

January 24, 2017

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051.

**BSE Limited**  
Corporate Relations Department,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

**Symbol: L&TFH**

**Security Code No.: 533519**

**Kind Attn: Head – Listing Department / Dept of Corporate Communications**

**Sub: Submission of Investor/Analyst Presentation**

Dear Sir/ Madam,

With reference to our letter dated January 16, 2017 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Presentation to be made to Institutional Investor/Analyst.

Further, as per Regulation 46 of Listing Regulations, the said Presentation would also be available on website of the Company i.e. [www.ltfinanceholdings.com/investors/investor-information.aspx](http://www.ltfinanceholdings.com/investors/investor-information.aspx).

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

  
**Apurva Rathod**  
Company Secretary & Compliance Officer

Encl: As above

# TRANSFORM FOCUS DELIVER



Strategy Update & Results – Q3FY17

# Disclaimer

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of L&T Finance Holdings Limited (the "Company"), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor.

No representation, warranty, guarantee or undertaking, express or implied, is or will be made or any assurance given as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information, estimates, projections or opinions contained herein. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice. Neither the Company nor any of its respective affiliates, its board of directors, its management, advisers or representatives, including Lead Managers and their affiliates, or any other persons that may participate in the offering of any securities of the Company, shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. Certain statements made in this presentation may be "forward looking statements" for purposes of laws and regulations of India and other than India. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition, general business plans and strategy and the competitive and regulatory environment of the Company. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions, including future changes or developments in the Company's business, its competitive environment, information technology and political, economic, legal, regulatory and social conditions in India, which the Company believes to be reasonable in light of its operating experience in recent years. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

This presentation is not for publication or distribution or release, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada or Japan or in any other country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale in the United States, Australia, Canada or Japan or any other jurisdiction. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration.

**Risk Factors and Disclaimers pertaining to L&T Mutual Fund:** Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

**LTFH response to demonetization – Status update**

**Strategy Updates**

**Management Discussion**

**Appendix**

## **LTFH response to demonetization – Status update**

**Strategy Updates**

**Management Discussion**

**Appendix**

# Status update on demonetization – 1/3



## Collections

### Management Comments on Nov 17<sup>th</sup>

- Expect cash availability to stabilize by Dec cycle
- With average EMI being around Rs. 1300, ability of the borrower to pay with valid currency should not be a challenge

### Status Update

Collection Efficiency of 97.5% achieved for Q3

- Nov 99.7%; Dec 92.6%
- Ex-Vidarbha collection efficiency has been 96.6% in Dec

## Microfinance

5% of portfolio

High cash dependency

## Disbursement

- Pilot for cashless disbursement was already done – now fast tracked for full scale implementation from Q4 to Nov

- 100% cashless disbursements from November
  - Nov Rs. 84 Cr; Dec Rs.171 Cr
- Pre-demonetization cash disbursement was ~Rs. 400 Cr /month



## Collections

- With average EMI of ~Rs. 2500, ability of the borrower to pay with valid currency should not be a challenge
- With banking habits improving as a result of demonetization, automated clearance expected to go up

- Collection efficiency has remained stable

## Two Wheeler Finance

3% of portfolio

Low cash dependency

## Disbursement

- No immediate impact

- Market Share has gone up from 4.7% (Q2FY17) to 8.3% (Q3FY17)

# Status update on demonetization – 2/3



## Farm Equipment

7% of portfolio  
Medium cash dependency

### Collections

- Due to non availability of currency and short term disturbances in the farm supply chain, we see a temporary delay in payments with no incremental default risk
- As currency availability stabilises and bank accounts gets funded, collections will come back to normal

### Disbursement

- Small decline in business is expected in the short term

### Management Comments on Nov 17<sup>th</sup>

### Status Update

- Mandis remaining closed for ~15 days post demonetization and curb on withdrawals from Jan Dhan a/c has hurt the cash cycle
- Collections were affected in November but recovered in December
- 120 DPD delinquencies have gone up from September which is a combination of normal Q3 trend and demonetization impact

- Number of tractors funded in Q3 ~ 13,000
- Market Share has gone up from 4.8% (Q2FY17) to 8.6% (Q3FY17)

# Status update on demonetization – 3/3



## Home Loans & LAP

12% of portfolio  
Low cash dependency

### Collections

#### Management Comments on Nov 17<sup>th</sup>

#### Status Update

No immediate impact in collections expected

Collection levels and credit cost have remained stable

### Disbursement

Short term slowdown in demand

18.5 % decline in disbursements over Q2FY17



## Real Estate Finance

7% of portfolio  
No cash dependency

- No immediate impact in collections expected
- Loan structuring provides enough cushions for temporary delays
- Our control on cash flows of projects to improve due to better transparency in escrow mechanism

No negative impact seen



## Wholesale finance

61% of portfolio  
cash dependency

No negative impact expected

No negative impact seen



**LTFH response to demonetization – Status update**

**Strategy Updates**

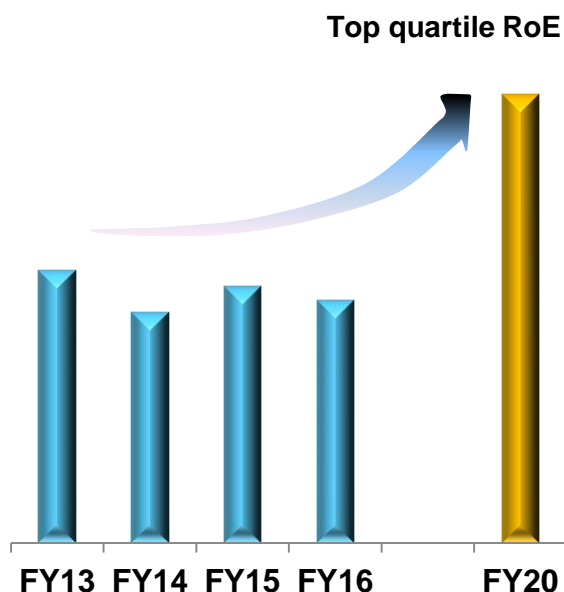
**Management Discussion**

**Appendix**

# Strategy to deliver top quartile ROE stays on course

## TRANSFORM.

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



## FOCUS.

### Rural Business

Farm Equipment  
Two wheeler  
Microfinance

### Housing Business

Home Loans & LAP  
Real Estate Finance

### Wholesale Business

Infra Finance  
Structured Corporate Loans

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

## 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

# Reflected in consistent performance across key metrics

## Continuous Improvement In ROE

Q1 FY17	Q2 FY 17	Q3FY17
9.78%	11.72%	12.81%
Q1 FY16	Q2 FY16	Q3FY16
9.09%	9.84%	9.29%



### Growth In Focused Businesses

	YTD Growth
Disbursement	33%
Asset	15%



### Improvement In Cost To Income Ratio








Q1 FY17	Q2 FY 17	Q3FY17
29%	28%	25%
Q1 FY16	Q2 FY16	Q3FY16
32%	33%	30%



### Progress On Specific Initiatives

- Short term initiatives completed
- Medium and long term initiatives are largely on track

# Strategic initiatives – on track

Initiative	Status		Impact on RoE Tree
RISK FRAMEWORK	Engagement with Oliver Wyman in process to deliver holistic risk framework		CREDIT COST
OPEX OPTIMIZATION	Achieved 25% Cost to Income ratio		OPERATING EXPENSES
DIVESTMENT OF NON-CORE BUSINESS	First tranche of ~ Rs.230 Cr will be sold through PTC structure in early Q4		CAPITAL ALLOCATION
COE – FOCUS BUSINESS	YTD Growth in focus businesses is 33%		INCOME
COE SELLDOWN	Sell down increased by 6 times resulting to 7x increase in fee income		INCOME
MERGER OF ENTITIES	All necessary approvals in place		CAPITAL ALLOCATION
DIGITAL AND DATA ANALYTICS	Continued focus on replacing human judgement with analytical decisions		INCOME/OPEX/ CREDIT COST

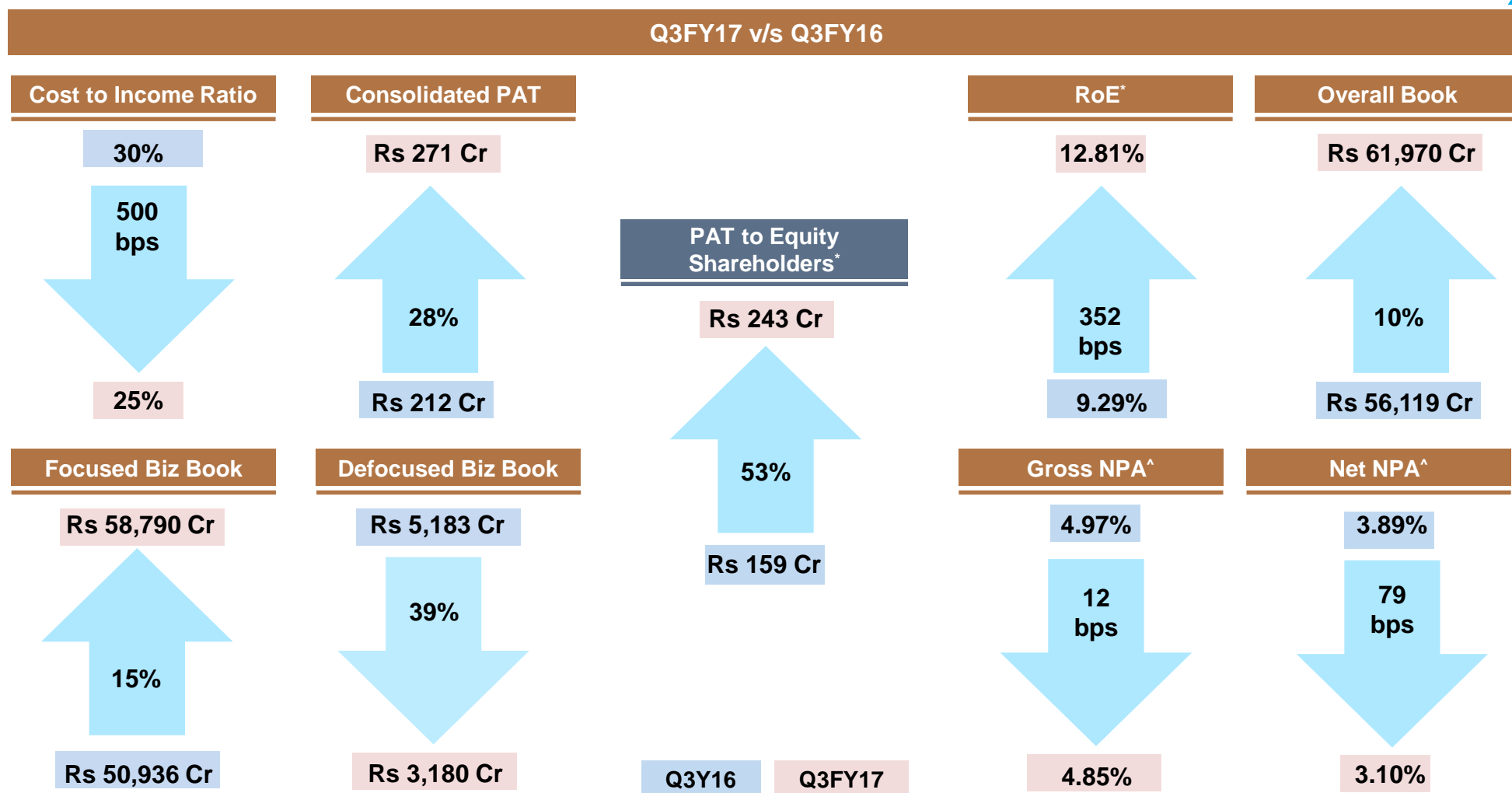
**LTFH response to demonetization – Status update**

**Strategy Updates**

**Management Discussion**

**Appendix**

# LTFH consolidated – Financial performance highlights



# LTFH consolidated – Capital allocation and RoE bridge

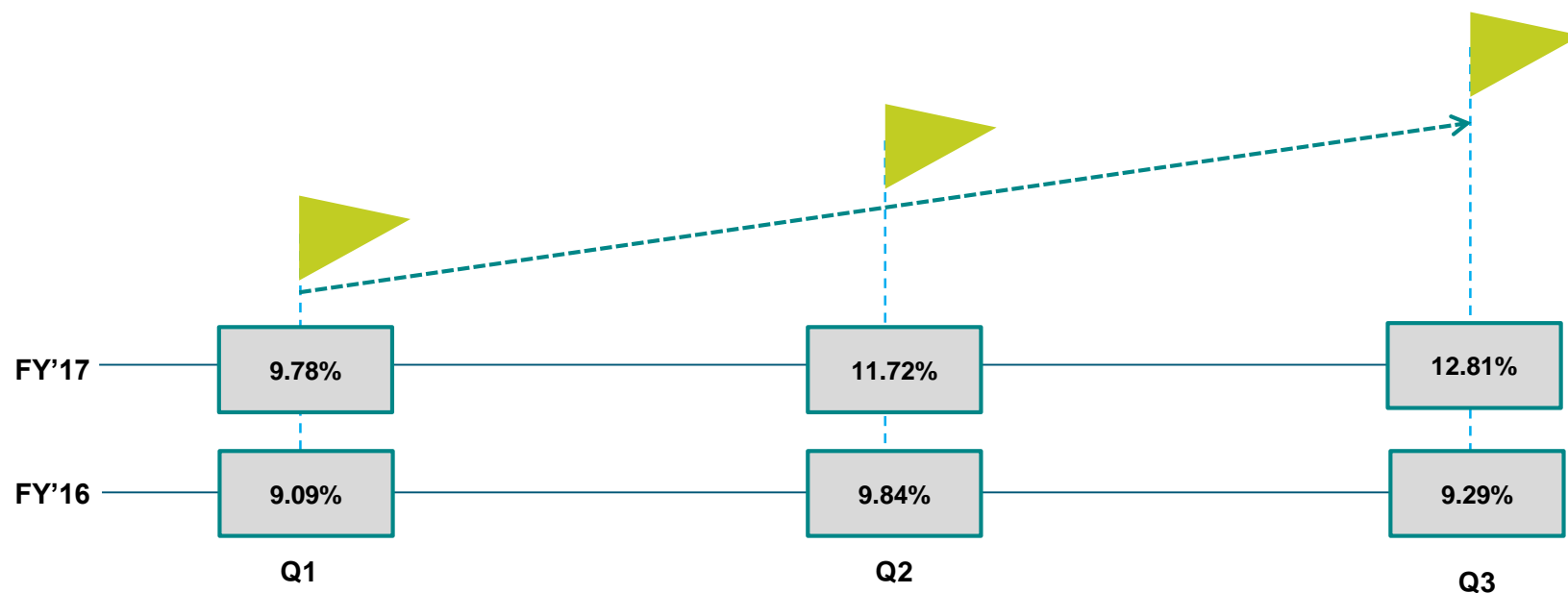
Q3FY16			Business Segments (Rs Cr)	Q3FY17			PAT Y-o-Y (%)
PAT	Net Worth	RoE		PAT	Net Worth	RoE	
45	1,114	15.73%	Rural Business	74	1,350	22.11%	64%
32	925	15.15%	Housing Business	88	1,203	29.92%	175%
142	4,399	13.22%	Wholesale Business	128	5,077	10.31%	(10%)
<b>219</b>	<b>6,438</b>	<b>13.94%</b>	<b>Focus Business</b>	<b>290</b>	<b>7,630</b>	<b>15.52%</b>	<b>32%</b>
(14)	703	(7.30%)	De-focused Business	(32 )	449	(25.95%)	131%
<b>205</b>	<b>7,141</b>	<b>11.64%</b>	<b>Lending Businesses</b>	<b>258</b>	<b>8,079</b>	<b>12.94%</b>	<b>26%</b>
7	2,097	1.47%	Other Businesses <sup>&amp;</sup>	13	1,056	5.16%	88%
<b>212</b>	<b>9,238</b>	<b>9.45%</b>	<b>LTFH Consol. (Reported)</b>	<b>271</b>	<b>9,135</b>	<b>12.04%</b>	<b>28%</b>
53	1,963		Less Pref. Div. / Pref. Cap	28	1,213		-48%
<b>159</b>	<b>7,003</b>	<b>9.29%</b>	<b>LTFH Consol. (To Equity Shareholders) *</b>	<b>243</b>	<b>7,711</b>	<b>12.81%</b>	<b>53%</b>

\* 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

<sup>&</sup> Other Businesses include Mutual Fund, Wealth Management, Private Equity , L&T Vrindavan, L&T Access and LTFH Standalone

# Management discussion – Steady improvement in RoE

RoE increase trajectory stays in line with strategic plan targets despite the demonetization event and substantial voluntary provisions taken

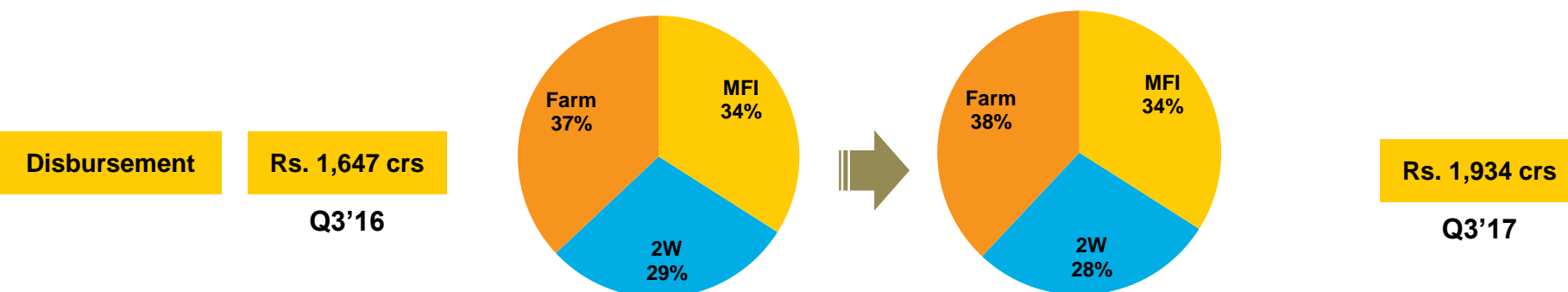




## Voluntary credit cost across businesses in Q3FY17

Business Vertical	Amount (Rs. Crs)
Rural Businesses	53
Housing Businesses	12
Wholesale Businesses	125
De-focused Book	24
<b>Total Lending Book</b>	<b>214</b>

# Management discussion – Rural business



## Micro Finance

- Microfinance disbursement showing 18% Y-o-Y growth
- Our response to the demonetization event was 100% cashless disbursement in Microfinance
- Disbursements of ~ Rs.550 Cr less than normal run-rate

## Two Wheeler

- All time high disbursements of Rs. 549 Cr in this quarter
- Market share increased from 4.7% to 8.3% Q-o-Q

## Farm Equipment

- Major increase in market share from 4.8% to 8.6% Q-o-Q
- Even though RBI allowed forbearance for accounts becoming NPA between Nov and Dec we have provided credit cost (Rs.51 Crs) notwithstanding this

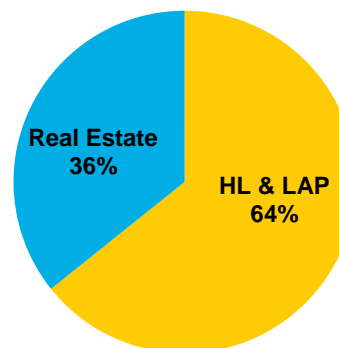
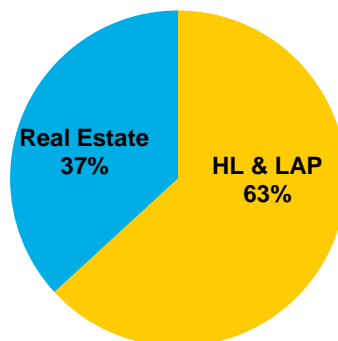
**Improved opex due to digitisation and productivity focus**

# Management discussion – Housing business

Loan Book

Rs. 8,658 crs

Q3'16



Rs. 11,565 crs

Q3'17

HL & LAP

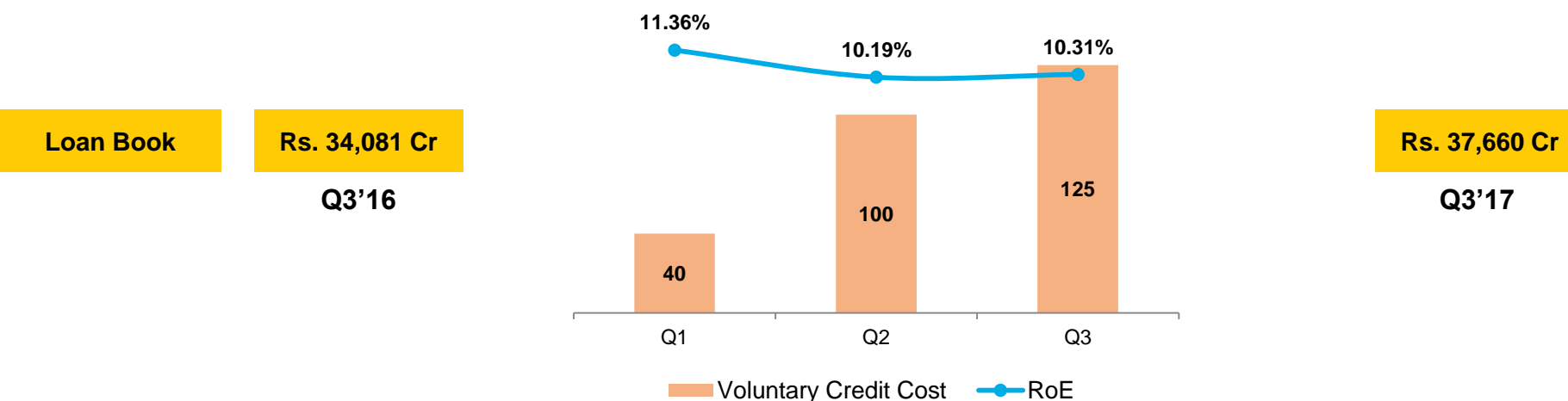
- Slow down in disbursements leading to ~ Rs.200 Cr below normal run rate
- Change in product mix to SENP segment paying dividends
- Enhanced focus on retail conversion of real estate funded projects through direct sourcing

Real Estate

- Excellent trajectory in disbursements and fee income
- Credit processes and Early Warning Signal mechanisms tightened

**Steadily strengthening our CoE in the housing business**

# Management discussion – Wholesale business



- Excellent growth in focus sectors of operating roads and renewable energy : 88% growth in disbursements Q-o-Q and 30 % asset growth Y-o-Y
- Sell down increased by 6 times resulting to 7x increase in fee income
- Total fee and other income of wholesale business has increased from Rs. 41 Cr to Rs. 73 Cr which is an increase of 76% Y-o-Y
- We are on track to aggressively increase provision coverage by taking Rs. 125 Crs additional voluntary credit cost

**RoE without voluntary credit cost 17 %**

# Conclusion & Outlook

- ❖ Q3 tested organization resilience to not deviate from the strategy despite challenging environment:
  - Organizational culture to deliver profitable growth proven
  - Achieved traction in strategic initiatives despite external challenges
  - Continued accelerated provisioning in wholesale as stated earlier
- ❖ An organisational culture of empowerment and taking ownership is developing steadily. Demonstrated by the resilience and solution oriented approach in handling the demonetization event.
- ❖
  - ROE stands at 12.81% in Q3FY17 as against 9.29% in Q3FY16 and 11.72% in Q2FY17
  - PAT to equity shareholders increases by 53% in Q3FY17
- ❖
  - Cost to Income reduced from 30% to 25%
  - While the controls on costs will continue, we will steadily increase our investment in digitization and automation
- ❖ Investment Management & Wealth Management would continue their value creation journey...

**Predictability in results through steadfast progress on stated strategic goals**

**LTFH response to demonetization – Status update**

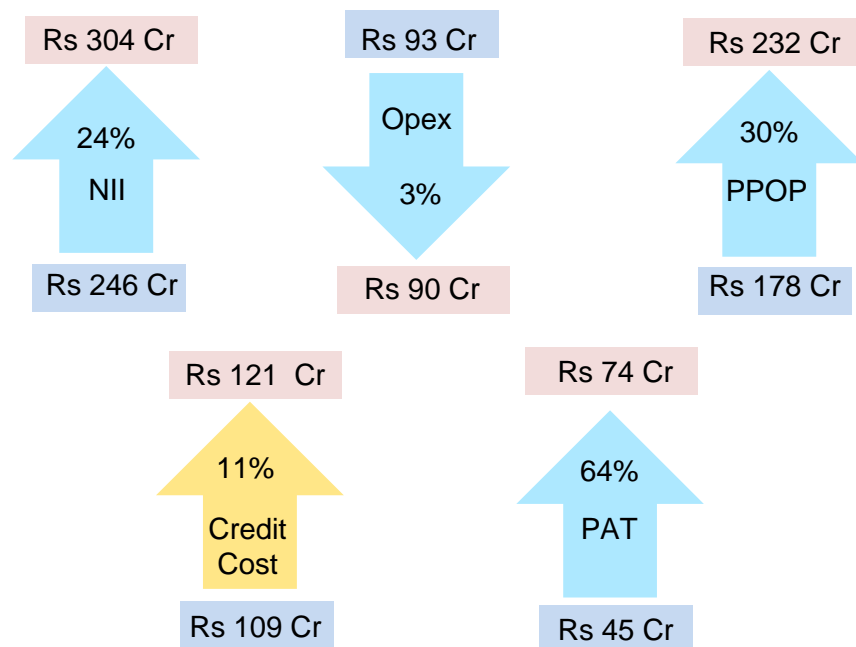
**Strategy Updates**

**Management Discussion**

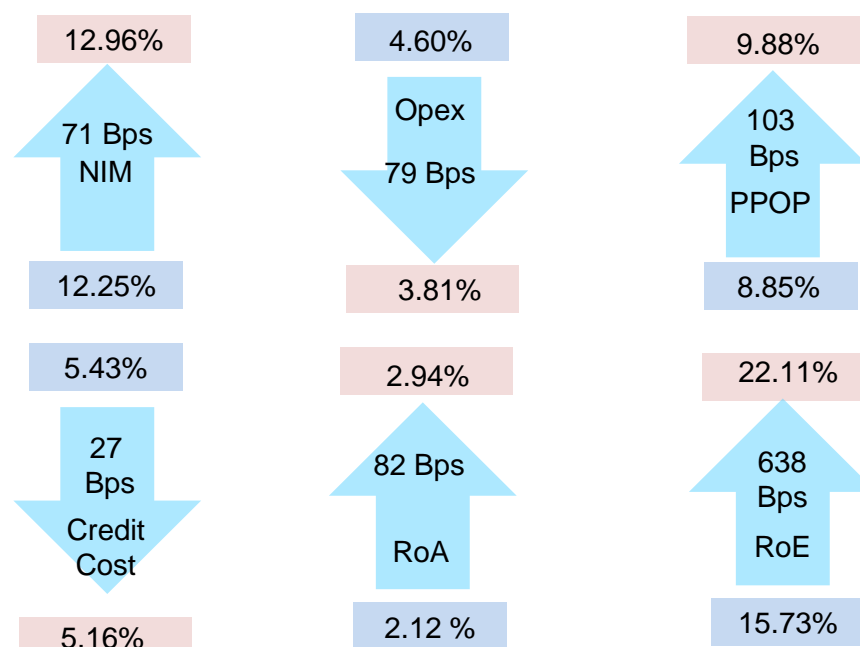
**Appendix**

# Rural business – Performance highlights

## Key Financial Metrics (Q3FY17 v/s Q3FY16)



## Key Ratios (Q3FY17 v/s Q3FY16)



- Potential RBI dispensation relief of Rs.38 Cr in credit cost has not been considered
- Additionally Rs.12 Cr of voluntary provisions taken in Farm

# Rural Business – Market Scenario and Outlook

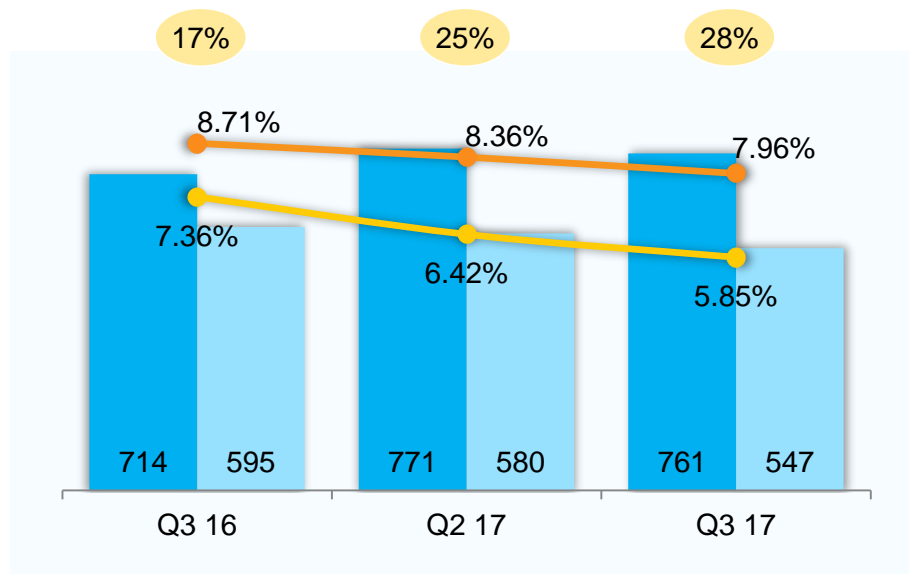
Segment	Q3FY17 v/s Q3FY16		Management Discussion
	Disbursements	Loan Book	
Micro Finance	Rs 653Cr	Rs 3,194 Cr	<ul style="list-style-type: none"> <li>100% bank to bank disbursements initiated from Nov onwards</li> <li>Disbursement on a Q-o-Q basis have reduced due to portfolio adjusting to the new normal of cashless disbursement</li> <li>Book has grown 86% despite short term environment challenges</li> <li>Rejection rate increased from 33% to high of 68% thereby reflecting strong underwriting standards</li> </ul>
	↑ 18%	↑ 86%	
	Rs 555 Cr	Rs 1,717 Cr	
2 Wheelers	Rs 549Cr	Rs 2,022 Cr	<ul style="list-style-type: none"> <li>Market expected to grow at 10% - 12%</li> <li>Continued focus on profitability by reducing opex and focus on early bucket collection efficiency exhibiting early results</li> <li>Enhanced customer proposition through digitization of customer acquisition journey as observed through higher disbursements</li> </ul>
	↑ 14%	↑ 18%	
	Rs 480 Cr	Rs 1,720 Cr	
Farm Equipment	Rs 732 Cr	Rs 4,759 Cr	<ul style="list-style-type: none"> <li>Good monsoon expected to improve sentiments - market growth by 5% - 6%</li> <li>Regaining market share in specific geographies based on better monsoon and reservoir levels required to support the Rabi crop</li> </ul>
	↑ 20%	↓ 9%	
	Rs 612 Cr	Rs 4,349 Cr	
Book growth of 17% - from Rs 8,197 Cr to Rs 9,565 Cr			
	Q3FY16	Q3FY17	



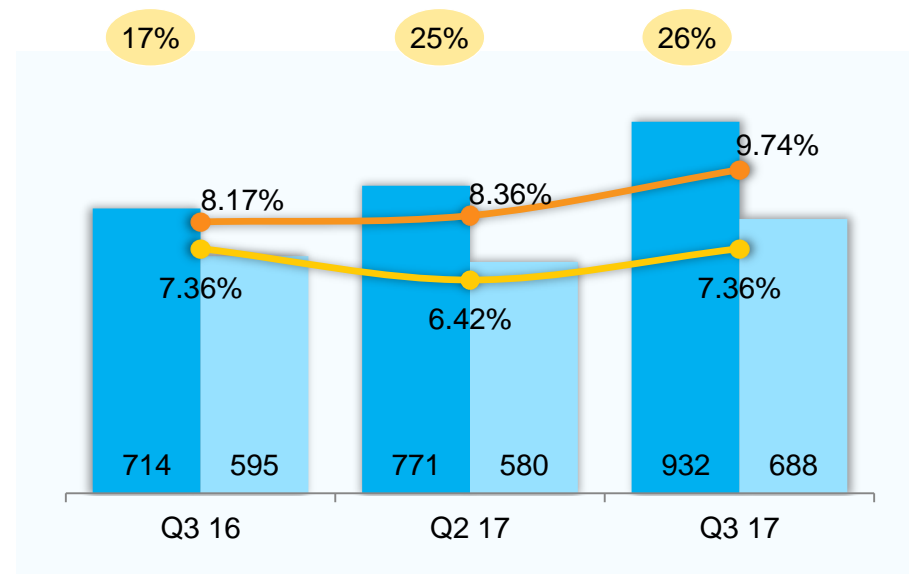
# Rural Business – Asset Quality

## Asset Quality Indicators – 120 DPD

### Asset quality –with RBI dispensation



### Asset quality –without RBI dispensation



■ GNPA (Rs. Cr.) 
 ■ NNPA (Rs. Cr.) 
 —●— GNPA (%) 
 —●— NNPA (%) 
    PCR (%)

- Increase in PCR from 17% to 28%
- Provisioning done without considering RBI dispensation
- Credit cost of Farm business likely to remain at elevated level for at least one more season

# Rural Business – Summary Financials

P&L Summary				
Q3FY16	Q2FY17	Summary P&L (Rs. Cr. )	Q3FY17	Y-o-Y
401	442	Interest Income	478	19%
155	164	Interest Expense	174	12%
246	278	NIM	304	24%
24	21	Fee & Other Income	17	(29%)
271	299	Total Income	322	19%
93	96	Operating Expense	90	(3%)
178	203	Earnings before credit cost	232	30%
109	89	Credit Cost	121	11%
45	76	PAT	74	64%

Comments
<ul style="list-style-type: none"> <li>○ Digital solution implemented in all the 3 products has started reflecting in reduction of operating expense</li> <li>○ Of the Credit Cost Rs. 50 Cr is voluntary</li> </ul>

Balance Sheet Summary				
Q3FY16	Q2FY17	Balance Sheet (Rs. Cr. )	Q3FY17	Y-o-Y
8,650	9,750	Total Assets	10,278	19%
8,197	9,223	Gross Loans & Advances	9,565	17%
6,982	7,854	Borrowings	8,335	19%
1,114	1,312	Networth	1,350	21%

# Rural Business – Key Ratios

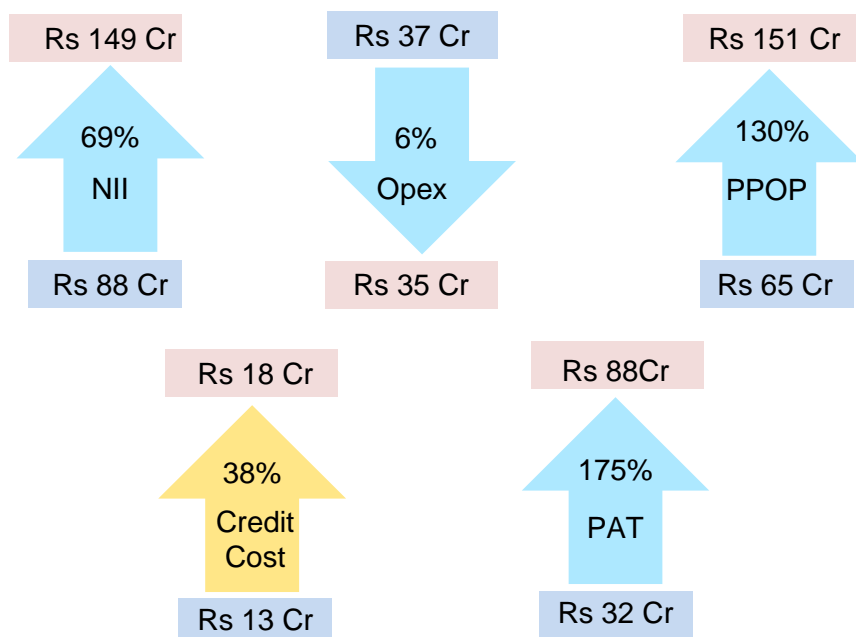
Key Ratios			
Q3FY16	Q2FY17	Key Ratios	Q3FY17
19.95%	19.86%	Yield	20.37%
9.11%	8.52%	Cost of Borrowing	8.60%
12.25%	12.47%	<b>Net Interest Margin</b>	12.96%
1.20%	0.96%	Fee & Other Income	0.73%
4.60%	4.30%	<b>Operating Expenses</b>	3.81%
8.85%	9.13%	<b>Earnings before credit cost</b>	9.88%
5.43%	3.99%	Credit Cost	5.16%
2.12%	3.19%	Return on Assets	2.94%
6.27	5.98	Debt / Equity	6.17
15.73%	23.87%	<b>Return on Equity</b>	22.11%

## Comments

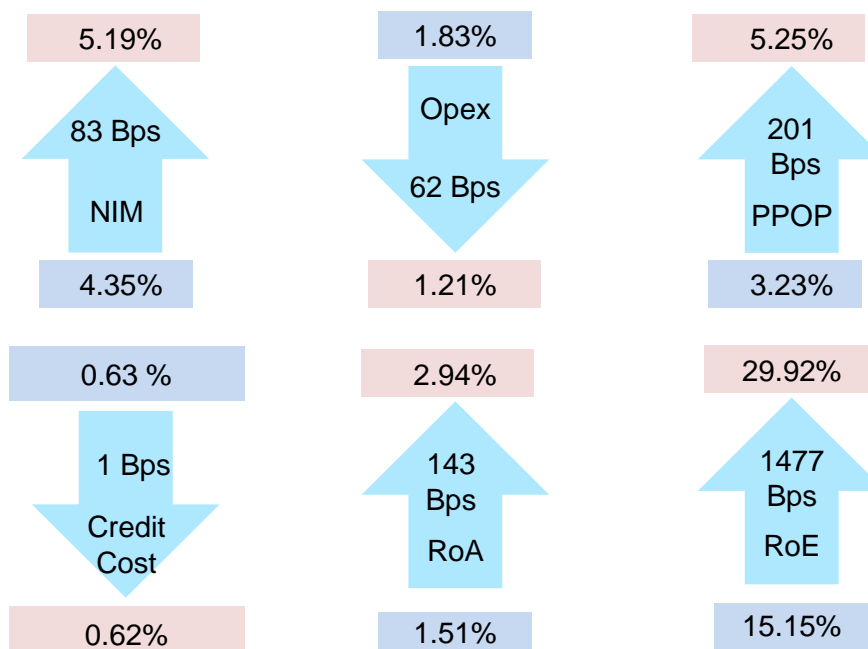
- Improvement in NIM and reduction in Opex have led to Improvement in ROE.

# Housing Business – Performance Highlights

## Key Financial Metrics (Q3FY17 v/s Q3FY16)



## Key Ratios (Q3FY17 v/s Q3FY16)



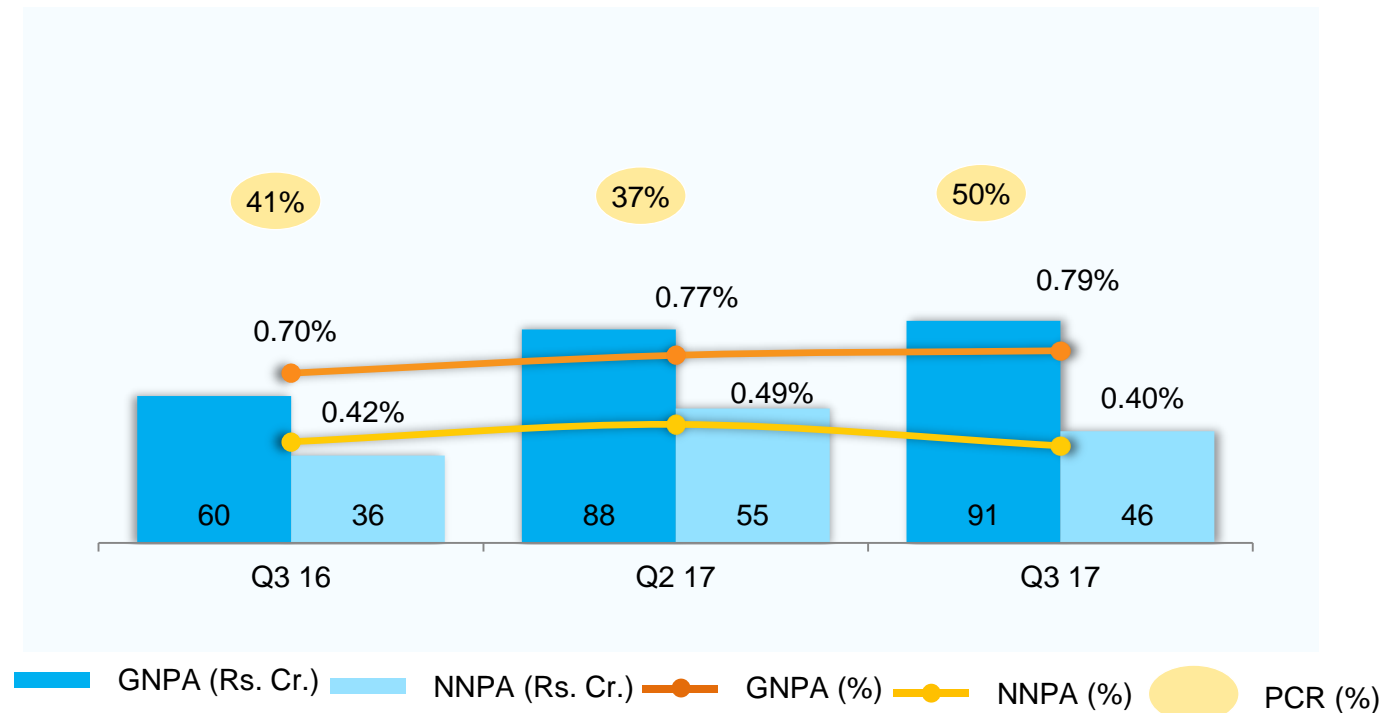
- Improvement in NIM due to higher proportion of SENP/LAP and growth in Real Estate finance
- Robust risk framework is being put in place to manage risk in this business segment
- Reduction in Opex due to organizational focus on cost efficiency

# Housing Business – Market Scenario and Outlook

Segment	Q3FY17 v/s Q3FY16		Management Discussion
	Disbursements	Loan Book	
Home Loans & LAP	Rs 893 Cr	Rs7,431 Cr	<ul style="list-style-type: none"> <li>Short term impact of demonetization observed; business expected to gradually regain traction in the coming months</li> <li>Enhanced product offering &amp; improved synergy between the Corporate &amp; Retail housing teams to ensure better retail conversion</li> </ul>
	21% ↓	36% ↑	
	Rs 702 Cr	Rs 5,470 Cr	
Real Estate Finance	Rs.1184 Cr	Rs4,134 Cr	<ul style="list-style-type: none"> <li>Recent Govt. measures expected to bring in enhanced transparency and accountability which would drive demand.</li> <li>Bangalore, Mumbai &amp; Hyderabad expected to witness increased demand for commercial real estate</li> <li>Continued focus on Cat A and B developer space through a mix of differentiated offerings</li> </ul>
	83% ↑	30% ↑	
	Rs 647 Cr	Rs 3,188 Cr	
Book growth of 34% - from Rs 8,658 Cr to Rs 11,565 Cr			
	Q3FY16	Q3FY17	

# Housing Business – Asset Quality

## Asset Quality – 90 DPD



- Rs.11 Cr of voluntary provision created on legacy portfolio
- Book quality would continue to remain robust

# Housing Business – Summary Financials

P&L Summary				
Q3FY16	Q2FY17	Summary P&L (Rs. Cr. )	Q3FY17	Y-o-Y
246	334	Interest Income	360	47%
158	209	Interest Expense	212	34%
88	125	NIM	149	69%
14	18	Fee & Other Income	36	154%
102	143	Total Income	185	81%
37	38	Operating Expense	35	(6%)
65	104	Earnings before credit cost	151	130%
13	11	Credit Cost	18	38%
32	61	PAT	88	175%

## Comments

- Improvement in NIM through change in product mix
- Fee income driven primarily by Real estate business

Balance Sheet Summary				
Q3FY16	Q2FY17	Balance Sheet (Rs. Cr. )	Q3FY17	Y-o-Y
9,191	12,052	Total Assets	12,024	31%
8,658	11,381	Gross Loans & Advances	11,565	34%
7,619	10,179	Borrowings	10,057	32%
925	1,163	Networth	1,203	30%

# Housing Business – Key Ratios

Key Ratios		
Q3FY16	Q2FY17	Q3FY17
12.16%	12.26% Yield	12.57%
8.90%	8.56% Cost of Borrowing	8.37%
4.35%	4.58% <b>Net Interest Margin</b>	5.19%
0.71%	0.66% Fee and Other Income	1.27%
1.83%	1.41% <b>Operating Expenses</b>	1.21%
3.23%	3.83% <b>Earnings before credit cost</b>	5.25%
0.63%	0.39% Credit Cost	0.62%
1.51%	2.11% Return on Assets	2.94%
8.24	8.76 Debt / Equity	8.36
15.15%	21.89% <b>Return on Equity</b>	29.92%

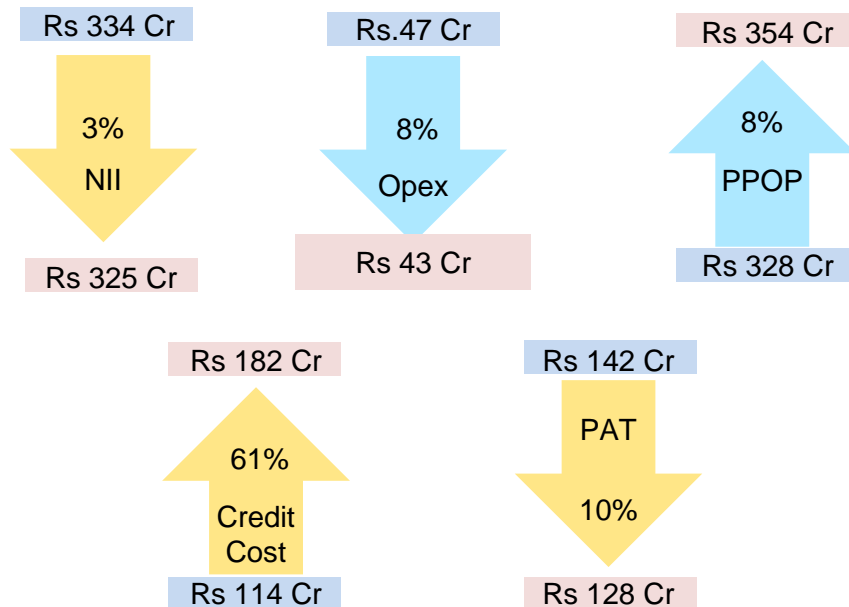
## Comments

- Optimising operating expenses to be a focus area

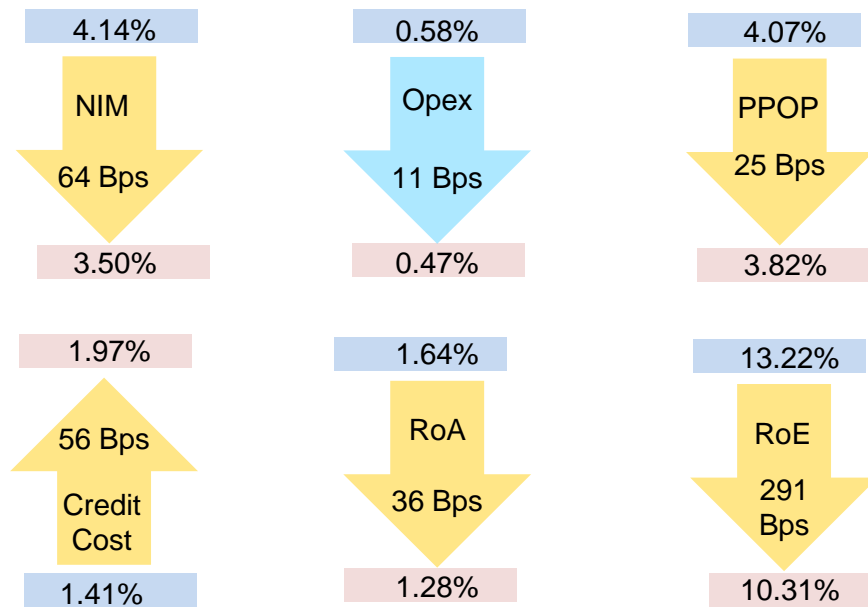


# Wholesale Business – Performance Highlights

## Key Financial Metrics (Q3FY17 v/s Q3FY16)

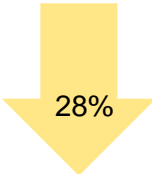
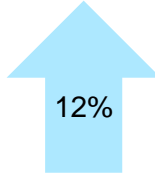
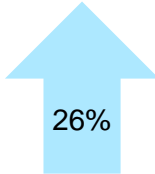
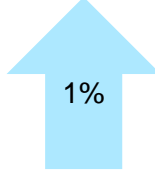
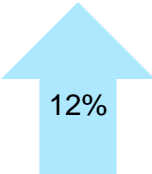
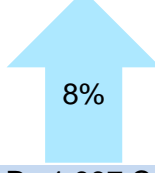


## Key Ratios (Q3FY17 v/s Q3FY16)



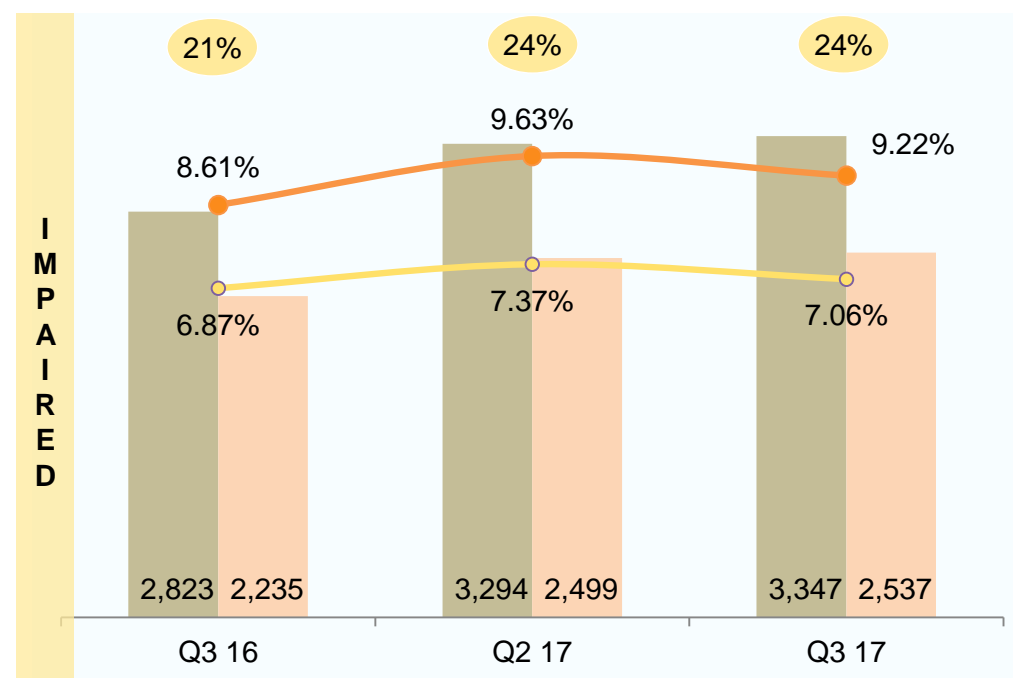
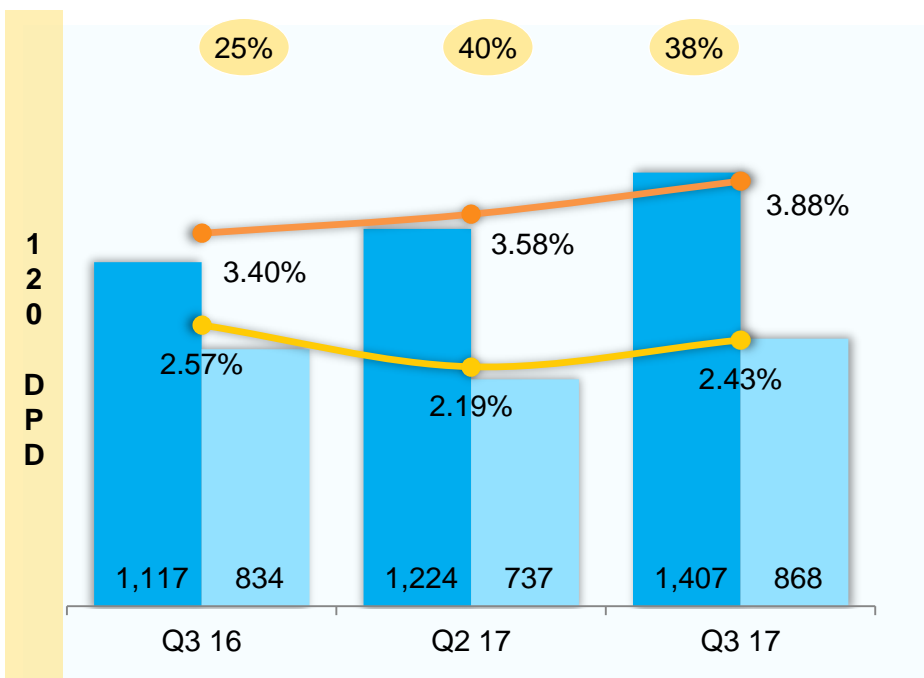
- Reduction in NIMs is mainly due to :
  - SDR income non-recognition of 23 Bps in Q3FY17 ( as per RBI circular)
  - Higher proportion of operating projects and IDF
- Fee and other income from sell-down witnessed a sharp increase
- 54% of the Rs.182 Cr credit cost is voluntary. Additionally , Rs.28 Cr of provision created against exceptional gains

# Wholesale Business – Market Scenario and Outlook

Segment	Q3FY17 v/s Q3FY16		Management Discussion
	Disbursements	Loan Book	
Infra Finance	Rs 6,080 Cr	Rs 30,548 Cr	<ul style="list-style-type: none"><li>Strong pipeline going into Q4 in the focus sectors</li><li>Fee &amp; Sell down gained momentum</li><li>Additional opportunities maybe created due to expansion of the bond market post demonetization</li></ul>
	 28%	 12%	
	Rs.4,382 Cr	Rs 27,171 Cr	
Structured Corporate Finance	Rs 1,007 Cr	Rs 4,961 Cr	<ul style="list-style-type: none"><li>Increased opportunities foreseen in LAS deals and mezzanine finance</li><li>Developing structured products across organizational verticals and dovetailing with sell down strategy</li></ul>
	 26%	 1%	
	Rs 802 Cr	Rs 4,913 Cr	
Supply Chain Finance	Rs 2,971 Cr	Rs 2,151 Cr	<ul style="list-style-type: none"><li>Demand expected to grow in Q4FY17 due to year end manufacturer sales schemes.</li><li>Over the medium term, increased consumption demand and government capital spending will be the prime growth drivers</li></ul>
	 12%	 8%	
	Rs 2,650 Cr	Rs 1,997 Cr	
Book growth of 10% - from Rs. 34,081 Cr to Rs. 37,660 Cr			

# Wholesale Business – Asset Quality

## Asset Quality Indicators



- Provision Coverage Ratio on total impaired assets is at 24% for Q3 FY17

# Wholesale Business – Segment Wise Split

DISBURSEMENT

Sectors (Rs Cr )	Q3FY16	Q2FY17	Q3FY17	Y-o-Y
Renewable Power	3,290	1,389	2,517	(23%)
Transport	1,801	564	1,160	(36%)
Power – Thermal	450	105	56	(88%)
Power – Corp <sup>2</sup> + T&D	341	154	15	(96%)
Others <sup>1</sup>	199	1,309	635	220%
Structured Corp. Fin.	802	748	1,007	26%
Supply Chain Finance	2,650	2,901	2,971	12%
<b>Total</b>	<b>9,532</b>	<b>7,170</b>	<b>8,360</b>	<b>(12%)</b>
<b>Net Disbursement</b>	<b>9,102</b>	<b>6,041</b>	<b>6,104</b>	<b>(33%)</b>

Comments

○ 84% of Infra finance disbursements are in renewables, roads in Q3 FY'17

LOAN BOOK

Sectors (Rs Cr )	Q3FY16	Q3FY16(%)	Q2FY17	Q3FY17	Q3FY17 (%)	Y-o-Y (%)
Renewable Power	8,620	25%	10,635	12,130	32%	41%
Transport	6,408	19%	6,480	7,403	20%	16%
Power – Thermal	3,463	10%	4,024	3,849	10%	11%
Power – Corp <sup>2</sup> + T&D	2,827	8%	2,403	2,191	6%	(23%)
Others <sup>1</sup>	5,852	17%	5,848	4,975	13%	(15%)
Structured Corp. Fin.	4,913	14%	4,848	4,961	13%	1%
Supply Chain Fin	1,997	6%	2,240	2,151	6%	8%
<b>Total</b>	<b>34,081</b>	<b>100%</b>	<b>36,478</b>	<b>37,660</b>	<b>100%</b>	<b>11%</b>

○ 64% of Q3FY17 Infra finance Loan Book is in renewable and roads

<sup>35</sup> 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.

<sup>2</sup> Corporate loans to Power companies

# Wholesale Business – Summary Financials

## P&L Summary

Q3FY16	Q2FY17	Summary P&L (Rs. Cr. )	Q3FY17	Y-o-Y
922	1,033	Interest Income	1,010	10%
588	677	Interest Expense	685	17%
334	356	NIM	325	(3%)
41	43	Fee Income	73	76%
375	399	Total Income	397	6%
47	43	Operating Expense	43	(8%)
328	356	Earnings before credit cost	354	8%
114	188	Credit Cost	182	61%
142	121	PAT	128	(10%)

## Comments

- Fee income from underwriting, DCM continue to see traction

## Balance Sheet Summary

Q3FY16	Q2FY17	Balance Sheet (Rs. Cr. )	Q3FY17	Y-o-Y
36,299	38,878	Total Assets	40,711	12%
34,081	36,478	Gross Loans & Advances	37,660	10%
29,994	32,036	Borrowings	33,561	12%
4,399	4,828	Networth	5,077	15%

# Wholesale Business – Key Ratios

Key Ratios		
Q3FY16	Q2FY17 Key Ratios	Q3FY17
11.43%	11.60% Yield	10.90%
8.41%	8.65% Cost of Borrowing	8.55%
4.14%	4.00% <b>Net Interest Margin</b>	3.50%
0.51%	0.48% Fee and other income	0.79%
0.58%	0.48% <b>Operating Expenses</b>	0.47%
<b>4.07%</b>	<b>4.00% Earnings before credit cost</b>	<b>3.82%</b>
1.41%	2.11% Credit Cost	1.97%
1.64%	1.25% Return on Assets	1.28%
6.82	6.64 Debt / Equity	6.61
<b>13.22%</b>	<b>10.19% Return on Equity</b>	<b>10.31%</b>

## Comments

○ Credit cost to remain at elevated levels for next 2– 3 quarters as we will continue to take similar voluntary provision

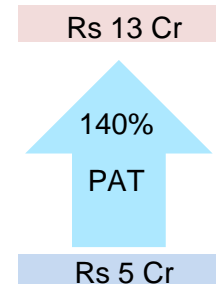
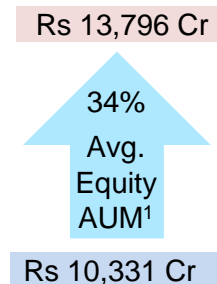
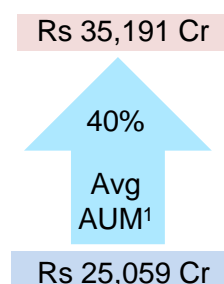
○ RoE without voluntary credit cost is 17% which shows excellent profitability in current business

# Lending Business – CRAR Ratios

As of September 2016			CRAR Ratios Entity	As of December 2016		
Tier I	Tier II	CRAR		Tier I	Tier II	CRAR
13.96%	2.42%	16.38%	L&T Finance Ltd.	13.69%	2.33%	16.02%
14.26%	6.53%	20.79%	L&T Infra. Finance Ltd.	13.81%	6.38%	20.19%
16.00%	5.05%	21.05%	L&T FinCorp Ltd.	17.22%	5.14%	22.36%
38.99%	6.88%	45.87%	L&T IDF Ltd.	30.22%	5.21%	35.43%
13.17%	4.71%	17.89%	Family Credit Ltd.	14.13%	4.94%	19.08%
9.85%	4.09%	13.94%	L&T Housing Finance Ltd.	10.50%	4.09%	14.60%

# Investment Management – Performance Overview

## Key Financial Metrics (Q3FY17 v/s Q3FY16)



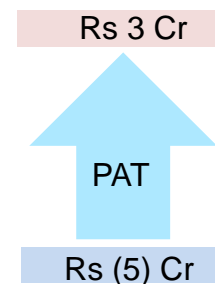
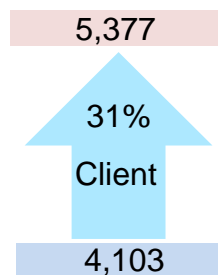
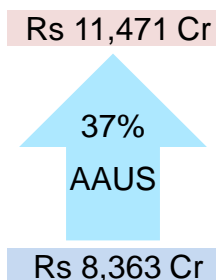
- AAUM growth of 40% on a sequential quarter basis compared to industry growth rate of 26%
  - Growth led by net inflows across all core categories; aided by good and consistent fund performance
- 6 Equity funds and 7 Debt funds in top two quartiles
- Cost to Income has reduced by 6%
- Equity AUM is 39 % of total AUM

AMC business continues on its strong value creation journey



# Wealth Management – On the Path of Profitable Growth

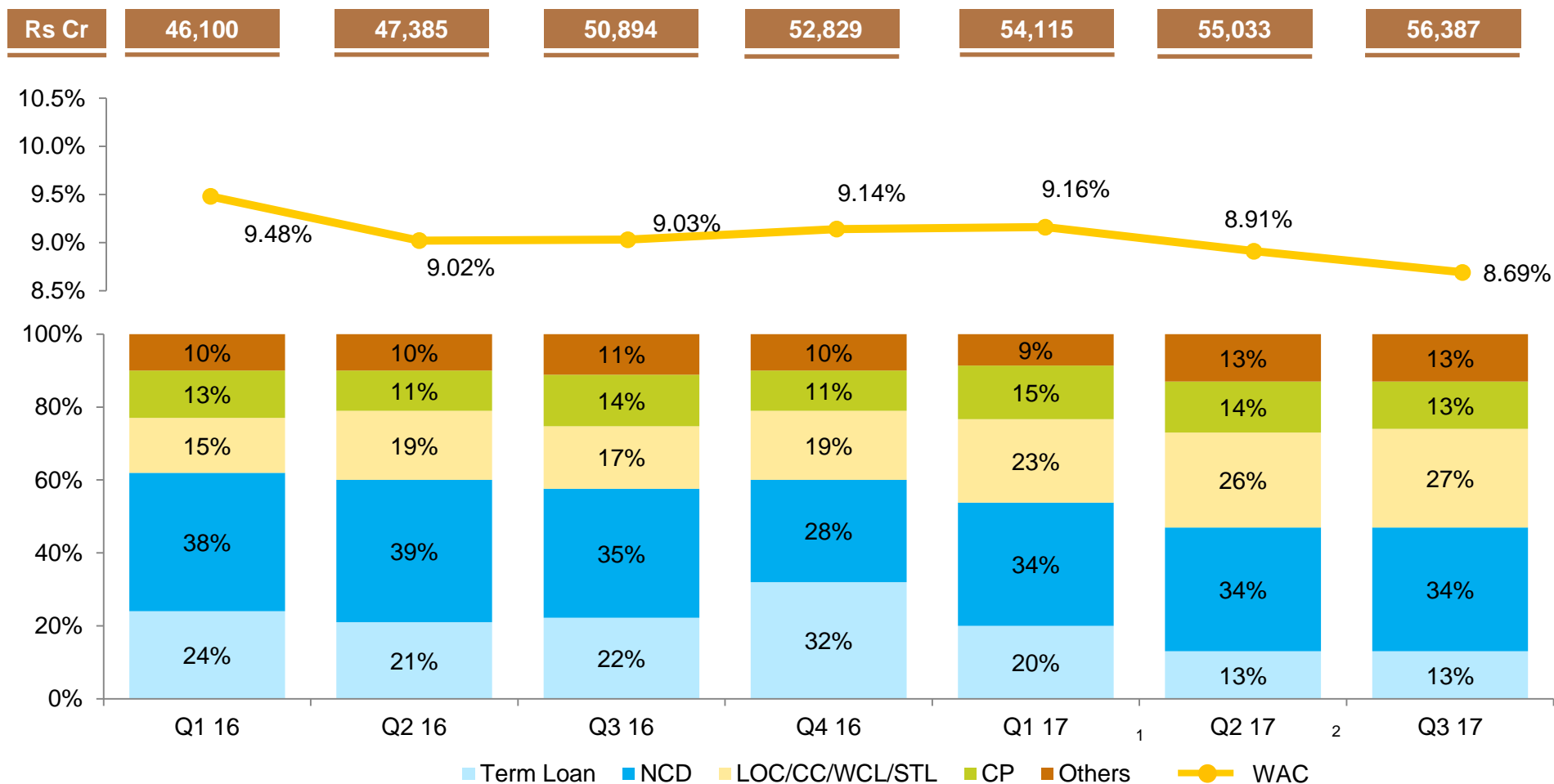
## Key Financial Metrics (Q3FY17 v/s Q3FY16)



- Among the fastest growing Wealth Management firms in India having crossed USD 1.5 billion AAUS
- Contributing positively to profitability, since breakeven achieved in Q2FY17
- Increased focus on RM productivity resulting in enhanced AAUS and yields
- Received SEBI Advisory license which will enable servicing of large family offices and institutional mandates and increase fee income

## Driving Profitability

# Consolidated Debt Profile - Effective Liability Management



Focus on diversifying sources of funds

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

<sup>2</sup> WAC is excluding Preference Capital

# AUM Disclosure

## Assets Under Management (Rs. Cr.)

	Quarter ended Jun, 2016		Quarter ended Sep, 2016		Quarter ended Dec, 2016	
Fund Type	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>
Income	9,053	8,892	11,048	10,987	12,316	12,796
Equity (Other than ELSS)	10,498	9,872	11,679	11,168	12,077	11,987
Balanced	0	0	0	0	0	0
Liquid	6,324	7,966	8,357	8,610	8,175	8,411
Gilt	111	104	164	136	203	189
Equity – ELSS	1,667	1,556	1,822	1,766	1,782	1,809
Gold ETF	0	0	0	0	0	0
Other ETF	0	0	0	0	0	0
Fund of Fund Overseas	0	13	0	0	0	0
<b>TOTAL</b>	<b>27,652</b>	<b>28,404</b>	<b>33,070</b>	<b>32,667</b>	<b>34,553</b>	<b>35,191</b>

<sup>1</sup> As on the last day of the Quarter

<sup>2</sup> Average AUM for the Quarter

# 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



**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



**Sunil Prabhune**  
CE – Rural & CHRO  
18 yrs exp, ICICI Bank, GE, ICI



**Virender Pankaj**  
CE - Wholesale Business  
25 yrs exp, SBI



**Srikanth J**  
CE - Housing  
20 yrs exp, BNP Paribas,  
Commerz Bank AG



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



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



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



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



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



**Abhishek Sharma**  
Group Head- Strategy  
13 yrs exp, Indian Army

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

**L&T Finance Holdings Ltd**

Brindavan, Plot No 177  
Vidyanagari Marg, CST Road, Kalina  
Santacruz (E), Mumbai 400 098

**Registered Office**

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

T +91 22 6621 7300/400

F +91 22 6621 7509

E [igrc@ltfinanceholdings.com](mailto:igrc@ltfinanceholdings.com)

[www.ltfinanceholdings.com](http://www.ltfinanceholdings.com)



***L&T Financial Services***