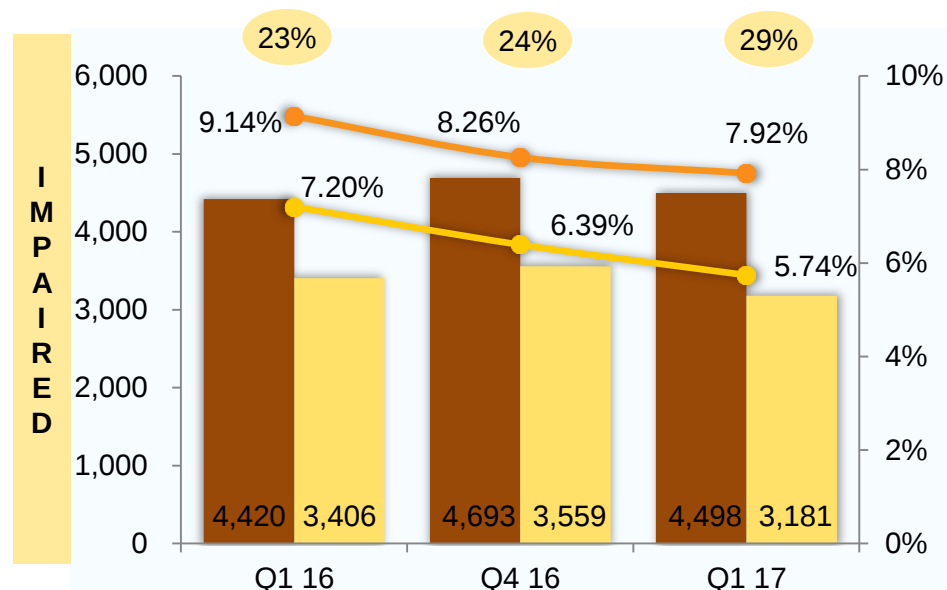
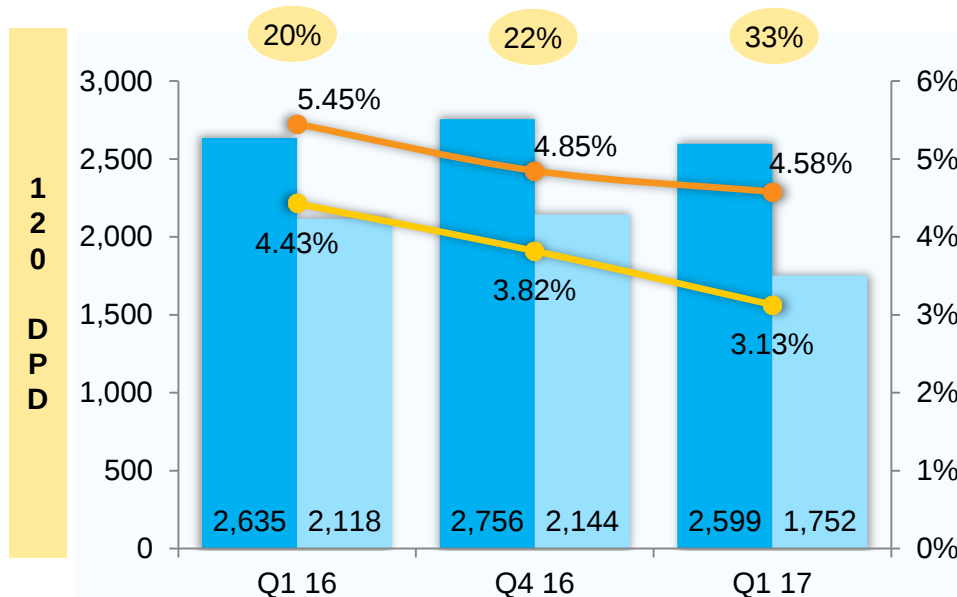
Comments

○ All parameters are in line with asset growth

○ Opex initiatives have started showing results

Lending Business – Asset Quality

Asset Quality Indicators



- Sequential as well as Y-o-Y improvement in book quality

GNPA (Rs. Cr.) NNPA (Rs. Cr.) GIA (Rs. Cr.) NIA (Rs. Cr.) PCR (%)

Lending Business – Key Ratios

Key Ratios				Comments		
Q1FY16		Q4FY16	Key Ratios	Q1FY17		
13.74%	13.36%	Yield	13.20%	○ Reduction in Opex due to better cost efficiency		
9.14%	8.91%	Cost of Funds	8.79%			
5.64%	5.58%	Net Interest Margin	5.31%			
0.31%	0.52%	Fee Income	0.35%			
0.13%	0.17%	Other Income	0.17%			
1.82%	1.66%	Operating Expenses	1.54%			
4.25%	4.55%	Earnings before credit cost	4.29%			
2.07%	2.30%	Credit Cost	2.28%			
1.36%	1.49%	Return on Assets	1.27%			
6.43	6.92	Debt / Equity	6.98		○ Drag from rundown portfolio has dampened RoE uptick of focus businesses	
10.57%	12.52%	Return on Equity	10.66%			
As of March 2016			CRAR Ratios	As of June 2016		
Tier I	Tier II	CRAR	Entity	Tier I	Tier II	CRAR
13.38%	5.89%	19.28%	L&T Finance Ltd.	14.74%	2.58%	17.33%
13.38%	5.89%	19.28%	L&T Infra. Finance Ltd.	13.68%	5.64%	19.32%
13.72%	3.44%	17.17%	L&T FinCorp Ltd.	14.36%	4.87%	19.23%
90.63%	18.42%	109.05%	L&T IDF Ltd.	36.99%	6.41%	43.40%
13.38%	5.89%	19.28%	Family Credit Ltd.	11.87%	4.46%	16.33%
13.38%	5.89%	19.28%	L&T Housing Finance Ltd.	10.07%	4.36%	14.43%

Rural Business – Summary Financials

P&L Summary				
Q1FY16	Q4FY16	Summary P&L (Rs. Cr.)	Q1FY17	Y-o-Y
364	434	Interest Income	433	19%
143	162	Interest Expense	166	16%
220	272	NIM	267	21%
15	22	Fee Income	13	(9%)
-	-	Other Income	5	-
98	95	Operating Expense	92	(6%)
137	199	Earnings before credit cost	193	41%
71	104	Credit Cost	91	27%
45	63	PAT	67	49%

Comments
- Operating expense down on absolute basis due to organization focus on opex optimization - Credit cost in farm sector may continue to be elevated for a couple of quarters till kharif crop money comes in the hands of the farmers - Will take at least 2 good monsoons for situation to get back to steady state level

Balance Sheet Summary				
Q1FY16	Q4FY16	Balance Sheet (Rs. Cr.)	Q1FY17	Y-o-Y
8,003	9,152	Total Assets	9,327	17%
7,486	8,644	Gross Loans & Advances	8,586	15%
6,469	7,329	Borrowings	7,574	17%
1,120	1,192	Networth	1,234	10%

Rural Business – Key Ratios

Key Ratios				Comments
Q1FY16	Q4FY16	Key Ratios	Q1FY17	
20.14%	20.64%	Yield	20.11%	
9.25%	9.05%	Cost of Funds	8.91%	
12.19%	12.94%	Net Interest Margin	12.40%	○ Healthy NIM due to intrinsic strength in core products
0.82%	1.04%	Fee Income	0.62%	
0.00%	0.00%	Other Income	0.21%	
5.40%	4.53%	Operating Expenses	4.27%	
7.61%	9.46%	Earnings before credit cost	8.97%	
3.96%	4.93%	Credit Cost	4.23%	
2.33%	2.81%	Return on Assets	2.89%	○ Improvement in ROE due to healthy NIMs and better cost efficiency. Earnings before credit cost reflects a smart uptick
5.78	6.15	Debt / Equity	6.15	
16.53%	21.68%	Return on Equity	21.99%	

Housing Business – Summary Financials

P&L Summary				
Q1FY16	Q4FY16	Summary P&L (Rs. Cr.)	Q1FY17	Y-o-Y
185	288	Interest Income	307	66%
124	178	Interest Expense	197	59%
61	109	NIM	110	79%
12	15	Fee Income	10	(15%)
35	47	Operating Expense	46	29%
38	77	Earnings before credit cost	74	96%
11	(4)	Credit Cost	15	37%
16	51	PAT	39	141%

Comments

- Strategy of focus on SENP segment leading to improvement in NIMs despite higher leverage

Balance Sheet Summary				
Q1FY16	Q4FY16	Balance Sheet (Rs. Cr.)	Q1FY17	Y-o-Y
7,030	10,615	Total Assets	11,013	57%
6,781	9,811	Gross Loans & Advances	10,408	53%
5,879	8,829	Borrowings	9,375	59%
692	991	Networth	1,058	53%

Housing Business – Key Ratios

Key Ratios				Comments
Q1FY16	Q4FY16	Key Ratios	Q1FY17	
11.77%	12.46%	Yield	12.14%	○ NIMs reflective of higher share of construction finance and SENP business
9.08%	8.67%	Cost of Funds	8.66%	
3.90%	4.74%	Net Interest Margin	4.34%	
0.76%	0.63%	Fee Income	0.40%	
2.25%	2.06%	Operating Expenses	1.81%	
2.41%	3.32%	Earnings before credit cost	2.93%	○ Absolute opex down smartly due to push for cost efficiency and greater use of group synergy
0.71%	-0.16%	Credit Cost	0.61%	
0.97%	2.05%	Return on Assets	1.42%	
8.50	8.91	Debt / Equity	8.86	
9.66%	21.16%	Return on Equity	15.04%	

Wholesale Business – Segment Wise Split

DISBURSEMENT

Sectors (Rs. Cr.)	Q1FY16	Q4FY16	Q1FY17	Y-o-Y	Comments
Renewable Power	1,112	1,683	1,188	7%	○ 84% of Infra finance disbursements are in renewables, roads in Q1 FY'17
Transport	335	395	596	78%	
Power – Thermal	189	429	93	-51%	
Power – Corp ² + T&D	334	173	136	-59%	
Others ¹	89	510	100	13%	○ 48% of Q1FY17 Infra finance disbursements are in operating projects
Structured Corp. Fin.	1,029	570	233	-77%	
Supply Chain Finance	2,164	3,079	2,812	30%	
Total	5,253	6,839	5,156	-2%	
Net Disbursement	4,710	5,974	4,561	-3%	

LOAN BOOK

Sectors (Rs. Cr.)	Q1FY16	Q1FY16(%)	Q4FY16	Q1FY17	Q1FY17 (%)	Y-o-Y (%)
Renewable Power	6,387	22%	9,387	9,974	29%	56%
Transport	4,695	16%	6,178	6,385	19%	36%
Power – Thermal	3,138	11%	3,652	3,936	11%	25%
Power – Corp ² + T&D	2,438	8%	2,404	2,423	7%	-1%
Others ¹	5,558	19%	5,559	4,839	14%	-13%
Structured Corp. Fin.	4,951	17%	4,977	4,669	14%	-6%
Supply Chain Fin	1,823	6%	2,287	2,110	6%	16%
Total	28,988	100%	34,444	34,336	100%	18%

³⁸ Others includes IT parks, infra project implementers, telecom, captive mining for power projects, healthcare, solid waste management, water treatment, select hotels, real estate, bonds etc.

² Corporate loans to Power companies

Wholesale Business – Summary Financials

P&L Summary

Q1FY16	Q4FY16	Summary P&L (Rs. Cr.)	Q1FY17	Y-o-Y
878	989	Interest Income	1,006	15%
586	675	Interest Expense	686	17%
292	314	NIM	320	10%
13	36	Fee Income	26	105%
15	24	Other Income	21	37%
39	47	Operating Expense	43	10%
280	327	Earnings before credit cost	323	15%
85	151	Credit Cost	138	63%
132	134	PAT	129	(2%)

Comments

- Fee income from underwriting DCM continue to see traction

Balance Sheet Summary

Q1FY16	Q4FY16	Balance Sheet (Rs. Cr.)	Q1FY17	Y-o-Y
31,955	37,026	Total Assets	38,451	20%
28,989	34,445	Gross Loans & Advances	34,336	18%
26,315	30,593	Borrowings	31,955	21%
4,107	4,491	Networth	4,631	13%

Wholesale Business – Key Ratios

Key Ratios				Comments
Q1FY16	Q4FY16	Key Ratios	Q1FY17	
12.34%	11.62%	Yield	11.70%	○ Decline in NIM due to better leverage and rate cut transmission
9.12%	8.92%	Cost of Funds	8.77%	
4.10%	3.69%	Net Interest Margin	3.72%	
0.18%	0.43%	Fee Income	0.30%	○ No uptick in Opex expected
0.21%	0.29%	Other Income	0.24%	
0.55%	0.56%	Operating Expenses	0.50%	
3.94%	3.84%	Earnings before credit cost	3.76%	○ Credit cost to remain at elevated levels in current year
1.19%	1.78%	Credit Cost	1.61%	
1.69%	1.46%	Return on Assets	1.37%	
6.41	6.81	Debt / Equity	6.90	○ Marginal decline in RoE due to higher credit cost.
13.05%	12.05%	Return on Equity	11.36%	

Leadership comprises a seasoned board of directors

Board Of Directors



Y.M. Deosthalee, *Chairman*

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



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



Dinanath Dubhashi, *Managing Director*

- B.E.(Mechanical), PGDM – IIM (Bangalore)
- 25+ years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing



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



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



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



Amit Chandra, *Non-Executive Director*

- MBA from Boston College and Electrical Engineering from VJTI
- Managing Director at Bain Capital since early 2008
- Retired from DSP Merrill Lynch as Board Member & MD and had direct oversight of its Global Markets & IB business



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

- CA, Cost Accountant, and a Certified Internal Auditor
- Masters in Management Studies from Uni. of Mumbai
- Managing Partner, Haribhakti & Co



Thomas Mathew, *Independent Director*

- Post graduate in Economics and Law graduate
- MD & CEO of Reinsurance Group of America for India, Sri Lanka and Bangladesh
- ~Four decades experience in Life Insurance, Retd. Current-in-Charge Chairman of LIC of India



K. Rao, *Independent Director*

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

Management Team



Y M Deosthalee
Chairman
43 yrs exp, L&T



Dinanath Dubhashi
Managing Director
26 yrs exp, BNP Paribas, SBI Cap,
CARE



Kailash Kulkarni
CE - Investment Management
Business
26 yrs exp, Kotak Mahindra
AMC, Met Life, ICICI



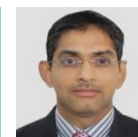
Parvez Mulla
CE - Retail Business
22 yrs exp, ICICI Bank, ANZ
Grindlays Bank, Bajaj Auto



Manoj Shenoy
CE - Wealth Management
Business
26 yrs exp, EFG Wealth Mgmt,
Anand Rathii



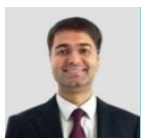
Virender Pankaj
CE - Wholesale Business
25 yrs exp, SBI



Srikanth J
CE - Real Estate
and Supply Chain Business
20 yrs exp, BNP Paribas,
Commerz Bank AG



Sachinn Joshi
Group CFO
24 yrs exp, Aditya Birla
Financial Services, Angel
Group, IL&FS



Sunil Prabhune
Group Head - HR, Corporate
Communication,
Facilities and CSR
18 yrs exp, ICICI Bank, GE, ICI



N Suryanarayanan
Group Head - Secretarial
and Compliance
33 yrs exp, ACC, L&T



Muralidharan Rajamani
Group Head - Operations
and IT
31 yrs exp, Edelweiss Tokyo
Life, Dhanalaxmi Bank



Ramya Rajagopalan
Group Head - M&A
and Special Projects
29 yrs exp, NSE, J P Morgan
Chase, ICICI Securities



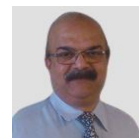
Deepak Punjabi
Chief Risk Officer
31 yrs exp, Burgan Bank, BNP
Paribas



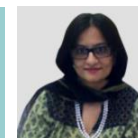
Soumendra Nath Lahiri
CIO - Investment Management
Business
26 yrs exp, Canara Robecco
AMC, Emkay Global



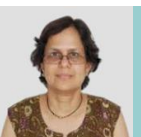
Raju Dodti
Group General Counsel
18 yrs exp, IDFC Ltd, ABN
Amro, Soc Gen



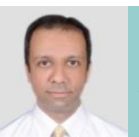
G K Shettigar
Group Head - Treasury
37 yrs exp, Fujitsu ICM, K J
Indenting



Dipti Advani
Head - Risk,
Retail and Supply Chain
27 yrs exp, IL&FS, Sterilite



Rupa Nitsure
Group Chief Economist
28 yrs exp, Bank of Baroda,
ICICI Bank

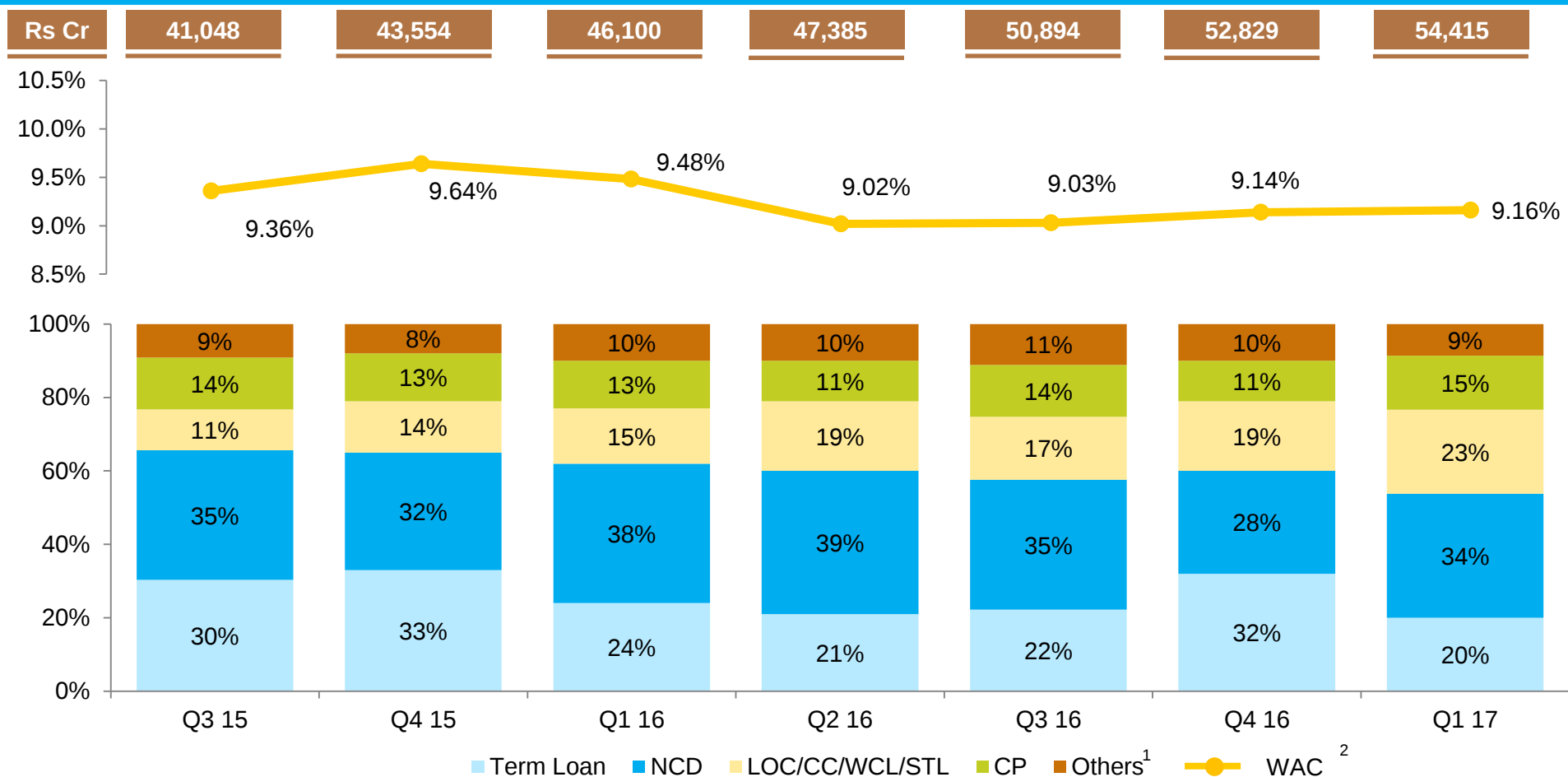


Shiva Rajaraman
BH - IDF and SI
20 yrs exp, IDFC Ltd, Sanmar
Group



Akshayaa Singh
BH - Private Equity
24 yrs exp, Q India Investment
Advisors, Tishman Speyer,
L&T

Consolidated Debt Profile - Effective Liability Management



Focus on diversifying sources of funds

¹ Others includes Tier II bonds, Public Debenture, Preference Shares , FCNR/ ECB

² WAC is excluding Preference Capital

AUM Disclosure

Assets Under Management (Rs. Cr.)

	Quarter ended Jun, 2015		Quarter ended Mar, 2016		Quarter ended Jun, 2016	
Fund Type	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²
Income	6,819	6,697	7,970	8,059	9,053	8,892
Equity (Other than ELSS)	7,881	7,539	9,370	8,884	10,498	9,872
Balanced	0	0	0	0	0	0
Liquid	4,204	6,246	5,804	7,410	6,324	7,966
Gilt	69	65	97	98	111	104
Equity – ELSS	1,627	1,619	1,500	1,463	1,667	1,556
Gold ETF	0	0	0	0	0	0
Other ETF	0	0	0	0	0	0
Fund of Fund Overseas	42	47	31	31	0	13
TOTAL	20,641	22,213	24,772	25,945	27,652	28,404

¹ As on the last day of the Quarter

² Average AUM for the Quarter

Product Reclassification

Product Classification	Business Platform	Business Segment	Key Sub Products
Previous Representation	Retail	Rural Product Finance	Farm Equipment, Trade Advance, LCV, SCV,
		Personal Vehicle Finance	Cars , 2 Wheelers
		Microfinance	JLG Loans
		Housing Finance	Home Loan, LAP, Construction Finance
		Supply Chain Finance	Short Term Loans, SME Term Loans
		Mid-Market Finance	Term Loans, Leases , LAS, RD , Last Mile RE Finance
		CE / CV Finance	MHCV, CE
	Wholesale Finance	Infrastructure Finance	Renewable, Road, Thermal, Power Corp, Telecom
		Real Estate & SEZ	LRDs, Other RE Finance
		Wholesale - Others	IT Parks, Captive Mines, Healthcare, Hotels, Bonds, Urban Infra, etc.
Current Representation	Rural	Farm Equipment	Farm Equipment, Trade Advance
		2 Wheelers	2 Wheelers
		Microfinance	JLG Loans
	Housing	Home Loans	Self Employed Home loans
		LAP	
		Real Estate Finance	Construction Finance, Last Mile RE Finance, LRDs, Other RE Finance
	Wholesale Finance	Infrastructure Finance	Renewable, Road, Thermal, Power Corp, Telecom
		Structured Corp. Fin.	Term Loans, LAS, Wholesale - Others
		Supply Chain Finance	Short Term Loans
	Defocused Product		Cars, Leases, RD, MHCV, SCV, LCV, CE, SME Term Loans

Our Parent Company, L&T , is India's Largest Engineering and Construction Company in the Private Sector

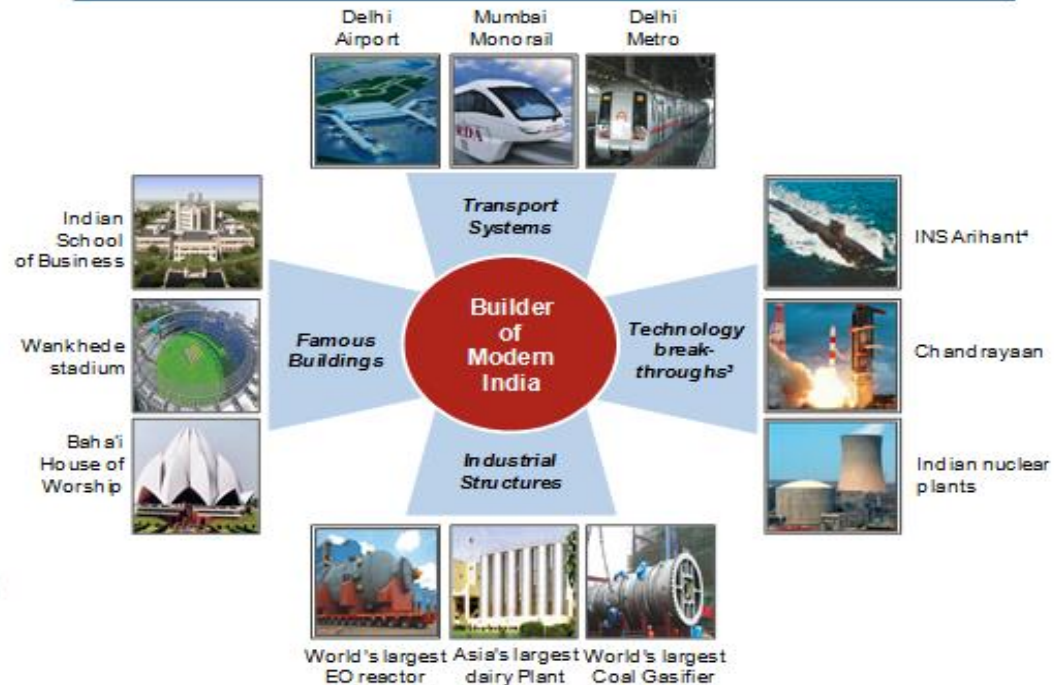
L&T Group has a long and illustrious history in India...

L&T was founded in 1938 by two Danish Engineers



- Revenue: ~ Rs. 1022 bn¹
- PAT: ~ Rs. 51 bn¹
- Market Capitalization: ~ Rs. 1,450 bn²

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



- ✓ L&T Ranked No.1 in Quality of Leadership & India's Second Most Admired Company - Fortune India Survey, Aug 2014
- ✓ L&T in Top 10 'Best Indian Brands' - Interbrand & The Economic Times Survey, Jul 2013
- ✓ L&T Ranked 58th amongst World's Most Innovative Companies – Forbes Magazine, Aug 2014
- ✓ L&T among India's Top 5 most respected companies – Business World, Aug 2013

“Our aim is to be an admired and inspirational financial institution, creating sustainable value for all our stakeholders.”

L&T Finance Holdings Ltd

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L&T Financial Services