Strategy & Results Update – Q1FY21

L&T Financial Services

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LTFH 2.0
Our Commitment

TO BE A COMPANY WHICH:

- **Sustainably delivers top quartile RoE with strengthened risk profile**
- **Has a clear Right to Win in each of the businesses**
- **Uses Data Intelligence as a key to unlock RoE**
- **Has a culture of “Results” not “Reasons”**
- **Stable and sustainable organisation built on the foundation of “Assurance”**

Agenda

A Q1 in perspective

B What worked for LTFH

C Q1 P&L explained

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Q1FY21 Synopsis (1/3)

Progressive business pickup

Strong recovery in collections especially in Rural. July collection trend better than June

Rural recovery faster than expected led by Farm, financed 10,000+ tractors in June (19% YoY increase)

Uptick in IDF disbursement and focus on tranche disbursement in project finance portfolio

Disbursements expected to increase in Rural portfolio

Improved Asset Quality

GS3 reduced from 5.72% to 5.24% YoY

NS3 reduced from 2.48% to 1.71% YoY (PCR increased from 58% to 69%)

Strong focus on collection led to reduction in debtors and GS3 by ~Rs. 1,300 Cr and ~Rs. 100 Cr QoQ

Strong Balance Sheet

Inspite of strong collections recovery and improved asset quality; prudently created additional provisions

Created additional provisions of Rs. 577 Cr. in Q1 FY21:

- Macro prudential Rs.300 Cr
- COVID 19 Rs. 277 Cr

With this, carrying additional provisions of Rs. 1,244 Cr (1.39%) on standard book - well prepared for any economic uncertainty

LTFH strongly positioned and ready to benefit from Rural recovery

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Q1FY21 Synopsis (2/3)

April 2020 - Nation wide lockdown coupled with RBI moratorium

- Disbursement and collection activities at a standstill – complete closure of branches, MCs and point of sales
- Implemented portfolio action plans and tightened risk management framework
- Focused on moving collections to digital and electronic modes
- Shored up structural liquidity to ensure 3-month repayments even with Nil collections

May 2020 – Graded relaxation with commencement of operation in Green and Orange zones

- Continuous calibration of on-ground business strategy, amidst frequent changes in lockdown rules
- Focused on re-connecting with customers & driving collections despite lower manpower
- Improvement in collection volumes for Rural and Retail housing businesses
- Re-initiated Farm and Two wheeler disbursements in select geographies with tightened credit norms
- Continued maintenance of higher than normal structural liquidity

Q1FY21 Synopsis (3/3)

June 2020 – Re-establishing on-ground operations

- Significant uptick in collection volumes owing to on-field efforts and increased capacity of call centers
  - Drop in retail customers under moratorium in Jun'20 over May'20
  - Sharp reduction in debtors (~Rs. 1,300 Cr QoQ) and GS3 (~Rs 100 Cr) owing to concerted collection efforts
- Reinitiated retail disbursement with tightened credit norms & continued tranche disbursements in Project finance
  - Maintained leadership in Farm Equipment business, financing over 10,000 tractors (19% YoY increase)
- Continued to maintain enhanced structural liquidity at Rs 9,082 Cr
- Created Rs. 300 Cr of macro provisions, in addition to Covid-19 provisions (Rs. 277 Cr) to protect against uncertain environment post Moratorium

Q2FY21 and beyond – Strong recovery seen in Rural India, poised favorably to gain from the same

- Continued collection momentum in Retail portfolio with ML collections till 15th July already higher than June nos
- Disbursements momentum expected to pick up especially in Rural portfolio
- Raised incremental long term borrowings of ~Rs. 3,200 Cr till 15th July

Normalcy returning since Jun'20, especially in Rural India
Prudently created additional provisions to safeguard balance sheet
Strong pickup of collections and disbursements highlight business robustness across lending platforms

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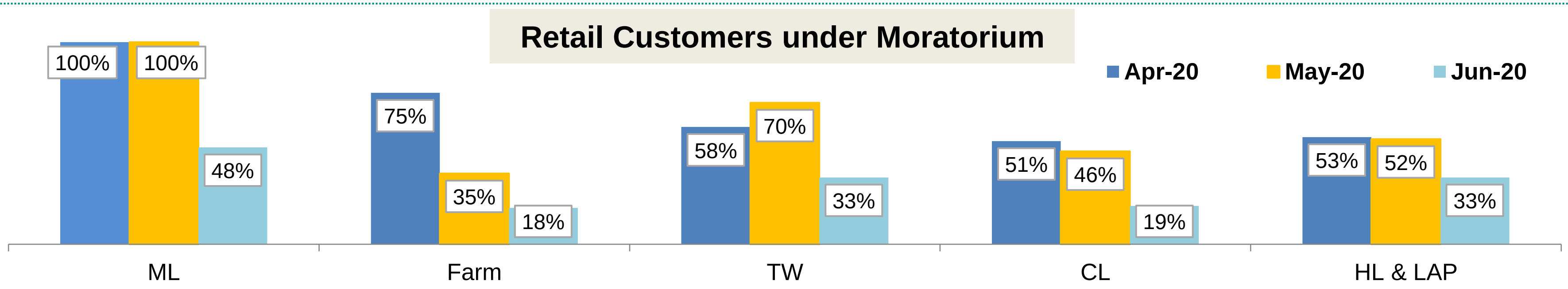
Q1FY21 in perspective

Lockdown till Apr / May	**Lockdown**
Gradual unlocking in May / June and extension of RBI moratorium till Aug-20	**Unlocking**

Moratorium – Considerable improvement post opening up

Lockdown

Product	LTFS' Moratorium Policy 1.0	LTFS' Moratorium Policy 2.0
Micro Loans	• All customers granted moratorium for 3 installments by default as per MFIN framework	• Moratorium grant only upon receiving specific request (Opt-in) • A month at a time decision on moratorium for retail customers
Farm, TW & Consumer Loan	• Moratorium for 3 installments by default where no mandate of central clearance exists • For others, grant only upon receiving specific request (Opt-in) on a month-on-month basis	
HL & LAP	• Similar to Farm; additionally, Opt-out option provided for no mandate customers	
Real Estate	• Case by case decision upon receiving specific customer request	
Infrastructure	• In line with Real Estate; additionally, subject to consensus among co-lenders	



- **For retail customers who have taken moratorium in June, around 4% have made part payments**
- **Around 30% of retail customers who were under moratorium in June, have paid July month installment**

Considerable reduction in retail moratorium book with resumption of on-field collections
40% of Project finance accounts under moratorium, largely protected by DSRA / TRA till end of FY21

Enhanced Portfolio Actions

Lockdown

Work Allocation

Sales and credit teams augmented collection teams to increase focus on collections

Allocation of separate set of accounts to each team – Increased focus across various stages of debtors

Analytics

Use of internal & external data sources to model propensity of payment – to help in better direction of field effort

Usage of analytics to use data sources for better understanding of macro-economic environment to drive improvement in collections

Incentives

Roll-out of revised incentives across teams in line with the revised business volumes

Focus on further conversion of customer through digital modes enabled

Roll-out of customer cashback schemes to drive digital payments

Customer Engagement

Educating customers on financial impact of moratorium

Continuous engagement with developers to monitor project progress

Leveraging developer relationships for Home Loan accounts in Construction Finance/Approved Project Finance cases

Monitoring

Project Finance: Focus on project progress by monitoring labour and material availability

Retail Finance: Collection trend and pick-up on economic activity for new business ramp-up

Unlock - Strategy

Resumption of on-ground operations	*Collections*	*Further tightened credit measures*	*Sourcing*	*Liquidity*

Measured business re-start using data analytics based approach on collections and tightening of credit norms while maintaining competitive strength

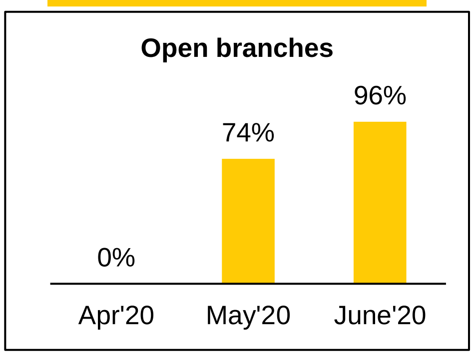
1. Resumption of on-ground operations

Opening of branches

- Gradually opening from May. In June, all the branches except those in the containment zone were opened up
- In Farm and Micro Loans, >95% of the branches have opened up as majority of the rural areas fall under the green and orange zones
- In Two Wheeler, many urban and semi-urban locations are in the red zone, resulting in a relatively lower opening up. Operating dealership number increased by >100% in June’20 vs May’20, however major markets like Mumbai and Pune remain largely closed
- In HL/LAP, operations resumed on limited scale basis gradual lifting of lockdown towards end of May

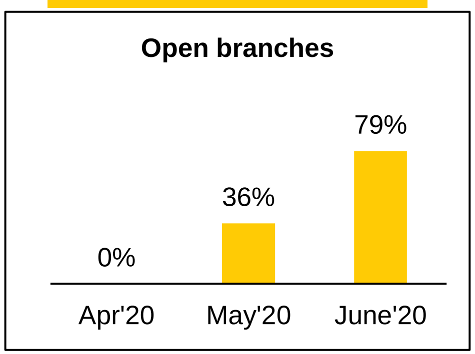
Farm

Total branches : 179



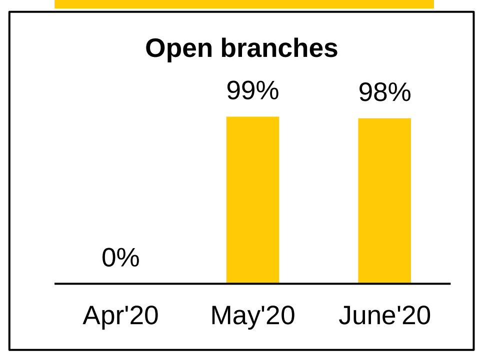
Two Wheeler

Total branches : 71



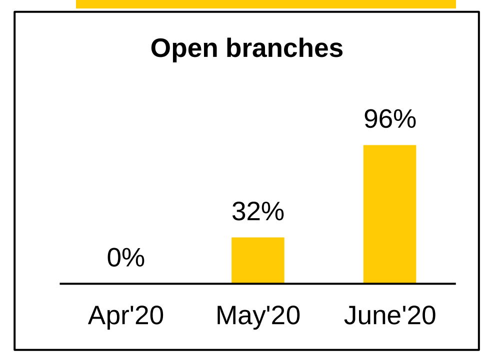
Micro Loans

Total MCs: 1422



Housing

Total branches: 25



Focused on employee safety and local administration rules while opening up; 99% of on-field workforce started operating in June

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2.1.1 Collections Strategy

Apr	May	Jun
Digital repayment push	**Restoring collection rhythm**	**Re-establishing repayment culture**

Apr — Digital repayment push

- Increase in bounce rates for retail customers due to lockdown
- Prioritized collections by digital modes owing to physical inability to undertake field collections
- Digital collections initiated for ML customers, accounting for 25% of total collections
- Shutdown of construction at almost all Real Estate projects
- Toll collections impacted due to lockdown. Post resumption (22nd Apr), collections reached to ~30% levels YoY
- No material adverse impact on renewable and transmission projects
- Implemented action plans for Project finance portfolio to replenish and maintain tighter grip on TRA / DSRA

May — Restoring collection rhythm

- Usage of analytics for propensity modeling and collection prioritization
- Targeted on-ground collections in non containment zones
- Enhanced call center capacity and empaneled new vendors to handle surge in bounces
- Re-evaluated collection agencies to access ability to collect (owing to reverse-migration)
- Resumption of construction activity in Real Estate projects, collections still materially lower
- Improvement of toll-road collections to ~60% levels YoY
- No material adverse impact on renewable, annuity road and transmission projects

Jun — Re-establishing repayment culture

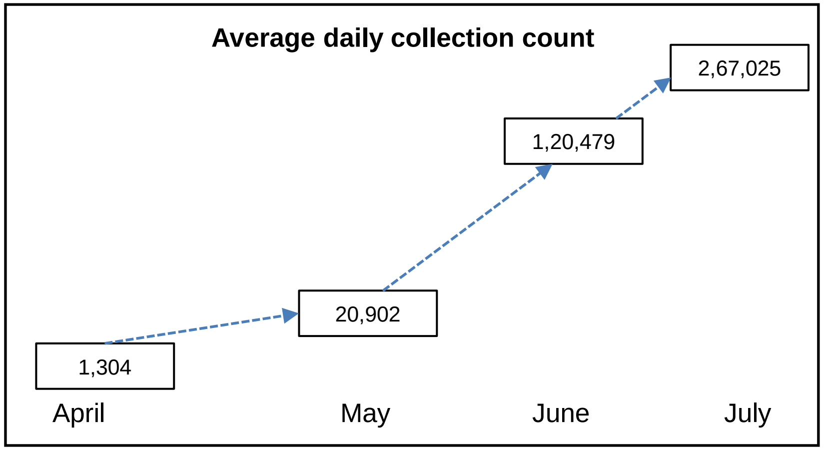
- Focused on regular collections and communicating the impact of moratorium to customers
- Enhanced field efforts in non-containment zones led to increase collection efficiencies
- Farm collection efficiency reached pre-Covid levels
- Sustained efforts led to reduction of Rural GS3 by Rs. 100 Cr on QoQ basis, primarily in Farm Equipment
- Doubling of escrow collections in Real Estate compared to Apr & May-20, at ~35% of pre-Covid levels
- Improvement in Toll road collections to around 80% levels YoY

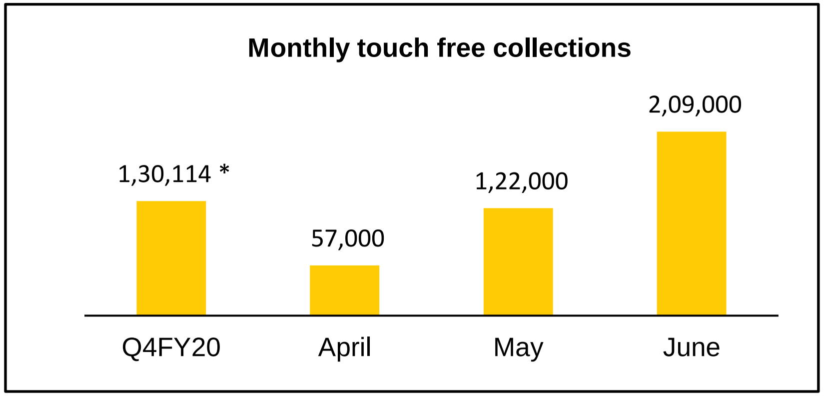
Significant uptick in Jun'20 collection volumes owing to re-establishment of collection rhythm

Collection momentum has further improved in Jul'20 especially in Rural

2.1.2 Rampant improvement in collections m-o-m

Rural





Farm

- Analytics based prioritization and on-ground collection efforts, helped achieve CE of pre-covid levels
- Cash flow availability with farmers due to bumper rabi crop

Two Wheeler

- Ramp up of call center (~500 new seats) to handle increased bounces
- Realignment of sales and collection teams
- Evaluation of multiple agency partners to ensure availability of manpower

Micro Loans

- Higher focus towards on-ground collection
- Strengthened digital payment framework like UPI, Wallet, NEFT, Direct Website, Payment Gateways

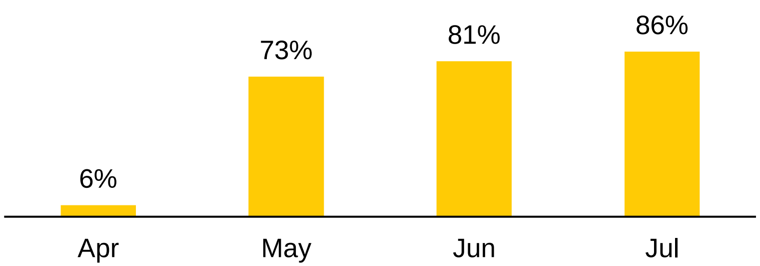
Rural recovery coupled with usage of analytics for collection prioritization leading to much faster recovery

*Monthly average in Q4

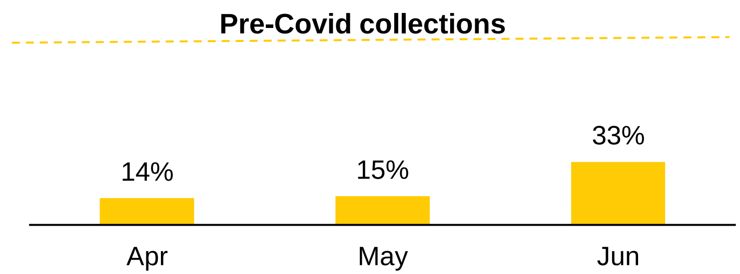
2.1.3 Resumed construction activity leading to collection pickup

Housing

Construction resumed for under construction projects



Escrow Collections (as % of pre-Covid levels)



- Strong focus on resuming construction by accessing availability of labour and materials on weekly basis
- In 86% of our under construction funded projects, construction has resumed post lock down

- Collections saw significant dip post lockdown
- With opening up of economy and focused effort to restart projects, collections has reached 33% of pre-Covid levels

❖ In the Home Loans segment, cross functional teams undertook customer interaction to augment collection teams

❖ Use of propensity model & centralized calling; on field collection resumed since end of May. Collections made from ~67% of customers as of June end

Focus on construction progress which will lead to higher collections and sales as economy opens up

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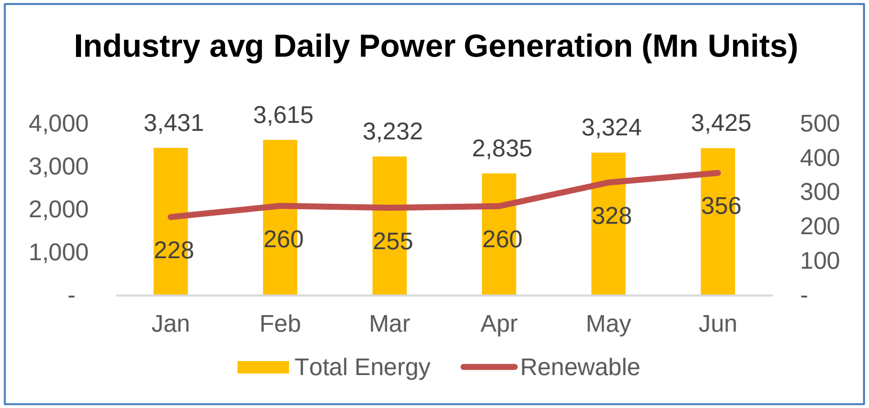
2.1.4 Steady performance owing to economic pickup

Infrastructure Finance



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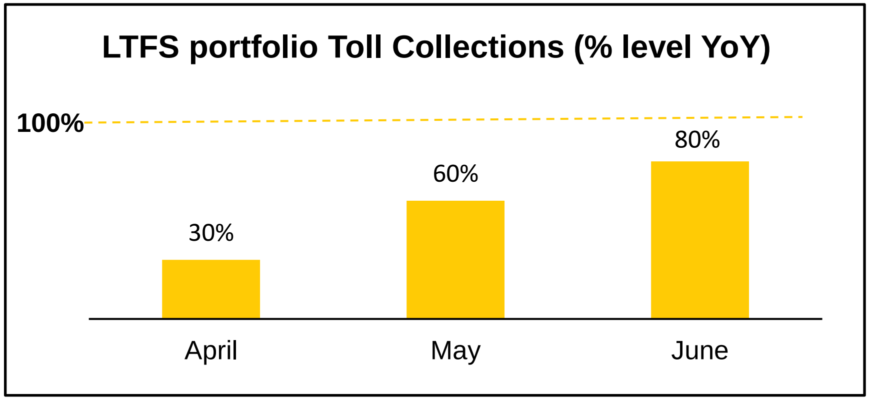


Renewables

- Operational projects have been conferred “Must Run” status
- No material adverse impact in solar and wind generation
- Most Discoms have remitted payments including Andhra Pradesh, which paid its dues till Mar’20
- Central projects are being paid on time

Road

- Annuity projects are receiving timely payments from NHAI
- Toll road has seen improving level of traffic month-on-month post resumption of economic activity

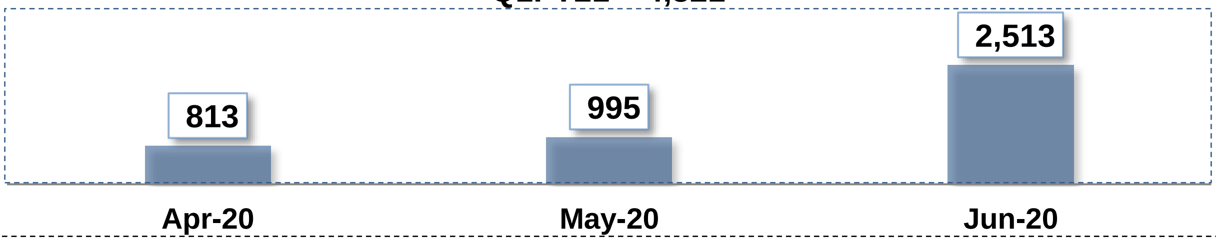
Transmission: Operational projects are operating at optimum capacity and there is no impact on revenue generation and collection

Collections were not impacted much as majority of portfolio is operational having a “Must Run” status

2.2 Collections – Strong pickup through concerted collection efforts

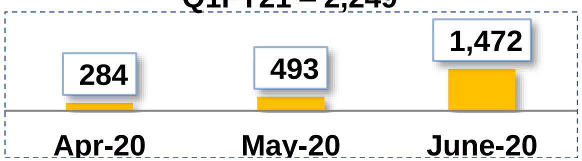
Focused Business

Q1FY21 – 4,321



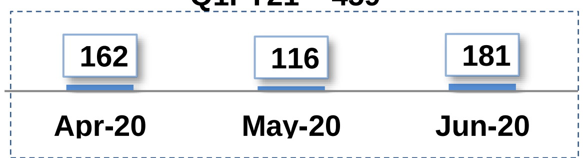
Rural Finance

Q1FY21 – 2,249



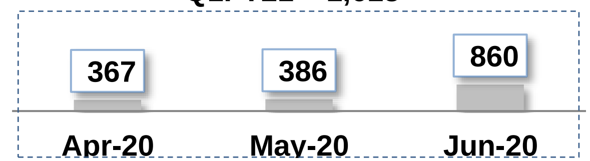
Housing Finance

Q1FY21 – 459



Infrastructure Finance

Q1FY21 – 1,613



- Marked improvement in Rural & Infra collections owing to concerted field efforts and gradual unlocking of economy
  - Consistent increase in collection volumes, currently at 40%-45% of Q1FY20 levels with Jun'20 collections at ~65-70% of Jun'19, owing to mobilization of field collection efforts
  - Substantial uptick in July in Rural with daily collection rate of ~2,67,000 accounts and collection of ~ Rs 1,100 Cr till 15th July

Analytics led collection prioritization and resource allocation

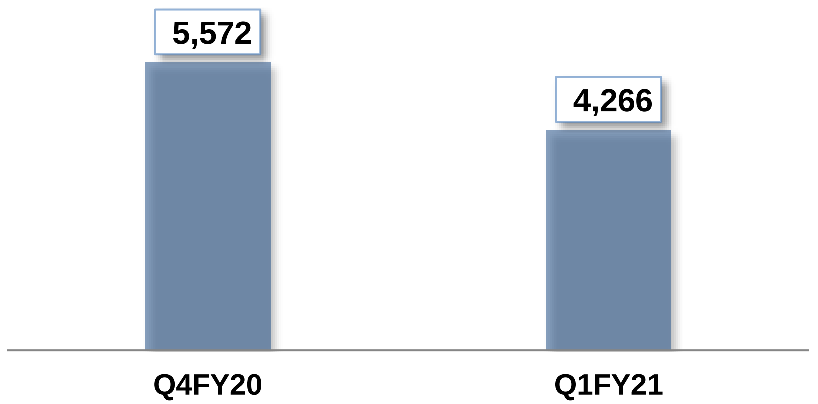
Visible green shoots in Rural with considerable improvement in June collections

July showing even better trend with collection volumes in Micro Loans till 10th July surpassing June collections

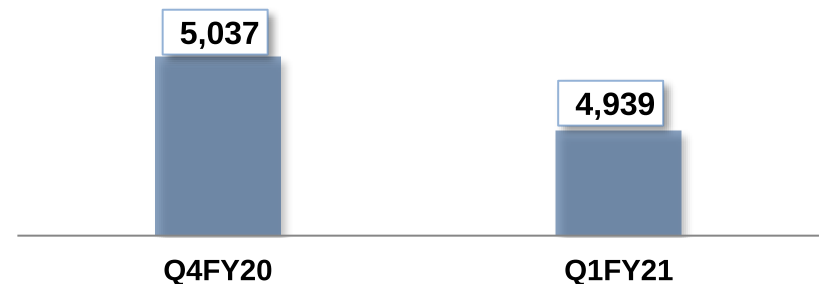
 All figures are in Rs. cr

2.3 Substantial reduction in 1+DPD bucket

Debtors (1-90 DPD)



GS3



- Substantial reduction in debtors by Rs. 1,306 Cr (1-90 DPD) on the back of improved collections across businesses
- Reduction in GS3 by Rs. 98 Cr led by Rural portfolio through on-ground collection efforts, push on digital collections and propensity based modeling
- Farm business saw substantial improvement in debtors as well as GS3 aided by good monsoon, bumper rabi crop
- Significant reduction in debtors pool in retail housing segment with the help of tele-calling and using analytics for customer prioritization

Continued focus on 'on-due-date' collections and emphasis on collections from debtors and GS3 during lockdown has resulted in reduction in debtors and GS3

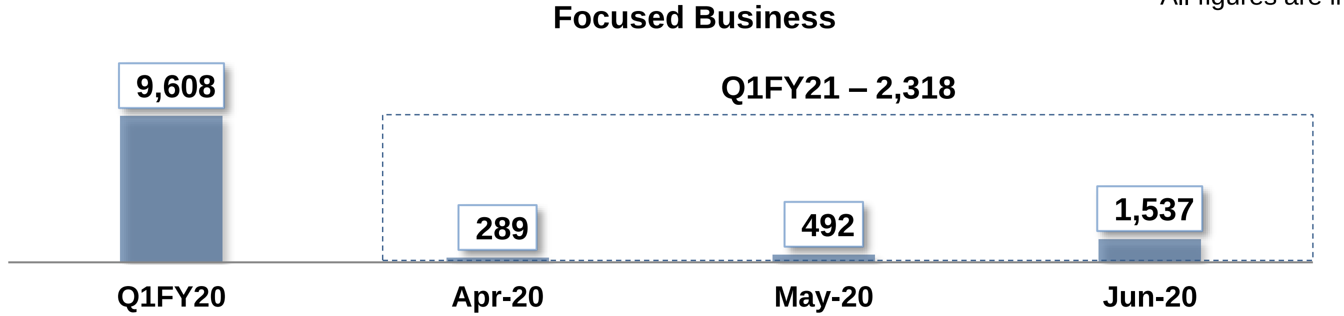
 All figures are in Rs. cr

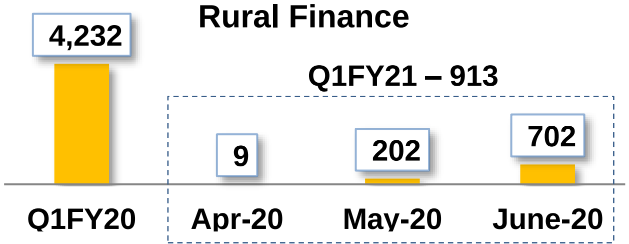
3. Further tightened credit measures

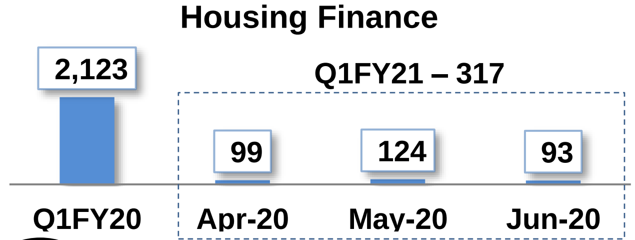
Retail Finance	• Reduction of max LTV across products. LTV maintained under 70% for Farm; reduced from 74% to 68% for TW, maintained under 70% for HL and 55% for LAP • Measured business re-start based on weekly evaluation of on the on-ground collections results • Reassessed collateral valuation of all existing loans as well as sanctioned but undisbursed cases • **Farm:** Focus on geographies which have transitioned to mechanized mode of working to mitigate labour shortage • **TW:** Launch of income proof proposition – further enhancing proportion of better credit income proof borrowers • **ML:** Reduction of association norms to 2 for new customer and 3 for repeat customer in Micro Loans. Exposure norms are revised state wise based on their average outstanding from earlier Rs ~80,000 to Rs ~70,000 of overall indebtness • **CL:** Re-initiation of business with tightened credit guardrails • **Retail Housing:** Credit policy suitably modified with increased focus on sourcing of low risk profiles / channels o **HL:** Primary focus on low risk salaried customers through direct sourcing and stringent assessment of SENP customers o **LAP:** Sourcing temporarily kept on hold due to uncertainty prevailing around MSME segment
Project Finance	• **Real Estate:** Recalibration of guardrails under new market conditions for under construction projects o Enhanced Risk Guardrails – to limit funding to specific products and select developers o Reassessment of real estate developers categorization basis revised Group cash flows • **Infrastructure:** o Construction feasibility assessment from supply chain and labour availability perspective o Zero inflation assumption for HAM projects to mitigate the gap between the Bank rate & the lending rates o Re-assessment of traffic for sanctioned undisbursed cases afresh for impact on the underlying traffic drivers

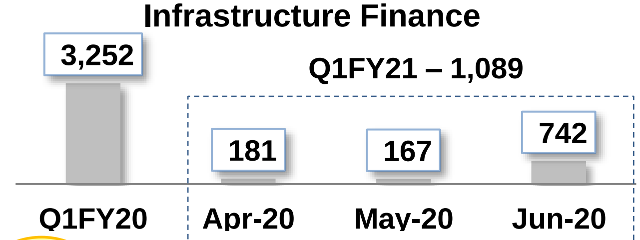
4. Sourcing – Targeted growth

All figures are in Rs. cr









Apr

Complete Lockdown

- **Retail Finance:** Near to NIL disbursements owing to closure of point of sales
- **Project Finance:** Continued tranche disbursements to focus on project completion

May

Resuming Operations

- Re-initiated Farm and TW business with tightened credit norms based on weekly monitoring of repayment behavior analysis
- Resumed HL disbursements for Salaried profiles with stronger credit filters

Jun

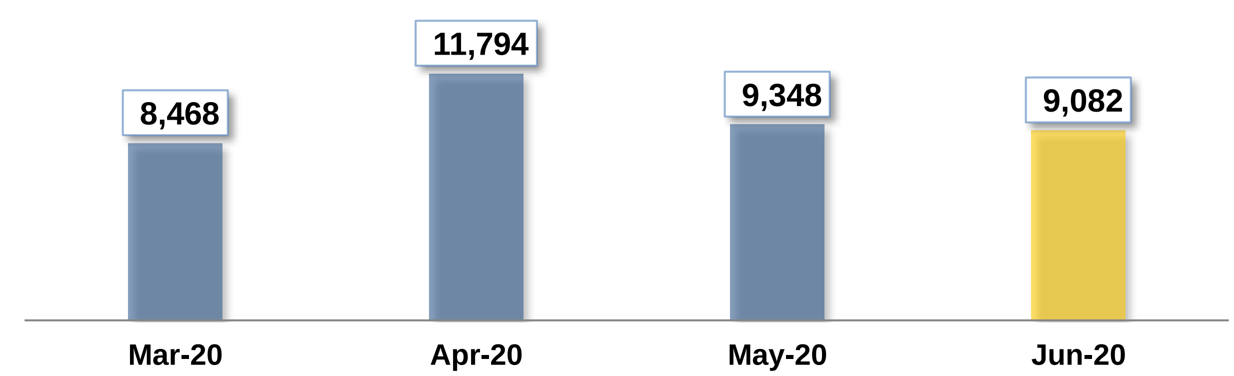
Guarded Market Approach

- Ensure presence across all top dealer/OEM's. Increased share of Preferred OEM's and Dealers in Farm and TW
- ML and CL business expected to pickup in Q2 FY21 in select areas driven by strong collections performance

Maintained market leadership in Farm with strong traction in tractor sales for Jun-20

Disbursements coming to normalcy in June and we are well placed to gain market share as economy (especially Rural) picks up

5. Comfortably placed with adequate liquidity



- As of June'20, Rs.16,669 Cr of liquidity is maintained through the following:
  - Liquid Assets in form of cash, FDs and other liquid investments of Rs. 9,082 Cr; comfortably placed till Sept-20
  - Undrawn bank lines of Rs. 5,587 Cr and back up line from L&T of Rs. 2,000 Cr
- With moratorium announcement, increased liquid assets substantially in April factoring in scenario of Nil collections. With the pickup in collections from May, quantum of liquid assets has been reduced, yet it continues to remain at elevated levels
- Rating Agencies are assessing adequacy of our liquidity every month-end with a 3-month horizon & are comfortable with the same
- Maintained additional average quarterly liquid assets of ~Rs 6,600 Cr in Q1FY21 which had a negative carry (~Rs. 84 Cr). This impact of negative carry will reduce as we get surety on the pickup in economic activity and collections

Comfortably placed with adequate liquidity even after factoring the effect of moratorium and difficult conditions in the debt market
Maintained higher liquidity levels in Q1FY21, negative carry will progressively reduce as we get surety

 All figures are in Rs. cr

Agenda

A Q1 in perspective

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What worked for LTFH

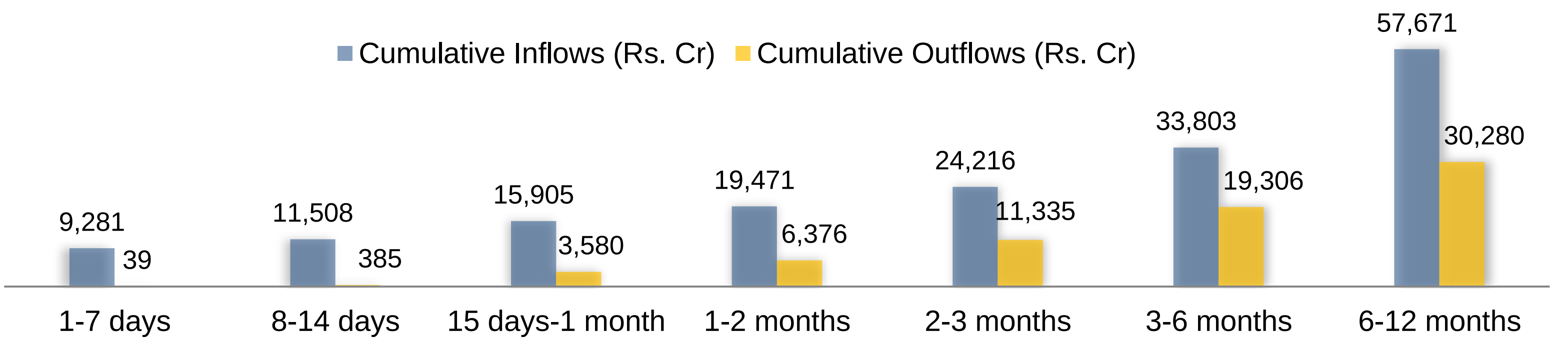
ASSURANCE

- Prudent ALM and well established liability franchise
- Highest Credit Rating
- Strong Balance Sheet
- Strengthened risk profile
- Building Business Strength

1.1 Prudent ALM

As on 30th June, 2020

Structural Liquidity statement



	1-7 days	8-14 days	15 days-1 month	1-2 months	2-3 months	3-6 months	6-12 months
Cumulative Positive Gap	**9,242**	**11,124**	**12,325**	**13,095**	**12,882**	**14,497**	**27,391**
Cumulative (%)	**23609%**	**2892%**	**344%**	**205%**	**114%**	**75%**	**90%**

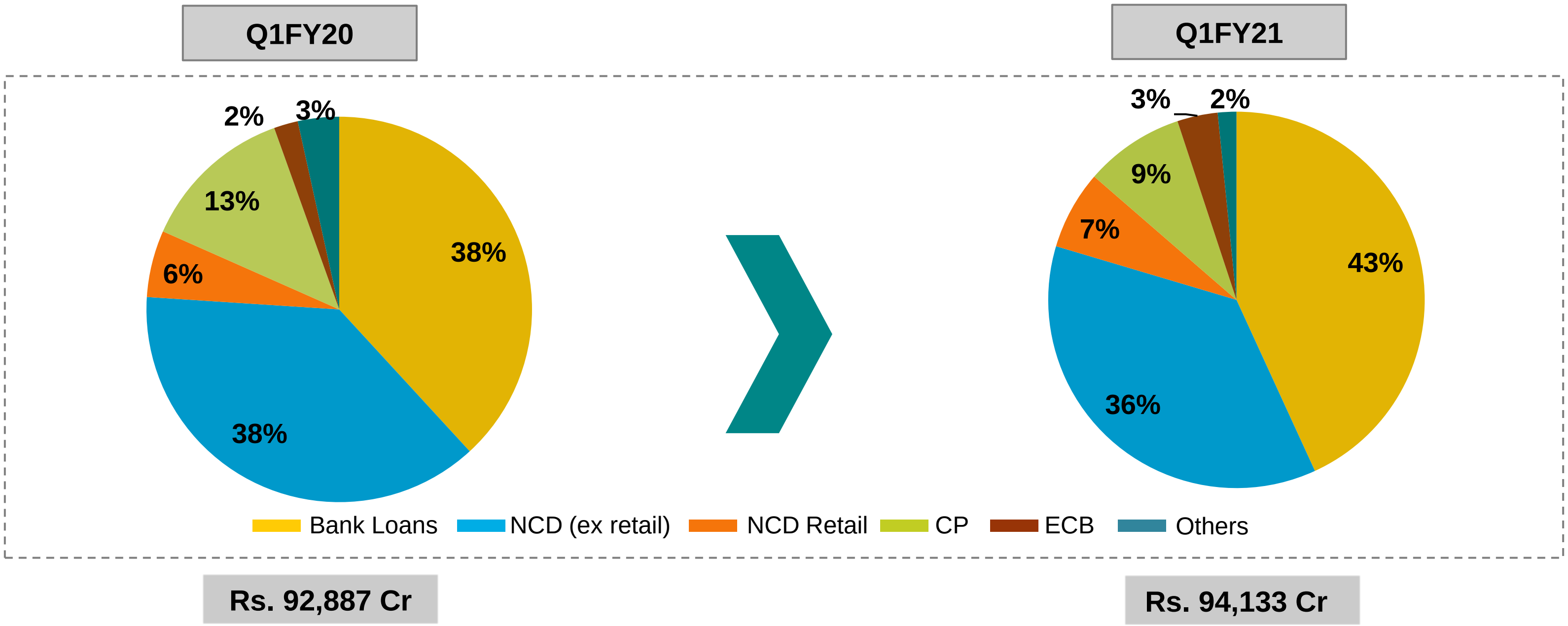
Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	67,814
Re-priceable liabilities	53,820
Positive	**13,994**

Maintained positive liquidity gaps for past 3 years, enabling us to tide over recent liquidity crisis

 All figures are in Rs. Cr

1.2 Well established liability franchise (1/2)



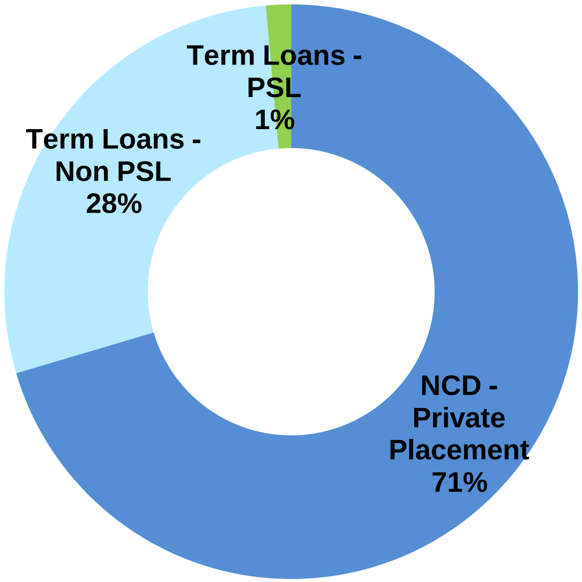
- Focus on diversification over the years enabled stable mix of funding sources
- Focus on long term borrowings has led to increase in share of Bank Loans from 38% to 43%; while reducing CP from 13% to 9% in the past year

Strengthened liability profile with higher proportion of long term borrowing through diversified sources of funding

*Others include Preference shares, ICDs etc.

L&T Financial Services

1.2 Well established liability franchise (2/2)



Rs. 3,550 Cr

Incremental Long Term Borrowing (Rs Cr)

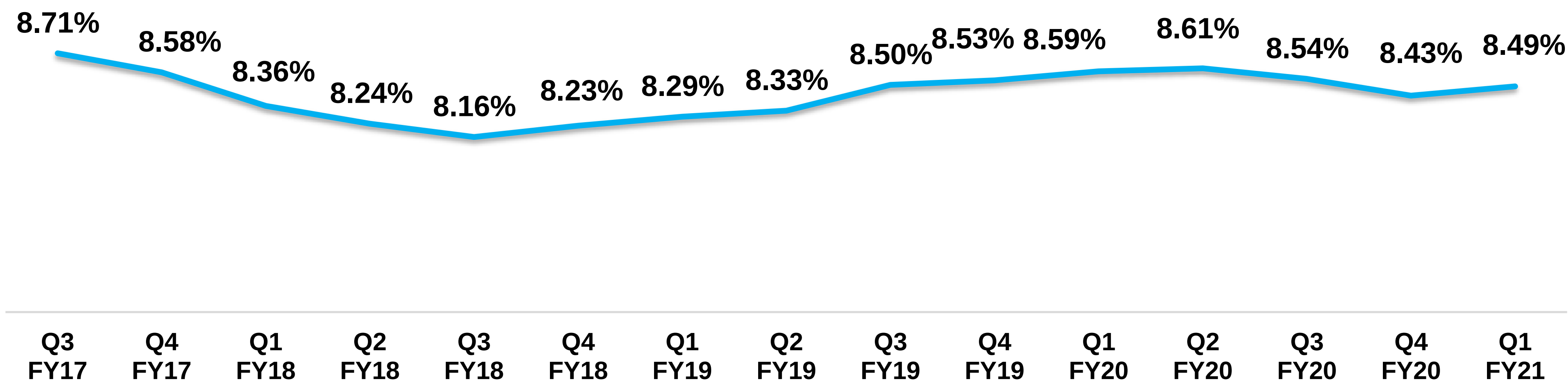
Products	Q1FY21
NCD – Private Placement*	2,500
Term Loans – Non PSL	1,000
Term Loans – PSL	50
Total	**3,550**

- Already raised ~Rs 3,200 Cr of long-term borrowing till 15th July'20
- Drawn down 1st tranche of USD 50 million of the total USD 100 million ECB from AIIB; which is AIIB's first loan to a NBFC in India

Demonstrated ability to raise long-term funding even in the challenging environment

PSL- Priority sector on-lending by banks to NBFCs

1.3 Weighted average cost on borrowings



Effective liability management is demonstrated through stable WAC despite diversification, reduction in CP and increase in long-term borrowings

2. AAA Credit Rating for LTFH and all its subsidiaries

Credit Ratings – LTFH and its subsidiaries	
Ratings Update	• LTFH and all its lending subsidiaries have been assigned / reaffirmed AAA rating from CRISIL, ICRA, CARE and India Ratings: ➢ CRISIL assigned in October 2019 and reaffirmed in May 2020 ➢ India Ratings reaffirmed in September 2019 and April 2020 ➢ ICRA and CARE reaffirmed in August 2019 • Amalgamation impact: On the proposed merger of L&T Housing Finance and L&T Infrastructure Finance with L&T Finance, all rating agencies have "Reaffirmed" the ratings in Mar-Apr 20

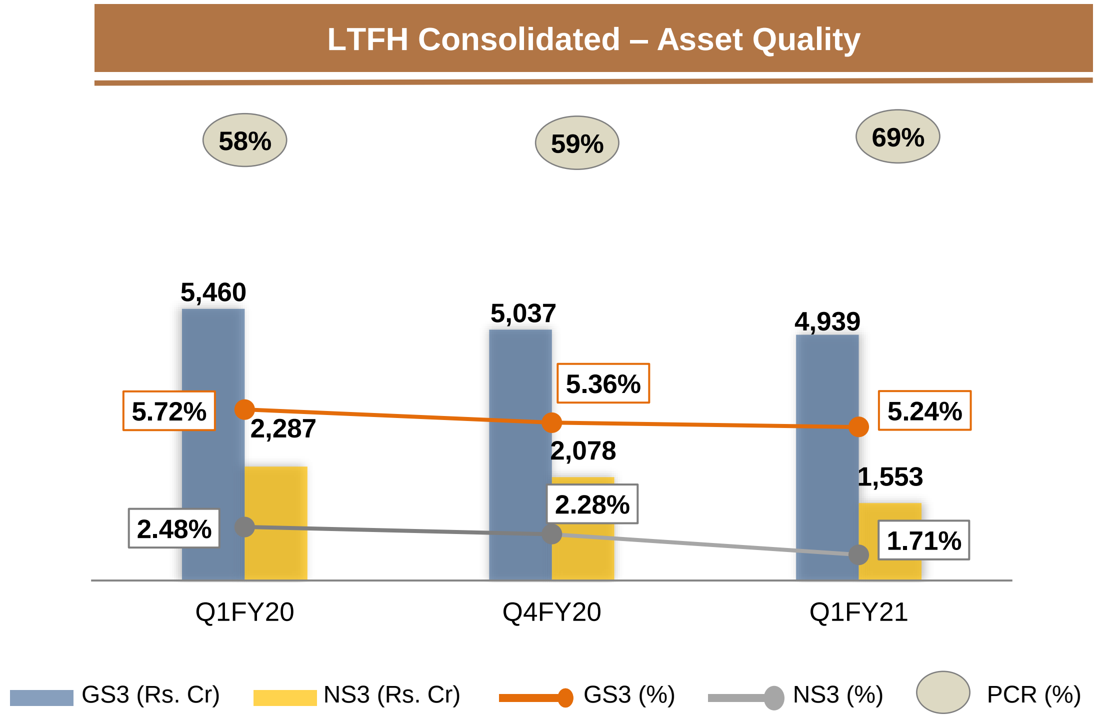
Key strengths highlighted by Rating Agencies

- **Liquidity**: Rating Agencies have analysed LTFS cash flow / liquidity position in the light of Covid19, and they have considered the liquidity position of LTFS as adequate to meet all debt obligations over the next few months
- Diversified businesses, rationalisation of product offerings and strengthened risk profile across businesses
- Strategic importance and strong support to financial services business by the parent, Larsen and Toubro Ltd. (L&T: AAA)
- Experienced management team and prudent management policies

Diversified business presence, improving asset quality, prudent ALM and strategic importance to L&T has led AAA rating being reaffirmed even in current environment, when the sector has seen multiple downgrades

L&T Financial Services

3.1 Strong Balance sheet



In addition to above; Macro Prudential provisions, Covid-19 and enhanced provision for stage 1&2 assets at Rs. 1,244 Cr (1.39%)
Focus on strengthening balance sheet by creating additional provisions of 1.39% on standard book, to prepare for any uncertainty

GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

L&T Financial Services

3.2 Strong Balance sheet – Additional provisions on Non GS3 book

Particulars (Rs. Cr)	Total Lending Business
Loan book size (excluding GS3 book) - (1)	89,363
Provision on stage 1 and Stage 2 assets as per ECL model - (2)	**399**
Additional provisions - (3+4+5=6)	**1,244**
Macro Prudential provisions - (3)	650
Covid-19 Provisions @10% on 1-90 DPD book with moratorium - (4)	486
Enhanced ECL provisions on stage 2 assets basis higher LGD assumptions – (5)	108
Additional provisions as % of book – (6/1)	**1.39%**
Total provisions on book (excluding GS3 provisions) – (2+6=7)	**1,644**
Total provisions as % of book (excluding GS3) - (7/1)	**1.84%**

As a prudent measure, created Macro-prudential provisions of Rs 300 Cr in Rural portfolio in Q1FY21; over and above 10% of Covid provisions to strengthen balance sheet, even though there is strong on-ground recovery in Rural

L&T Financial Services

4.1 Strengthened risk profile: Retail Finance

Rural, HL and LAP

	Actions taken to ensure quality portfolio
Farm	• Use of data analytics to determine OEM classification, geography selection and dealer penetration • Centrally controlled parameterized underwriting with focus on ensuring portfolio quality by analyzing tenure, ticket size, geography & climate patterns • Focus on early bucket collection and behavioural scorecard for collection prioritization
TW	• Underwriting based on fully automated Scorecard with self learning algorithm to ensures uniformity of application of rules • Periodical recalibration of underwriting scorecard based on loan tenure, LTV and credit quality trends in geographies
Micro Loans	• Focus on retention of existing good customers with excellent track record of repayments and leverage • Stringent Underwriting and EWS policy based on overall customer indebtedness, customer behavior and borrower level • Early warning signals for each borrower by monitoring customer indebtedness , repayment behavior and no. of lenders
HL / LAP	• Focus on low risk salaried segment; extensive use of analytics in identification and targeting of desired customer profiles • Emphasis on direct sourcing through select and reputed developer relationships (CF/APF) • Cautious approach on self-employed segment with stringent credit policy

Continue steady improvement in asset quality by focusing on early warning signals, culture of 0 DPD & strong collection architecture

4.2 Strengthened risk profile: Project Finance

Infrastructure and Real Estate

	Actions taken to ensure quality portfolio
Real Estate	• Focus on funding to marquee developers with proven track record of project completion and ability to sell • Gradually increased share of commercial portfolio with focus largely towards Grade A office space • In residential space, funding mid and affordable projects which are less cyclical • Financed adequately to ensure project completion; sole lenders in 99% of projects financed by us, to ensure full control on project execution • Strong focus on project monitoring at regular interval to ensure project completion as per approved plan, cost and timelines • Enhanced frequency of portfolio reviews to identify risks well before cash flow stress; leverage on group strengths to identify and execute corrective actions plans
Infrastructure Finance	• Focus on strong corporates and developers backed by global private equity players in Renewables and Road sector • Focus on projects with strong off-takers / counter-parties • External risks like PPA, land acquisition, evacuation risk, promoter equity infusion and forex are appropriately mitigated • Early warning signal (EWS) to identify risks well before cash flow stress; leverage on group strengths to identify and execute corrective actions plans • Conservative underwriting by considering cash flow volatility • Offering appropriate tenor based on project cash flow

Using knowledge repository of L&T ecosystem, to identify strong developers and build our monitoring framework

5.1 Building and protecting strength

Rural Finance

	Industry	LTFH
Farm	• Positive sentiment due to robust Rabi crop, good progress in kharif sowing so far • Timely onset of monsoon and well distributed rainfall has resulted into above normal water reservoir level • OEMs are operating at 70-80% capacity	• Disbursements in Jun'20 were higher than previous year owing to strong rural cash • Increase in preferred OEM mix which contributed to 73% of the total disbursement in Q1FY21 • Continue to build refinance contribution
TW	• Recovery in TW industry expected from positive rural sentiment and preference for personal mobility over shared • Higher price points of TWs and lower disposable income will augment TW financing penetration	• Measured re-opening of business based on strategic input from Collection, Sales and Marketing teams • Selective sourcing through strict credit policies (LTV reduced to 68%) while maintaining superior service and TAT proposition • Given that we are the preferred financiers with most of the OEMs, as the demand increases we will get more traction
Micro Loans	• Increased demand for working capital requirements by micro enterprises and Kirana shop owners post return to normalcy • Reverse migration of workers could provide fresh business opportunities for MFIs • Consolidation expected in MFI sector; as smaller players are facing serious liquidity challenges	• Prioritized collections in Q1FY21; new business opportunities basis collection trend and repayment behavior • Launch of top up loan for the existing good customers • Focus on increasing share of existing good customers • Restarted operations in almost all MCs across India by Jun'20

With leadership position across products and superior service proposition through TAT, we have been able to restart business with chosen dealers and OEMs wherever we see good opportunity

5.2 Building and protecting strength

Housing Finance

	Industry	LTFH
Home Loan	• NBFCs/HFCs loan portfolio reduced significantly due to funding constraints, slowdown post Covid and portfolio sales by HFCs • Deferment of buying decision by home buyers on account of prevailing uncertainty owing to COVID-19 pandemic • Demand expected to resume in phased manner and will be concentrated towards top developers and projects with visible construction progress	• Home Loan disbursements during the quarter slowed down significantly on account of lockdown of locations and no walk-ins at developer sites • Committed disbursements resumed towards end of May on account of partial opening of lockdown • Sourcing of fresh proposals for the salaried segment resumed towards end of the quarter
LAP	• Liquidity position and business activity levels remain adverse for the SME sector due to lockdown • Given the increasing risk perception, industry is expected to be conservative while lending in this segment	• Sourcing of SENP profiles restricted; no LAP disbursements done during this period • Average LTV of portfolio is 53% in Q1FY21
Real Estate	• Sales and launches were negligible and mostly restricted to Cat A builders. Consequently inventory levels remained stable • Developers using innovative digital marketing tools to increase sales in the current environment • Short term focus would be on offloading existing inventory	• 100% of disbursements were towards existing projects • No new sanctions made during the quarter • Continue to focus on marquee developers with stringent guardrails • In 86% of the under construction projects, construction has resumed post lock down

Focus on salaried segment for retail segment and marquee developers for Real Estate with stringent guardrails

5.3 Building and protecting strength

Infrastructure Finance

Infrastructure Finance

Industry	LTFH
• Liquidity injection of Rs. 90,000 Cr by GoI to Discoms through PFC and REC. Expected to positively impact the liquidity of IPP players • 4.5 GW Solar capacities allotted during Q1FY21, through e-reverse auction by SECI/ States • 400 MW Bid by SECI (Hybrid) in Q1FY21 pertaining to Solar, Wind Auction with Storage with lowest tariff of Rs. 2.9/kwh • Pace of HAM awarding has increased in Q4FY20 with ~ 582 kms of project award in one quarter alone as compared to muted awards in 9MFY20. However, no new bidding was observed in Q1FY21 in HAM segment • NHAI planning to raise Rs. ~85,000 Cr by FY25 through TOT awards and InVITs	• Continue to focus on our core sectors – roads, renewable and transmission • Focus on central offtakers like SECI and selective state bids, which are better structured in terms of payment cycle and grid availability • Lending opportunities in TOT bundles in FY21; Internal framework in place for evaluation of opportunities in TOT. Process for Govt. approvals for IDF financing of TOT projects is at an advanced stage • LTFS to adopt selective approach with respect to HAM projects • One HAM project achieved PCOD in May before schedule

Market leadership position maintained in identified sectors

5.4 Building and protecting strength

Mutual Funds

Fund Performance

- Experienced investment team and superior fund performance has resulted in improvement in market ranking and higher growth than industry
  - On a 5-year performance, 6 out of 10 Equity schemes (83% of equity AUM) are in top 1 & 2 quartile
  - Fixed Income portfolio reasonably insulated in the current market as 97% of the fixed Income AUM is in high quality funds (non credit risk fund) with investments in highest rated securities of GOI / A1+ / AAA/ Cash and cash equivalents
  - Demonstrated Nil markdown in high quality funds and minimal markdowns in credit oriented funds

Operational Efficiency

- Creation of long term stable customer base has contributed to higher AUM growth
  - Higher proportion of individual customer's share in AUM – 64% (industry average - 52%)
  - Increase in investor base from 9.1 lakh to 29 lakh+ live folios since FY16
- Well diversified distribution channel mix: Banks & PCG (36%), National Distributors (27%) and IFAs (37%)

Profitability and its drivers

- Consistent improvement in profitability (since FY16) is achieved on the back of the following :
  - Gain in overall market share from 2.0% to 2.4%
  - Equity AUM mix rising from 44% to 55% on back of increase in equity market share from 2.6% to 3.3%
  - Branch rationalization, operational cost renegotiations and higher productivity led to reduction in C/I ratio
- Equity AUM increased by 19% q-o-q (Rs 28,010 in Q4FY20 vs. Rs. 33,295 in Q1FY21)

Superior fund performance, higher share of equity and rationalized cost has resulted in achieving desired profitability

Agenda

- A Q1 in perspective
- B What worked for LTFH
- C Q1 P&L explained

Summary of impact on results

Disbursements

- Lower disbursements in Retail segments due to lockdown even though there is strong pick-up seen in June
- Project Finance – Focused on tranche disbursements

Book

- Book remained flat due to lower disbursements and moratorium impact on collections

NIMs

- NIMS impacted because of higher interest cost on account of higher liquidity maintained throughout the quarter

Fees

- Fees for the quarter is substantially lower due to relatively lower disbursements

Opex

- Measures taken to reduce Opex have yielded results

Credit Cost

- GS3 & standard assets – Rs 318 Cr
- Macro prudential provisions – Rs 300 Cr
- Covid-19 provisions – Rs 277 Cr
- Additionally, utilized capital gain of Rs 225 Cr from sale of Wealth business to provide fully for 1 large account in Defocused book

Profitability for the quarter was impacted largely due to negative carry on enhanced liquidity, lower fees and enhanced provision taken to strengthen the balance sheet against the after effect of the pandemic

Focused book growth

Lending Businesses

Rural Finance | **Housing Finance** | **Infrastructure Finance**

Non Lending Businesses

Investment Management

Q1FY20 → **Q1FY21**

	Rural Finance	Housing Finance	Infrastructure Finance	Investment Management
	Book			**AAuM[1]**
	↑ *6%*	↑ *4%*	↑ *2%*	↓ *21%*

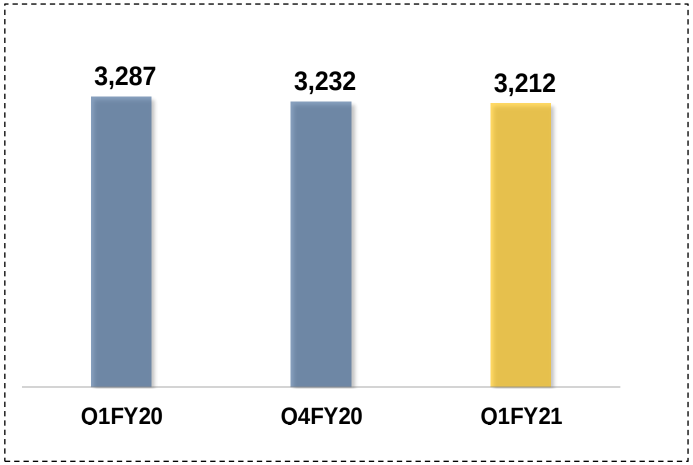
Book remained flat due to lower disbursements and moratorium impact on collections

[1] Investment Management – AAuM (quarterly average)

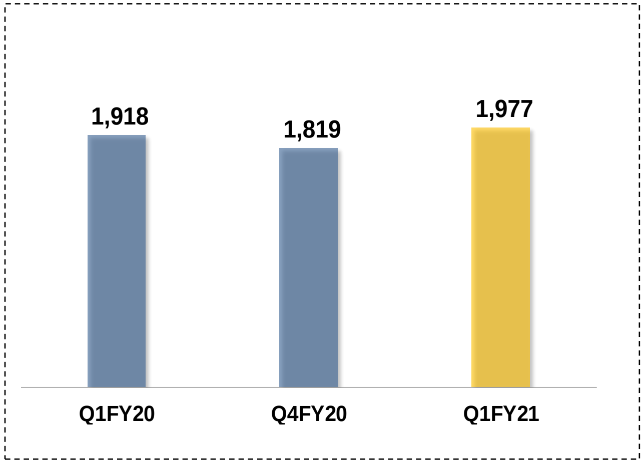
L&T Financial Services

NIMs

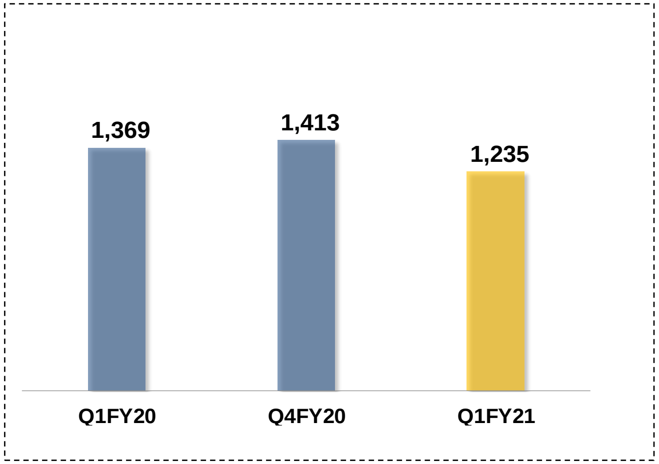
Interest Income



Interest Cost



NIMs



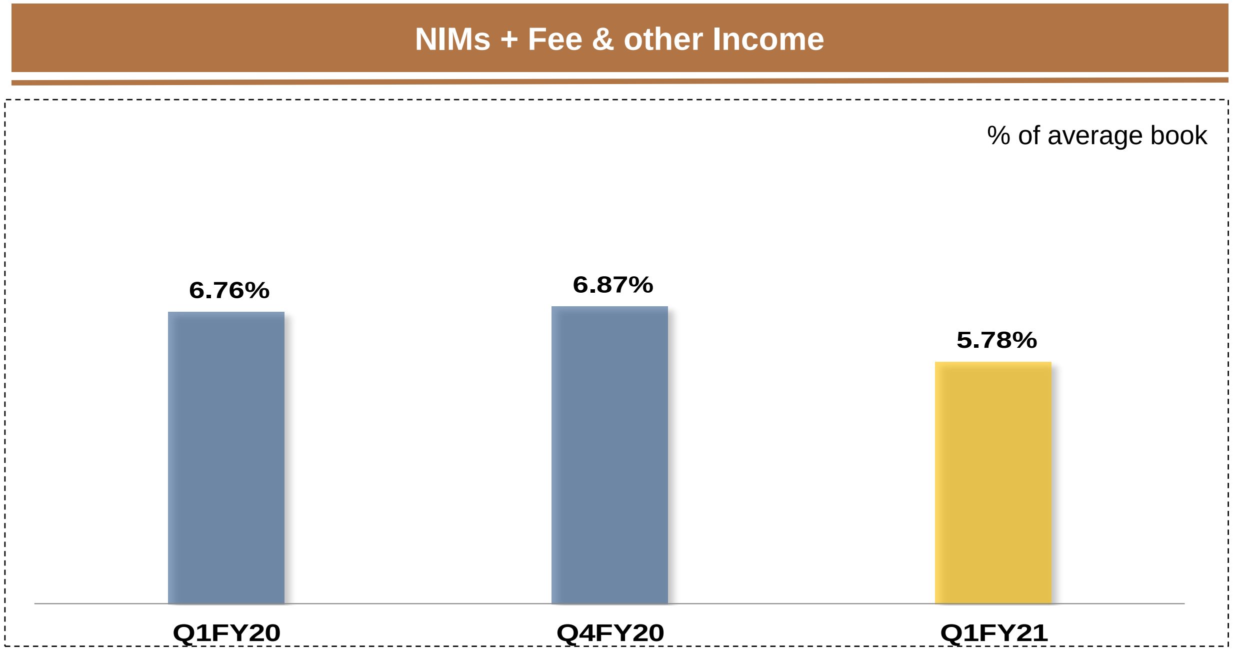
- ❖ Interest income remained stable across the quarters
- ❖ Maintained additional liquid assets worth ~Rs. 6,600 Cr throughout the quarter as a prudent measure, leading to an increase in interest cost of ~Rs.140 Cr

NIMs impacted due to increase in interest cost on account of maintaining additional liquidity for full quarter

All figures are in Rs. Cr

L&T Financial Services

NIMs + Fee & other income



- NIMs+Fees impacted due to lower fee income and negative carry (~Rs. 84 Cr) on account of maintaining additional liquid assets of ~Rs 6,600 Cr in Q1FY21
- Impact of negative carry will reduce as we get surety on the pickup in economic activity and collections

* Normalising for one-time impact
Actuals without normalization: Q1FY20 – 7.10%

L&T Financial Services

Credit cost

Credit Cost	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Credit Cost on focused business	260	414	445	349	231
Credit Cost on defocused business	310	210	160	89	88*
Additional Provisions – Covid-19	-	-	-	209	277
Additional Provisions - Macro prudential / Enhanced ECL on stage 2 assets	25	-	-	105	300
Total Credit Cost	**595**	**624**	**605**	**752**	**896**
Credit Cost on focused business (%)	1.16%	1.81%	1.88%	1.48%	0.99%
Provision Coverage Ratio (PCR %)	58%	54%	57%	59%	69%

* Additionally, utilized capital gain of Rs. 225 Cr from sale of Wealth business to provide fully for 1 large account

- Increase in PCR from 59% to 69% QoQ on account of the following:
  - **Focused book:** ECL based increase in PCR on account of 1) reduction in GS3 from early buckets (which contains lower PCR) and 2) further increase in PCR of remaining GS3 book as ageing increases
  - **Defocused book:** Increase in PCR to 70%; 1 large account fully provided by using gain from sale of wealth business (Rs. 225 Cr)
- Created additional provisions of Rs. 577 Cr. on account of:
  - Covid-19 provision of Rs. 277 Cr. in Q1FY21 (5% of 1-90 DPD book with moratorium)
  - Macro prudential provisions of Rs. 300 Cr. in Rural portfolio

Further strengthened balance sheet by creating adequate PCR on GS3 book and additional provision on non-GS3 book, despite seeing good collection traction, to reduce the effect of uncertain economic environment post moratorium

 All figures are in Rs. Cr

LTFH Consolidated – Summary financial performance

Performance Summary

Q1FY20	Summary P&L (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y (%)
3,287	Interest Income	3,232	3,212	(2%)
1,918	Interest Expense	1,819	1,977	3%
1,369	NIM	1,413	1,235	(10%)
396	Fee & Other Income	291	190	(52%)
1,765	NIM + Fee & other income	1,705	1,426	(19%)
422	Operating Expense	513	418	(1%)
1,342	Earnings before credit cost	1,192	1,007	(25%)
570	Credit Cost (excl. Covid-19 & Macro Prudential)	543	318	(44%)
25	Credit Cost (for Covid-19 & Macro Prudential)	209	577	-
549	**PAT**	**386**	**148**	**(73%)**

Addl. P&L charge in Q1FY21

Created additional provision of Rs 577 Cr

Impact of Rs. 432 Cr on PAT

Q1FY20	Particulars (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y(%)
99,904	Book	98,384	98,879	(1%)
13,988	Networth	14,692	14,881	6%
70	Book Value per share (Rs.)	73	74	6%

LTFH Consolidated – Key ratios

Key Ratios

Q1FY20	Key Ratios	Q4FY20	Q1FY21
13.22%	Yield	13.02%	13.03%
5.51%	Net Interest Margin	5.69%	5.01%
1.59%	Fee & Other Income	1.17%	0.77%
7.10%	NIM + Fee & other income	6.87%	5.78%
1.70%	Operating Expenses	2.07%	1.70%
5.40%	Earnings before credit cost	4.80%	4.09%
2.29%	Credit Cost (excl. Covid-19 & Macro Prudential)	2.19%	1.29%
0.10%	Credit Cost (for Covid-19 & Macro Prudential)	0.84%	2.34%
2.07%	Return on Assets	1.46%	0.53%
6.16	Debt / Equity	5.81	5.70
15.99%	**Return on Equity**	**10.41%**	**3.94%**

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	17.23%	3.95%	21.18%

Addl. P&L charge in Q1FY21

Additional provision created Rs 577 Cr

Impact of 432 Cr on PAT, excluding this RoE would be 15.25%

L&T Financial Services

LTFH Consolidated – Capital allocation and RoE bridge: Q1FY21

Q1 FY20 PAT	Q1 FY20 Net worth	Q1 FY20 RoE	Business Segments (₹ Cr)	Q1 FY21 PAT	Q1 FY21 Net Worth	Q1 FY21 RoE	PAT Y-o-Y (%)
252	3,962	26.20%	Rural Finance	114	4,516	9.91%	(55%)
208	3,874	22.07%	Housing Finance	23	4,301	2.12%	(89%)
156	3,810	16.94%	Infrastructure Finance (ex IDF)	18	5,087	1.39%	(89%)
74	1,135	27.34%	IDF	40	1,307	12.46%	(46%)
690	**12,781**	**22.29%**	**Lending Business**	**195**	**15,211**	**5.06%**	**(72%)**
66	1,020	-	Investment Management	50	1,103	-	-
756	**13,801**	**22.63%**	**Focused Business Total**	**245**	**16,314**	**5.95%**	**(68%)**
(174)	1,344	-	De-focused	(56)	794	-	-
(33)	(1,157)	-	Others	(41)	(2,227)	-	-
549	**13,988**	**15.99%**	**LTFH Consol before exceptional items**	**148**	**14,881**	**3.94%**	**(73%)**
-	-	-	Less : Exceptional items *	-	-	-	-
549	**13,988**	**15.99%**	**LTFH Consol**	**148**	**14,881**	**3.94%**	**(73%)**

Excluding impact of additional provision created on account of Covid19 and Macro Prudential provisions
Q1 FY21 PAT: Rs. 580 Cr I ROE: 15.25%

* Benefit from exceptional capital gains of Rs. 225 Cr entirely used to create additional provisions in defocused book

L&T Financial Services

Conclusion

Progressive business pickup

Faster than expected recovery in Rural, well poised to gain from the same

- Significant pickup in collection volumes owing to on-field efforts, collection momentum continues in July especially in Rural; ML collections till 15th July'20 have already surpassed June
- Maintained leadership in Farm in Jun'20, financed over 10,000 tractors (19% YoY increase)
- Focus on tranche disbursements in Project Finance and pickup in traction for IDF disbursements
- Disbursement momentum expected to increase from Q2FY21 especially in Rural business

Improved Asset Quality

Improvement in asset quality

- Reduction in GS3 and NS3 from 5.72% and 2.48% in Q1FY20 to 5.24% and 1.71% in Q1FY21
- Increase in PCR from 58% to 69% YoY
- Reduction in debtors and GS3 by ~Rs 1,300 Cr and ~Rs 100 Cr QoQ

Strong Balance Sheet

Strong Balance Sheet

- Strengthened balance sheet by creating provisions of Rs. 577 Cr in Q1FY21 (Macro prudential – Rs. 300 Cr, Covid-19 – Rs. 277 Cr)
- With this, carrying additional provisions of Rs 1,244 Cr (1.39%) on standard book even though there is strong collections recovery and improvement in asset quality
- With these provisions, we are well prepared for any economic uncertainty post moratorium

LTFH strongly positioned and ready to benefit from Rural recovery

Appendix

L&T Financial Services

Lending Business – Business wise disbursement split

		Disbursement		
Q1FY20	**Segments (Rs. Cr)**	**Q4FY20**	**Q1FY21**	**Y-o-Y (%)**
874	Farm Equipment	890	590	(33%)
1,090	TW Finance	1,203	310	(72%)
2,268	Micro Loans	2,216	7	(100%)
-	Consumer Loans	112	6	-
4,232	**Rural Finance**	**4,420**	**913**	**(78%)**
661	Home Loans	594	66	(90%)
188	LAP	111	2	(99%)
1,275	Real Estate Finance	1,197	248	(81%)
2,123	**Housing Finance**	**1,902**	**317**	**(85%)**
3,252	Infrastructure Finance	1,885	648	(80%)
-	Infra Debt Fund (IDF)	6	441	-
3,252	**Infrastructure Finance**	**1,891**	**1,089**	**(67%)**
9,608	**Focused Business**	**8,213**	**2,318**	**(76%)**
-	De-focused	-	-	-
9,608	**Total Disbursement**	**8,213**	**2,318**	**(76%)**

L&T Financial Services

Lending Business – Business wise book split

Book				
Q1FY20	**Segments (Rs. Cr)**	**Q4FY20**	**Q1FY21**	**Y-o-Y (%)**
7,463	Farm Equipment	8,438	8,403	13%
5,857	TW Finance	6,575	6,386	9%
12,524	Micro Loans	12,495	12,531	0%
-	Consumer Loans	154	155	-
25,845	**Rural Finance**	**27,661**	**27,476**	**6%**
6,615	Home Loans	7,770	7,830	18%
4,217	LAP	3,881	3,908	(7%)
15,201	Real Estate Finance	14,933	15,216	0%
26,033	**Housing Finance**	**26,584**	**26,954**	**4%**
30,315	Infrastructure Finance	30,113	30,131	(1%)
8,307	Infra Debt Fund (IDF)	8,796	9,146	10%
38,623	**Infrastructure Finance**	**38,909**	**39,276**	**2%**
90,500	**Focused Business**	**93,154**	**93,706**	**4%**
9,403	De-focused	5,230	5,173	(45%)
99,904	**Total Book***	**98,384**	**98,879**	**(1%)**

* Excludes sovereign debt

Rural Finance – Summary financial performance

Performance Summary

Q1FY20	Summary P&L (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y (%)
1,195	Interest Income	1,317	1,307	9%
469	Interest Expense	464	509	8%
726	NIM	852	798	10%
109	Fee & Other Income	94	32	(71%)
835	NIM + Fee & other income	946	829	(1%)
258	Operating Expense	302	262	1%
577	Earnings before credit cost	644	568	(2%)
223	Credit Cost (excl. Covid-19 & Macro Prudential)	378	60	(73%)
-	Credit Cost (for Covid-19 & Macro Prudential)	57	374	-
252	**PAT**	**175**	**114**	**(55%)**

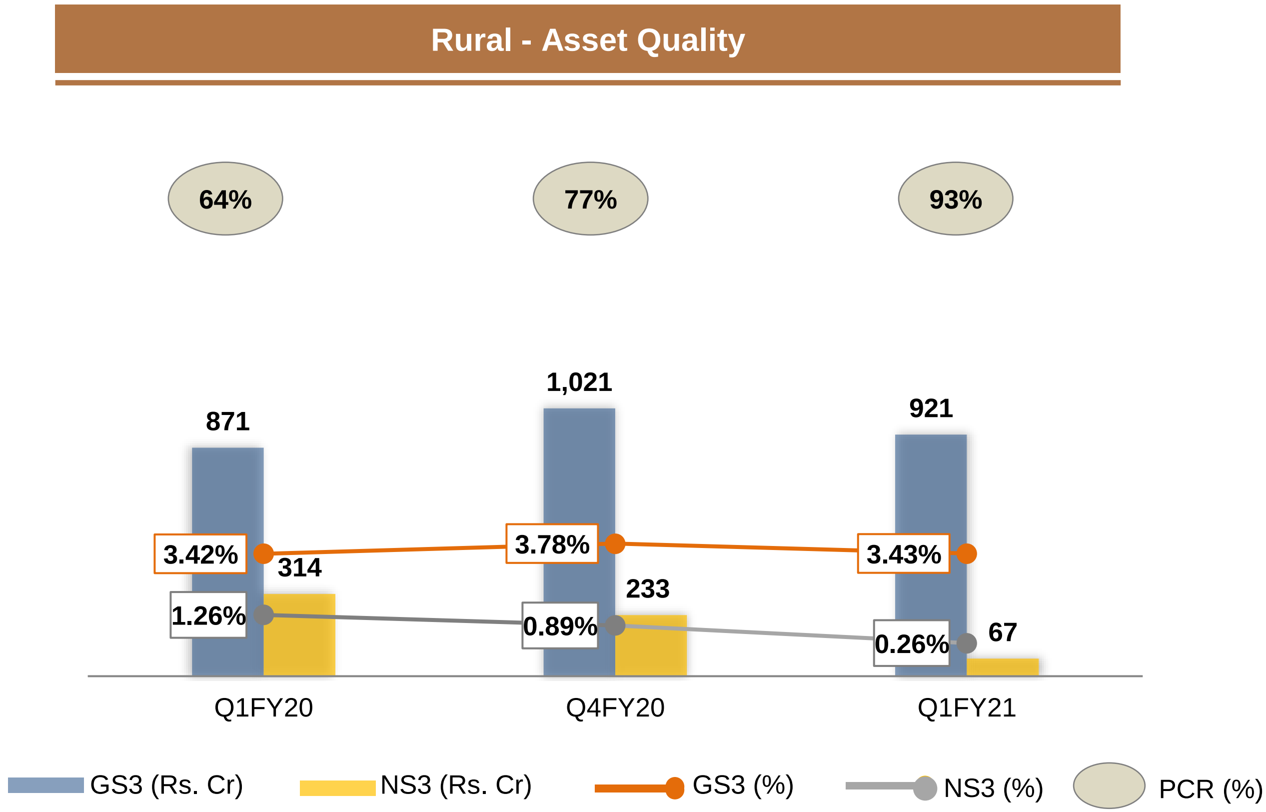
Q1FY20	Particulars (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y(%)
25,845	Book	27,661	27,476	6%
3,962	Networth	4,523	4,516	14%

Rural Finance – Key ratios

Key Ratios

Q1FY20	Key Ratios	Q4FY20	Q1FY21
18.54%	Yield	18.97%	18.83%
11.32%	Net Interest Margin	12.35%	11.53%
1.70%	Fee & Other Income	1.36%	0.46%
13.02%	NIM + Fee & other income	13.71%	11.98%
4.02%	Operating Expenses	4.38%	3.78%
9.00%	Earnings before credit cost	9.33%	8.20%
3.48%	Credit Cost (excl. Covid-19 & Macro Prudential)	5.48%	0.87%
-	Credit Cost (for Covid-19 & Macro Prudential)	0.83%	5.41%
3.89%	Return on Assets	2.46%	1.52%
5.41	Debt / Equity	4.93	4.84
26.20%	**Return on Equity**	**15.14%**	**9.91%**

Rural Finance - Asset quality



In addition to above; Macro Prudential provisions, Covid-19 and enhanced provision for stage 1&2 assets at Rs. 764 Cr (2.95% of standard book)

GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

Housing Finance – Summary financial performance

Performance Summary

Q1FY20	Summary P&L (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y (%)
828	Interest Income	821	825	(0%)
484	Interest Expense	503	558	15%
344	NIM	317	267	(22%)
62	Fee & Other Income	39	36	(43%)
407	NIM + Fee & other income	357	302	(26%)
59	Operating Expense	85	80	34%
347	Earnings before credit cost	272	223	(36%)
33	Credit Cost (excl Covid-19 & Macro Prudential)	23	25	(23%)
25	Credit Cost (for Covid-19 & Macro Prudential)	133	185	-
208	**PAT**	**102**	**23**	**(89%)**

Q1FY20	Particulars (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y(%)
26,033	Book	26,584	26,954	4%
3,874	Networth	4,302	4,301	11%

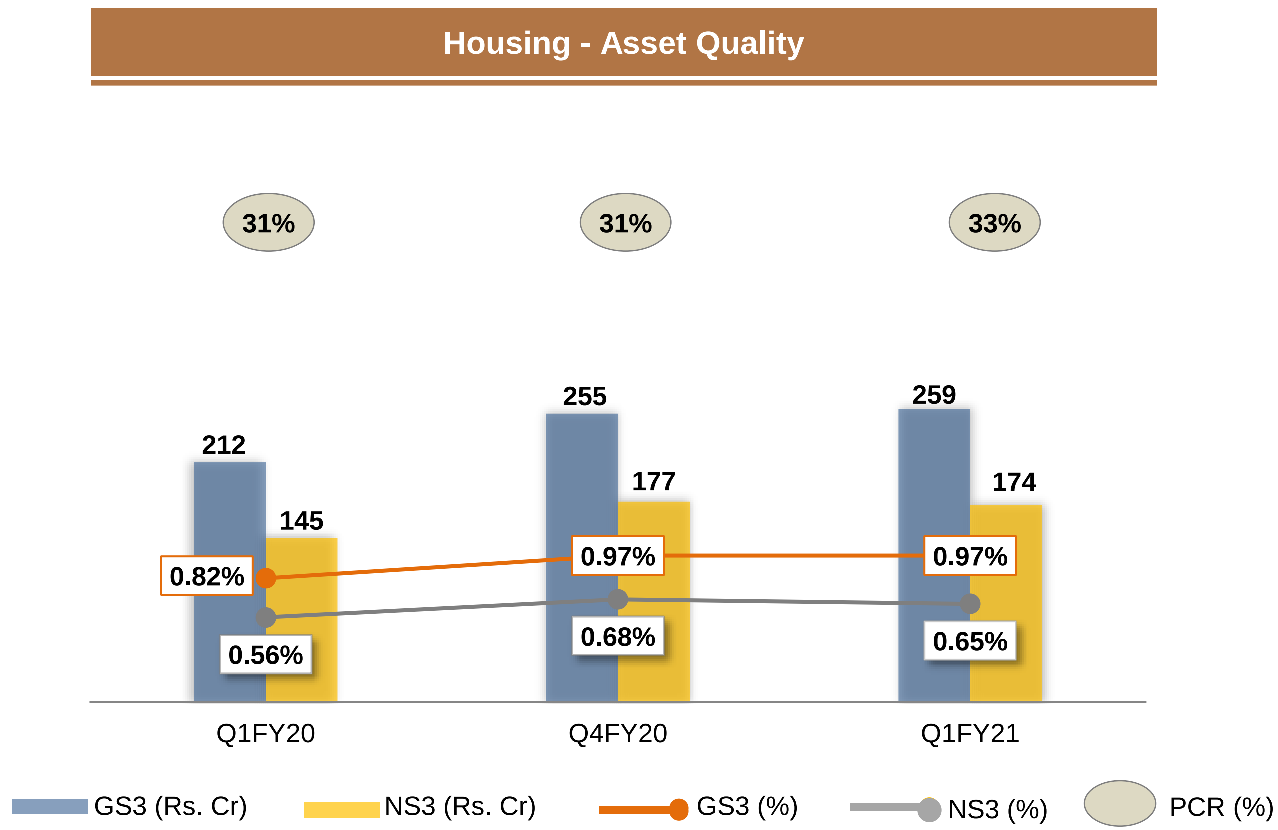
L&T Financial Services

Housing Finance – Key ratios

Key Ratios			
Q1FY20	**Key Ratios**	**Q4FY20**	**Q1FY21**
12.90%	Yield	12.29%	12.32%
5.36%	Net Interest Margin	4.75%	3.99%
0.97%	Fee & Other Income	0.59%	0.53%
6.33%	NIM + Fee & other income	5.34%	4.52%
0.92%	Operating Expenses	1.27%	1.19%
5.41%	Earnings before credit cost	4.07%	3.33%
0.51%	Credit Cost (excl Covid-19 & Macro Prudential)	0.35%	0.38%
0.39%	Credit Cost (for Covid-19 & Macro Prudential)	1.99%	2.76%
3.01%	Return on Assets	1.37%	0.29%
5.84	Debt / Equity	5.59	5.68
22.07%	**Return on Equity**	**9.28%**	**2.12%**

L&T Financial Services

Housing Finance - Asset quality



In addition to above; Macro Prudential provisions, Covid-19 and enhanced provision for stage 1&2 assets at Rs. 444 Cr (1.68% of standard book)

GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

Infrastructure Finance (ex IDF) – Summary financial performance

Performance Summary

Q1FY20	Summary P&L (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y (%)
781*	Interest Income	766	752	(4%)
588	Interest Expense	555	598	2%
194	NIM	210	154	(20%)
106	Fee & Other Income	61	32	(70%)
299	NIM + Fee & other income	271	186	(38%)
45	Operating Expense	51	40	(11%)
254	Earnings before credit cost	220	146	(43%)
4	Credit Cost (excl Covid-19)	54	143	-
-	Credit Cost (for Covid-19)	17	17	-
156	**PAT**	**140**	**18**	**(89%)**

Q1FY20	Particulars (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y(%)
30,315	Book	30,113	30,131	(1%)
3,810	Networth	5,341	5,087	34%

*Includes interest income of Rs. 52 Cr for IL&FS, which was deferred in Q4FY19 and recognized in Q1FY20

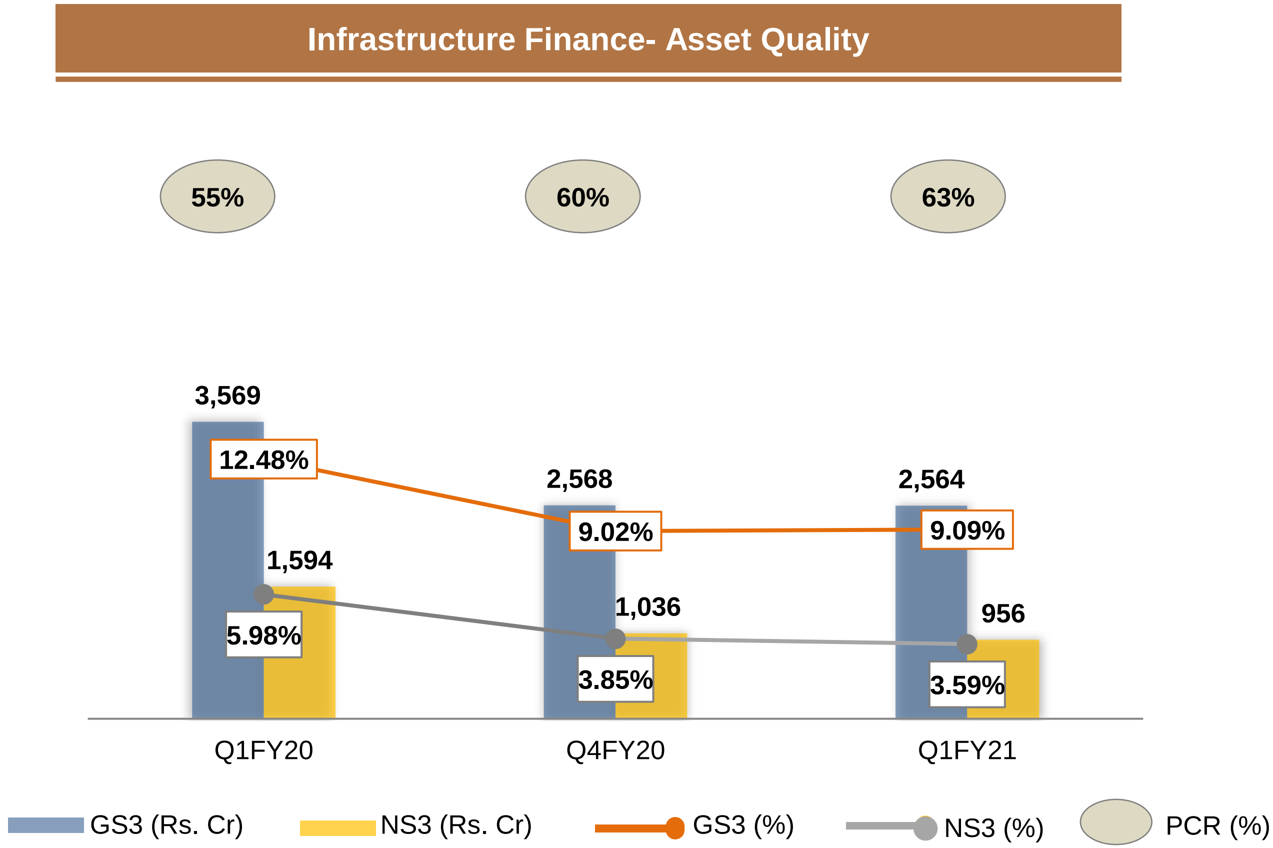
Infrastructure Finance (ex IDF) – Key ratios

Key Ratios

Q1FY20	Key Ratios	Q4FY20	Q1FY21
10.46%*	Yield	9.98%	10.02%
2.59%	Net Interest Margin	2.74%	2.06%
1.41%	Fee & Other Income	0.79%	0.42%
4.00%	NIM + Fee & other income	3.53%	2.48%
0.60%	Operating Expenses	0.67%	0.54%
3.40%	Earnings before credit cost	2.86%	1.94%
0.05%	Credit Cost (excl Covid-19)	0.70%	1.91%
-	Credit Cost (for Covid-19)	0.22%	0.23%
1.98%	Return on Assets	1.80%	0.22%
6.77	Debt / Equity	4.72	5.05
16.94%	**Return on Equity**	**11.06%**	**1.39%**

*Includes interest income of Rs. 52 Cr for IL&FS, which was deferred in Q4FY19 and recognized in Q1FY20

Infrastructure Finance (ex IDF) - Asset quality



In addition to above; Covid-19 provision at Rs. 34 Cr

GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

IDF – Summary financial performance

Performance Summary

Q1FY20	Summary P&L (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y (%)
233*	Interest Income	214	213	(9%)
155	Interest Expense	173	175	13%
78	NIM	41	38	(51%)
5	Fee & Other Income	13	12	122%
83	NIM + Fee & other income	55	50	(40%)
9	Operating Expense	10	9	(8%)
74	Earnings before credit cost	44	41	(44%)
0	Credit Cost	(1)	1	-
74	**PAT**	**45**	**40**	**(46%)**

Q1FY20	Particulars (Rs. Cr)	Q4FY20	Q1FY21	Y-o-Y(%)
8,307	Book	8,796	9,146	10%
1,135	Networth	1,267	1,307	15%

*Includes interest income of Rs. 32 Cr for IL&FS, which was deferred in Q4FY19 and recognized in Q1FY20

IDF – Key ratios

Key Ratios			
Q1FY20	Key Ratios	Q4FY20	Q1FY21
11.27%*	Yield	9.60%	9.53%
3.78%	Net Interest Margin	1.85%	1.71%
0.26%	Fee & Other Income	0.59%	0.53%
4.04%	NIM + Fee & other income	2.45%	2.23%
0.45%	Operating Expenses	0.45%	0.38%
3.59%	Earnings before credit cost	2.00%	1.85%
0.01%	Credit Cost	(0.03%)	0.06%
3.44%	Return on Assets	1.87%	1.63%
6.37	Debt / Equity	5.98	6.01
27.34%	**Return on Equity**	14.56%	12.46%

*Includes interest income of Rs. 32 Cr for IL&FS, which was deferred in Q4FY19 and recognized in Q1FY20

IDF - Asset quality

IDF - Asset Quality

Asset Quality	Q1FY20	Q4FY20	Q1FY21
Gross Loans & Advances	8,253	8,756	9,090
GS3 (%)	Nil	Nil	Nil

GS3 - Gross Stage 3

Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q1FY20	Q4FY20	Q1FY21	Y-o-Y (%)
Renewable Power	1,845	1,159	994	(46%)
Roads	263	412	64	(76%)
Power Transmission	1,030	110	10	(99%)
Others[1]	114	210	22	(81%)
Total	**3,252**	**1,891**	**1,089**	**(67%)**

LOAN BOOK

Sectors (Rs. Cr)	Q1FY20	Q1FY20 (% of Total)	Q4FY20	Q4FY20 (% of Total)	Q1FY21	Q1FY21 (% of Total)	Y-o-Y (%)
Renewable Power	19,946	52%	20,592	53%	21,435	55%	7%
Roads	9,271	24%	9,588	25%	9,518	24%	3%
Power Transmission	2,367	6%	2,672	7%	2,264	6%	(4%)
Others[2]	7,038	18%	6,057	16%	6,060	15%	(14%)
Total	38,623	100%	38,909	100%	39,276	100%	2%

[1] Others includes cement, city gas distribution etc.

[2] Others includes infra project implementers, thermal power, healthcare, water treatment, city gas distribution etc.

AUM disclosure – Investment Management Business

Assets under Management (Rs. Cr)

	Quarter ended Jun, 2019		Quarter ended Mar, 2020		Quarter ended Jun, 2020	
Fund Type	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**
Equity (Other than ELSS)	38,293	38,038	25,664	34,698	30,453	28,279
Equity – ELSS	3,385	3,337	2,346	3,179	2,842	2,624
Income	16,367	16,480	18,236	20,323	16,892	17,237
Liquid	8,900	15,513	8,557	12,731	9,616	10,030
Gilt	136	129	134	125	253	191
Total	**67,081**	**73,497**	**54,937**	**71,056**	**60,056**	**58,361**

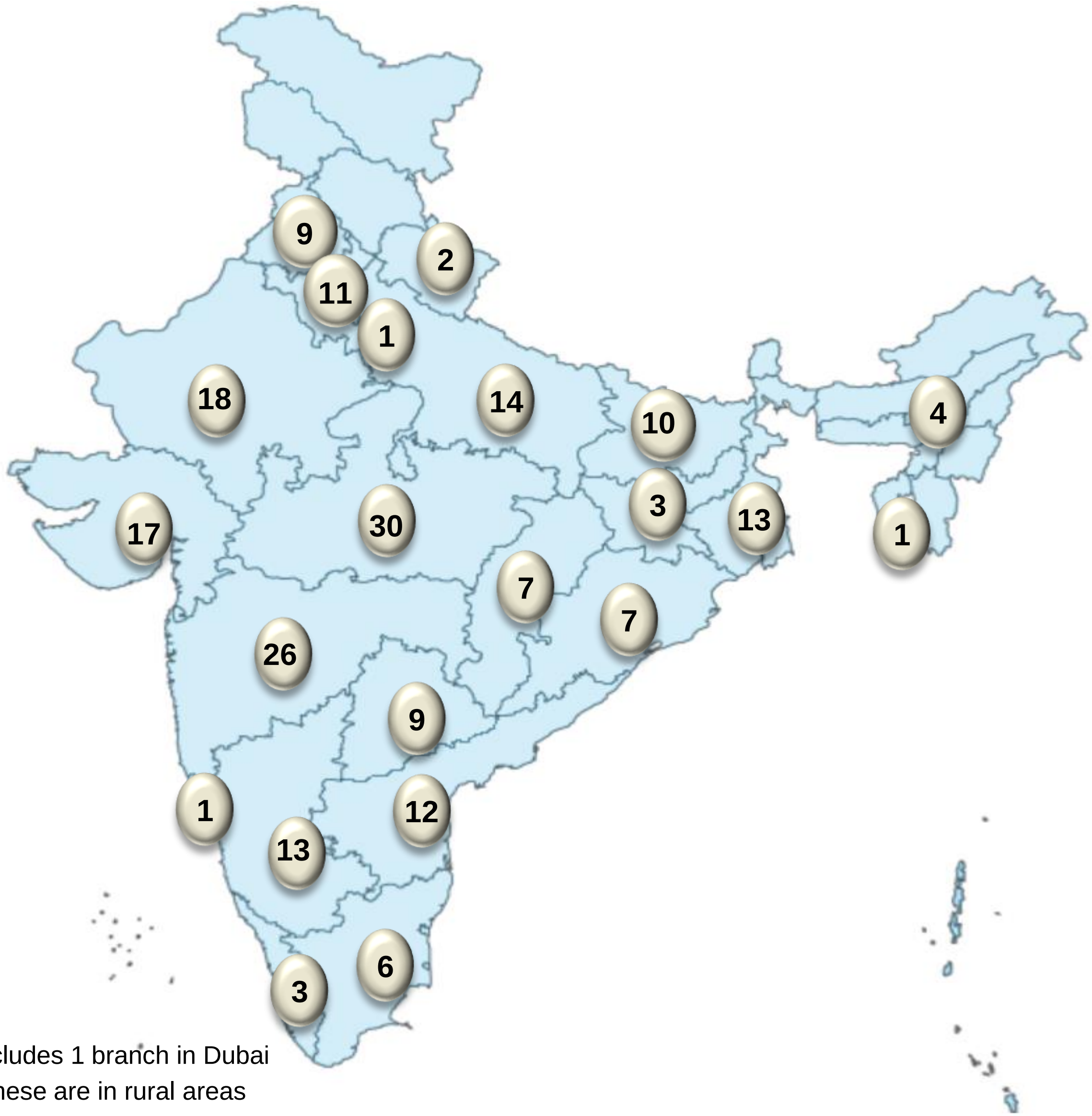
[1] As on the last day of the Quarter [2] Average AUM for the Quarter

L&T Financial Services

Product profile and Geographies

BUSINESS		ATS on o/s book	ATS on qtrly disb	Avg Tenor on disb	Major Geographies
Rural	Farm Equipment	Rs. 3.0 Lakhs	Rs. 4.3 Lakhs	46 months	MP, Karnataka, UP, Bihar, Telangana, Maharashtra, AP, Haryana
Rural	Two Wheeler	Rs. 37k	Rs. 63k	27 months	Kolkata, Pune, Mumbai, Bangalore, Hyderabad, Ahmedabad, Delhi
Rural	Micro Loans (Joint Liability Group)	Rs. 21k	N.A.	N.A.	TN, Bihar, Karnataka, West Bengal, Kerala, Orissa, MP
Rural	Consumer Loans	Rs. 1.3 Lakhs	N.A.	N.A.	Maharashtra, Gujarat, WB, Bihar, Karnataka
Housing	Home Loan	Rs. 33 Lakhs	Rs. 55 Lakhs	23 years	Mumbai, Delhi, Bangalore, Pune, Hyderabad, Chennai & Surat
Housing	Loan against Property	Rs. 47 Lakhs	N.A.	N.A.	Bangalore, Pune, Mumbai, Delhi, Surat, Hyderabad

LTFH branch footprint



As of 30th June, 2020

No. of States & Union Territories	21 & 1
No. of branches*	218
No. of Micro Loans meeting centers**	1,422
No. of employees	22,476

*Also includes 1 branch in Dubai

**All these are in rural areas

L&T Financial Services

Corporate Social Responsibility

Directly linked to creating value

FOCUS: GENERATION OF SUSTAINABLE RURAL LIVELIHOODS

Digital financial inclusion

- Pogramme scaled to 138 new villages with 350 additional Digital Sakhis with target of reaching 1.5 lakh community members in West Bengal and Tamilnadu
- More than 32,000 community member sensitized on government entitlement schemes in Maharashtra and Madhya Pradesh

Water resource management

- De-silting of 30,000 cubic meter undertaken to help increase the water storage capacity of existing water structures
- 2,500 farmers enrolled for on hands on training on Low External Input Sustainable Agriculture (LEISA) practices through 79 demo plots of Farmer field School (FFS)

COVID-19 Response

- Distribution of ration kits, sanitization kits (hand sanitizers and masks) and created awareness on social distancing, mask usage, hand washing etc
- Reached out to 1.13 lakhs plus community members in the month of April and May through various means

Disaster Relief (Amphan cyclone)

- 28 employee volunteers contributed over 190 volunteering hours
- Reached to 5,880 Families across 174 villages affected by the aftermath of cyclone Amphan in the State of West Bengal

Awards & Recognition

Business Standard
Social Excellence
Award 2019

Most Socially Aware Corporate of the Year

(March, 2020)

Golden Peacock Award
Corporate Social Responsibility

(March, 2020)

FICCI

Corporate Social Responsibility Award
Women Empowerment

(March, 2020)

10th India Digital Awards
Digital Sakhi

(February, 2020)

The Asset Triple A
Asia Infrastructure Awards 2020

Renewable Energy Acquisition Financing Deal of the Year

(July, 2020)

The Asset Triple A
Asia Infrastructure Awards 2020

Utility Deal of the Year

(July, 2020)

L&T Financial Services

Board comprises majority of Independent Directors

Board of Directors

S. V. Haribhakti, *Non-Executive* Chairman, *Independent Director*

- Chairman of Future Lifestyle Fashions Limited, Blue Star Limited & NSDL e-Governance Infrastructure Limited
- 40 + years of experience in audit, tax and consulting

R. Shankar Raman, *Non-Executive Director*

- Current whole time director & CFO of L&T Limited
- 30+ years of experience in finance, including audit and capital markets

Thomas Mathew T., *Independent Director*

- Former Managing Director of Life Insurance Corporation of India
- 36+ years of experience in Life Insurance Industry

Dr. Rajani Gupte, *Independent Director*

- Current Vice Chancellor of Symbiosis International University, Pune
- 30+ years of experience in teaching and research at prestigious institutes

Prabhakar B., *Non-Executive Director*

- Former Chairman and Managing Director of Andhra Bank
- 37+ years of experience in the banking industry

Dinanath Dubhashi, *Managing Director & CEO*

- 29 years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing

P. V. Bhide, *Independent Director*

- Retired IAS officer of the Andhra Pradesh Cadre (1973 Batch)
- Former Revenue Secretary; 40+ years experience across various positions in the Ministry of Finance

Nishi Vasudeva, *Independent Director*

- Former Chairman and Managing Director of Hindustan Petroleum Corporation Ltd
- 30+ years of experience in Petroleum Industry

Pavninder Singh, *Nominee Director*

- Managing Director with Bain Capital- Mumbai
- Earlier with Medrishi.com as Co-CEO and Consultant at Oliver Wyman

L&T Financial Services

Management Team

Dinanath Dubhashi
Managing Director & CEO
29 yrs exp, BNP Paribas, SBI Cap, CARE

Sunil Prabhune
CE – Rural &
Group Head – Digital, IT & Analytics
22 yrs exp, ICICI Bank, GE, ICI

Kailash Kulkarni
CE - Investment Management &
Group Head - Marketing
30 yrs exp, Kotak Mahindra AMC, Met Life, ICICI

Raju Dodti
CE – Infrastructure Finance
22 yrs exp, IDFC, Rabo, ABN Amro, Soc Gen

Srikanth J
CE – Housing &
Group Head – Central operations
24 yrs exp, BNP Paribas, Commerz Bank AG

Shiva Rajaraman
CE – L&T Infra Debt Fund
24 yrs exp, IDFC, Dresdner Kleinwort Benson

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

Tushar Patankar
Group Chief Risk Officer
25 yrs exp, ICICI Bank, ABN Amro, HSBC, ANZ, IDFC Bank, Mashreq Bank, Bank Internasional Indonesia, Bajaj Finserv

Abhishek Sharma
Chief Digital Officer
16 yrs exp, Indian Army

Deliver sustainable RoE

Registered Office:

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