

January 17, 2020

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,
1st 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 6, 2020 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(s) / Analyst(s).

Further, as per Regulation 46 of Listing Regulations, the said Presentation would also be available on website of the Company i.e. www.ltfs.com/investors.html.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**


Apurva Rathod
Company Secretary and Compliance Officer

Encl: As above

**TRANSFORM
FOCUS
DELIVER**
Redefined



Strategy & Results Update – Q3FY20



L&T Financial Services

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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 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”**

Strategy Update

1

Liability management

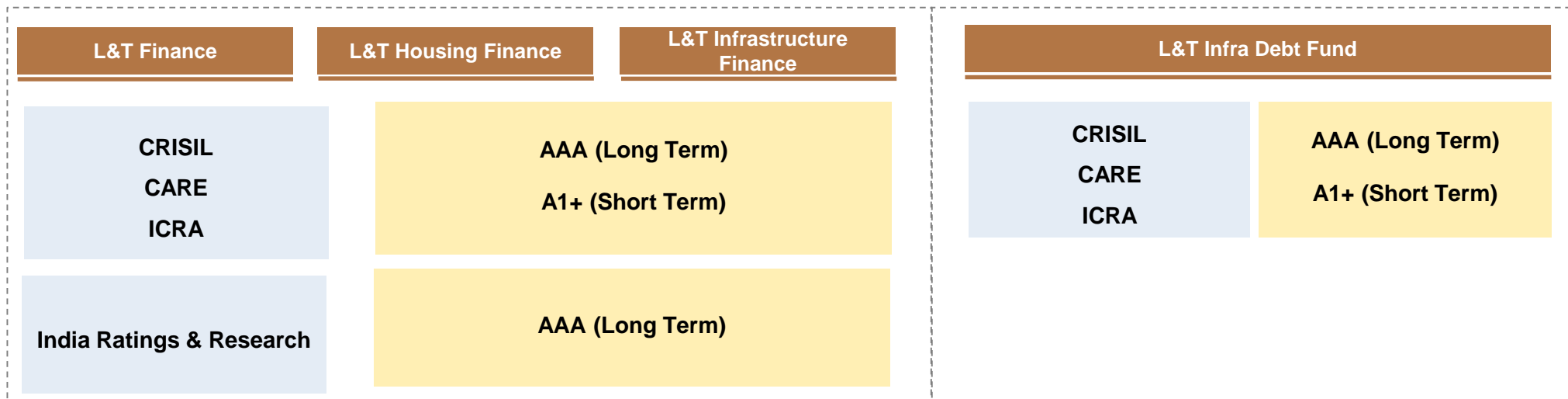
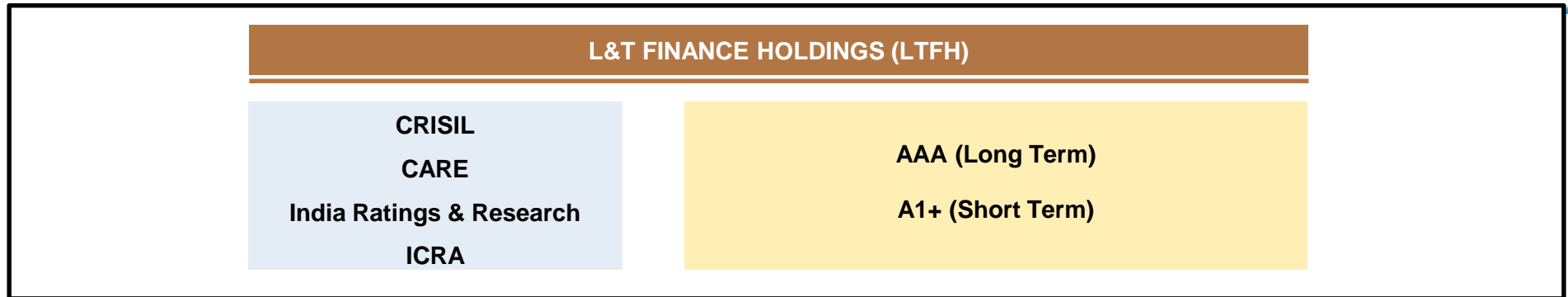
2

Building business strengths

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Financial update

1.1 Credit rating – LTFH and its subsidiaries

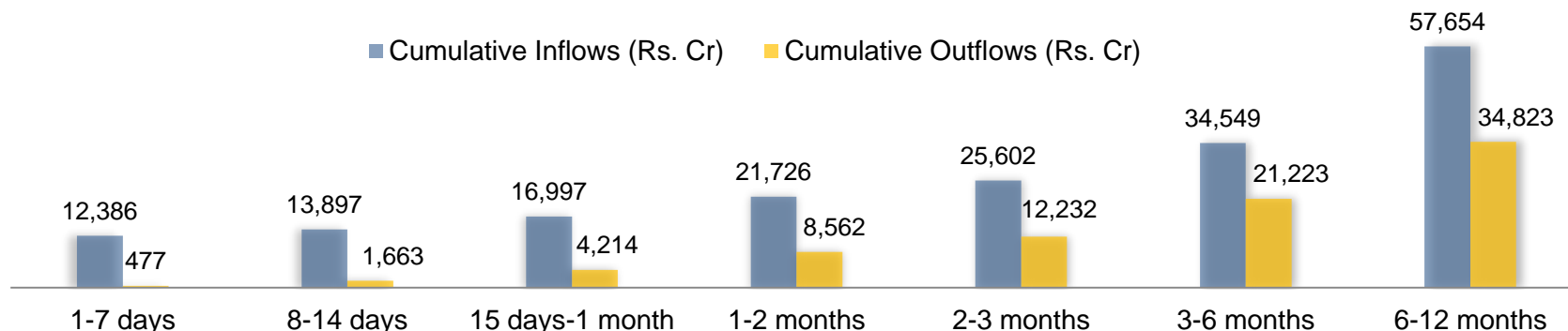


LTFH and all its lending subsidiaries are rated AAA

1.2 Prudent ALM

As on 31st December, 2019

Structural Liquidity statement



Cumulative Positive Gap

11,910

12,234

12,783

13,164

13,370

13,325

22,831

Cumulative (%)

2499%

736%

303%

154%

109%

63%

66%

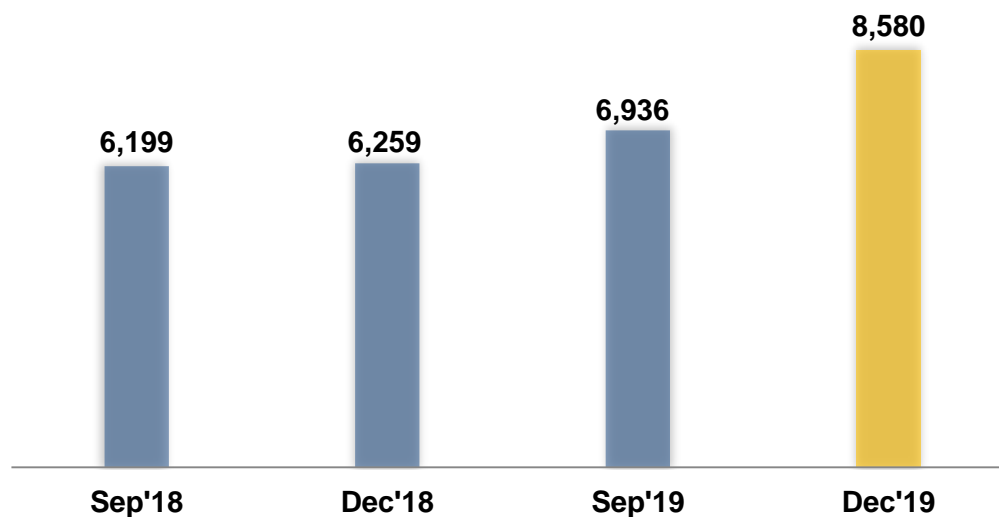
Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	65,518
Re-priceable liabilities	58,311
Positive	7,207

Continue to maintain positive liquidity gaps in all buckets till 1 year

1.3 Structural Liquidity - Stress scenario

1 month positive gap in stress scenario

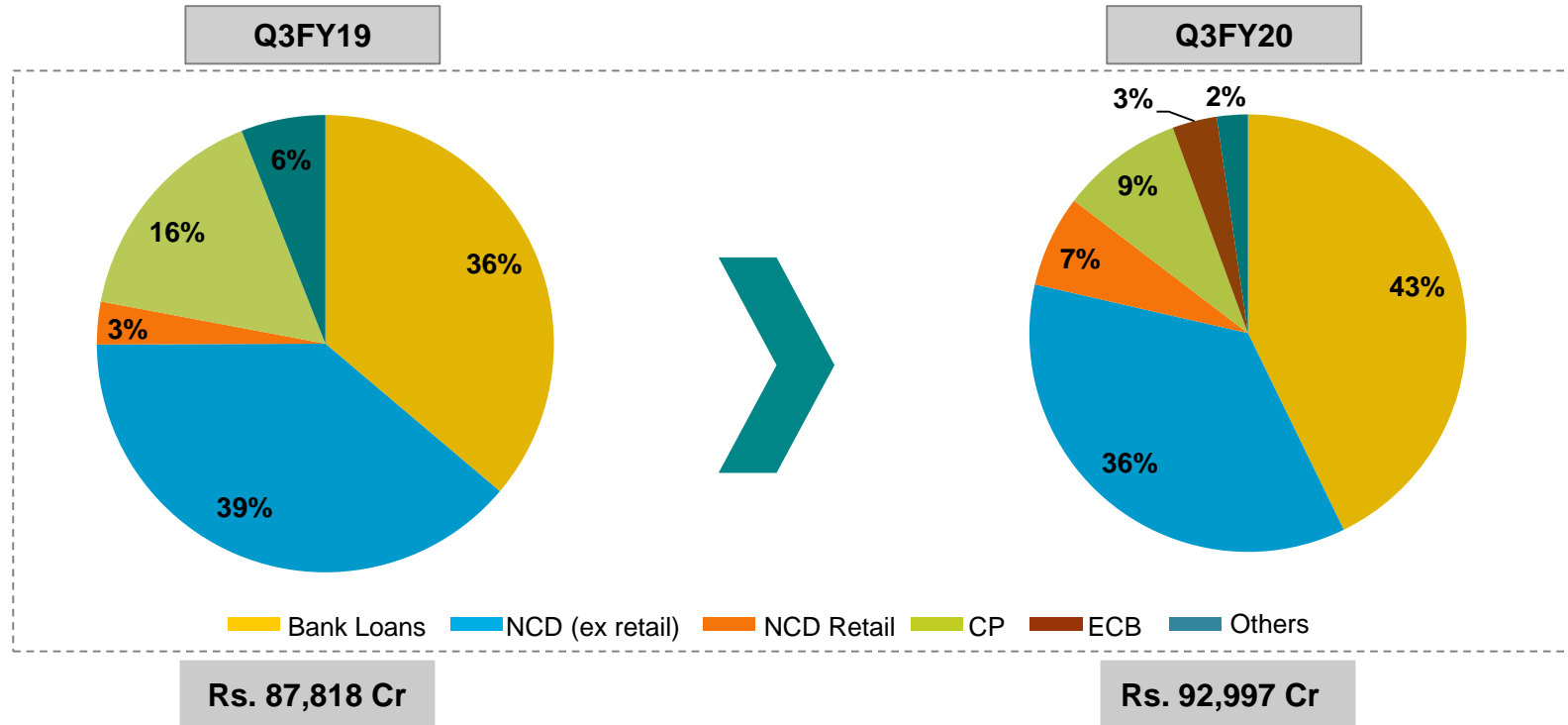


- ❖ Positive gaps maintained consistently even under '1 in 10' scenario in 1 month bucket
- ❖ As of Dec'19, Rs.13,911 Cr of liquidity is maintained through the following:
 - Liquid Assets in the form of cash, FDs and other liquid investments of Rs. 7,083 Cr
 - Undrawn bank lines of Rs. 4,828 Cr
 - Back up line from L&T of Rs. 2,000 Cr

'1 in 10 Stress Scenario' description

- Collections short-fall - 15%
- Back up lines hair cut- 40% (i.e. LTFH is able to draw only 60% of Back up lines)

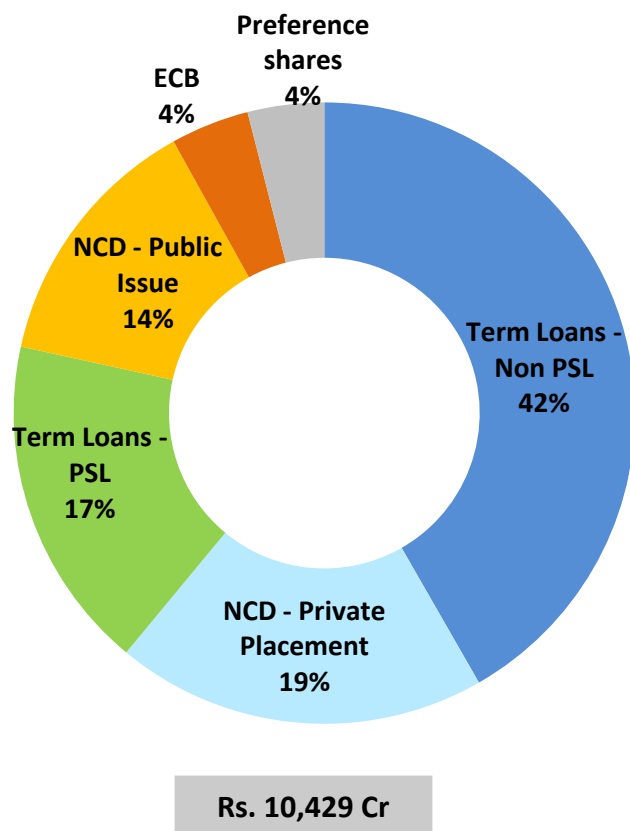
1.4 Well diversified liability mix



- Reduction in CP from 16% to 9% in the past year, even though ALM allows a higher proportion of CP
- Diversified funding profile through:
 - Retail NCD - Raised Rs. 1,408 Cr in Q3FY20 (in addition to Rs. 1,000 Cr in Q1FY20 and Rs. 1,500 Cr in Q4FY19)
 - PSL – Raised Rs. 1,818 Cr in Q3FY20 (in addition to Rs. 1,425 Cr in Q2FY20)

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

1.5 Incremental long-term borrowing in Q3FY20

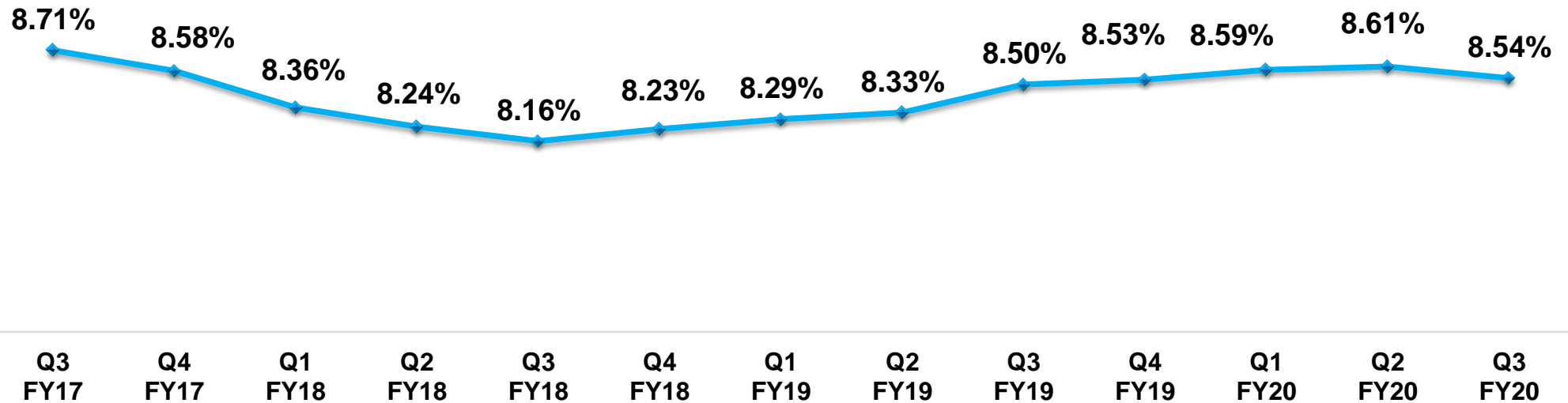


Incremental Long Term Borrowing	
Products	Rs. Cr
Term Loans – Non PSL	4,350
NCD – Private Placement	2,012
Term Loans – PSL	1,818
NCD – Public Issue	1,408
ECBs	426
Preference shares	415
Total	10,429

Demonstrated ability to raise long-term funding from broad based sources - highest quarterly long-term borrowing since FY17

1.6 Well managed liability cost

Q-o-Q movement in WAC



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

Strategy Update

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Building Business Strength



Maintained market share by building and protecting strength in our core businesses

Market
Share



Improved portfolio quality by strengthening the risk profile

Portfolio
Quality



Business realignment with focus on 'Right to Win'

Right to
Win

Building Business Strength



Maintained market share by building and protecting strength in our core businesses

Market
Share

2.1.1 Building and protecting strength

Rural Finance

Market Share



Farm

Industry

- Market has seen de-growth of 6% in Q3FY20 vis-a-vis 10% de-growth in H1FY20
- Abundant rains and high reservoir levels have created possibility of good Rabi crop
- Growth in Rabi sowing up by 7% YoY

LTFH

- Disbursement growth of 6% (highest quarterly disbursement ever of Rs. 1,370 Cr); book grew by 13%
- Conservative LTV maintained around 70% for the last 2 years, which has helped to improve the portfolio quality
- Increasing business presence through focus on refinance, Kisan Suvidha & used tractor



2W

Industry

- Sales de-growth of 13% continues despite uptick during festive season. H1FY20 saw de-growth of 15%
- De-growth in demand of motorcycle and scooter in both urban and rural areas
- Delayed decision in buying due to expectation of discount on transition to BS VI

LTFH

- Disbursement de-growth of 9%; book growth of 23%. Focus on capturing higher counter share at chosen dealers
- Conscious call on not increasing LTV to maintain primary focus on quality of business – LTV remained at 74%
- Innovative products to target unfinanced high creditworthy customers



Micro Loans

Industry

- Industry continues to grow. However, signs of over-leverage are surfacing in certain areas
- Multiple natural events coupled with political disruptions impacting the industry

LTFH

- Disbursement de-growth of 8% as we have tightened credit norms further in chosen areas; book growth of 11%
- Focus on under-penetrated / new geographies and unleveraged customers (launched operations in Punjab and Haryana in Q3)
- 19% of the customers in Q3 are new to credit

- **Maintained strong market position by identifying right matrix for OEM, geography and dealer classification using data analytics**
- **Maintaining inherent strengths through TAT, data analytics, footprint expansion and process improvement to ensure continuous enhancement of our 'Right to Win'**

2.1.2 Building and protecting strength

Housing Finance

Market Share

Industry

LTFH



- Overall housing credit growth declined to 10% YoY (vs 17% last year); banks gaining market share with 13% growth vis-à-vis NBFCs/HFCs growth of only 4% (14% in Q3FY19)
- Incremental initiatives like PCGS taken by regulators / government to boost up housing credit demand

- Disbursement growth of 8%; book grew by 31%
- Growth in salaried segment by 31% with overall share of salaried customer rising from 51% to 62%
- Share of direct sourcing continues to stand at ~70%



- Major industry players are taking cautious approach
- Share of small NBFCs has increased as they are focusing on self-employed customers

- Disbursement de-growth of 47%; continue to maintain tight credit policy and conservative approach in sourcing
- Average LTV of portfolio is 54%



- Inventory overhang has reduced to ~32 months currently from peak of ~45 months 2 years back. Excluding stuck projects, inventory overhang is 25 months
- Higher preference for ready units, having even lower inventory overhang of 17 months
- Projects launched since Jan'18 (higher Cat A developers share), has seen 30% to 40% of project sold in the past 2 years
- Commercial absorption has seen steady growth over last 5 years

- Continue disbursements to existing projects with focus on project completion
- New sanctions primarily to Cat A developers with stringent guardrails and focus on financial closure
- Increase in share of commercial projects from 6% to 17% of the book

Continue to focus on Cat A developers with stringent guardrails

2.1.3 Building and protecting strength

Infrastructure Finance

Market Share

Industry

- Solar, wind, roads and transmission are among the few infra sectors showing significant growth
- Government unveiled plan for enhanced investment in infrastructure space over next five years to the tune of Rs. ~102 lakh Cr (including projects under implementation) under National Infrastructure Pipeline (NIP)
 - Rs. ~29 lakh Cr allocated to renewable energy and road sector
- Government's focus on infrastructure sector will lead to increase in funding requirement from private sector
- NHAI - expected to award ~6,000 km of road projects in FY20 of which 30% is expected through HAM route[#]

LTFH

- Focus on key sectors: Road, Renewable and Transmission
- Evaluating diversification to new sectors including funding to City Gas Distribution (CGD) companies. CGD business has more granularity as concessions are awarded at district level and has stable project cash flows from retail customers
- Continue to maintain market share in renewable sector
- Selective approach adopted with respect to HAM

Market leadership position maintained in identified sectors with strong pipeline in place



Infrastructure Finance

2.1.4 Building and protecting strength

Mutual Funds

Market
Share



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, 4 out of 10 Equity schemes (69% of equity AUM) are in top quartile whereas 6 out of 10 Equity schemes (83% of equity AUM) are in top 2 quartile
 - Equity ranking has improved from 13th in Mar'16 to 11th in Dec'19
 - Strong performance of debt funds investing in high quality instruments, demonstrated by 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 - 66% (industry average - 53%)
 - Increase in investor base from 9.1 lakh to 30 lakh+ live folios since FY16
- Well diversified distribution channel mix: Banks & PCG (35%), National Distributors (25%) and IFAs (37%)



Profitability and its drivers

- Consistent improvement in profitability (since Mar'16) is achieved on the back of the following :
 - Gain in overall market share from 2.0% to 2.7%
 - Equity AAUM mix rising from 44% to 57% on back of increase in equity market share from 2.4% to 3.6%
 - Branch rationalization, operational cost renegotiations and higher productivity has led to major reduction in cost to income ratio

This has led to increase in PBT/AAUM from 8 bps to 35 bps

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

Building Business Strength



Improved portfolio quality by strengthening the risk profile

Portfolio
Quality

2.2.1 Strengthened risk profile

Rural Finance

Portfolio
Quality

Actions taken to ensure quality portfolio



Farm

- Use of data analytics for OEM classification and areas of business growth through classification of geographies (under penetrated states with better macro-economic indicators) into 'Focus', 'Calibrated' and 'Hold'
- Focus on early bucket collection and behavioural scorecard for collection prioritization
- Periodical recalibration of underwriting model based on loan tenure, ticket size, geography & climate patterns



2W

- Continue to diversify portfolio across OEMs
- Parameterized scorecard based model – improved performance with each of the new generation scorecards
- Realign geographical mix based on credit quality trends and macro economic indicators
- Periodical recalibration of underwriting model based on loan tenure, LTV and geography



Micro Loans

- Focus on under penetrated geographies with low customer indebtedness and number of lenders
- Use of data analytics to formulate ideal group size and composition through system controls
- Periodical recalibration of sourcing based on overall customer indebtedness, customer behavior and geography

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

2.2.2 Strengthened risk profile

Real Estate

Portfolio
Quality

Market Developments	Impact	LTFH Risk Mitigation Strategy
<p>Demonetisation, GST & RERA</p> <p>Slowdown in residential sales</p>	<ul style="list-style-type: none"> Affected smaller developers Higher impact in Tier II and Tier III cities Cyclical segments like Luxury and regions with higher stuck projects saw highest impact Altered cash flow cycle of developers 	<ul style="list-style-type: none"> Focus on funding to Category A developers (~80% of book) Present in 6 cities with presence of stronger developers Funding mid and affordable projects which continue to sell with reasonable velocity (78% of residential projects) Increase in share of commercial office segment from 6% to 17%
<p>Project completion</p>	<ul style="list-style-type: none"> Funding not available to developers from certain lenders Certain projects are stuck for lack of financial closure 	<ul style="list-style-type: none"> Sole lenders in 97% of projects financed Financed adequately to ensure project completion L&T knowledge ecosystem for efficient project monitoring and completion
<p>Strained repayment ability of developers</p>	<ul style="list-style-type: none"> Altered cash flow cycle of developers Projects with principal moratorium are being viewed as a concern Contagion risk of developer defaults 	<ul style="list-style-type: none"> Cash flow backed underwriting with all projects having collection mechanism through escrow with LTFS control Monthly interest payments on construction finance projects Continue to receive healthy prepayment / repayment in Q3FY20

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

2.2.3 Strengthened risk profile

Infrastructure Finance

Portfolio
Quality

Under Construction Projects: Key Risk and Mitigants

	Equity Risk	Promoter equity brought upfront
	Land Risk	Majority of land acquired upfront
	PPA Risk	PPA in place
	Evacuation Risk	Planning done upfront for load flow study and CTO connected projects
	Forex Risk	Hedging done upfront
	Cash Flow Risk post completion	Undertake projects with predictable cash flows and minimum market risk (HAM, Annuity, etc.)

Operational Projects



Cash Flow Risk

- Projects with established cash flow history
- Structuring loan tenor to match project cash flow
- Conservative underwriting assumptions to factor cash flow volatility, delayed payments etc
- No dependence on promoter equity for project maintenance, etc

Post 2012, emphasis on cash flow based underwriting and strong project monitoring in focus sectors, has resulted in excellent portfolio quality

Building Business Strength

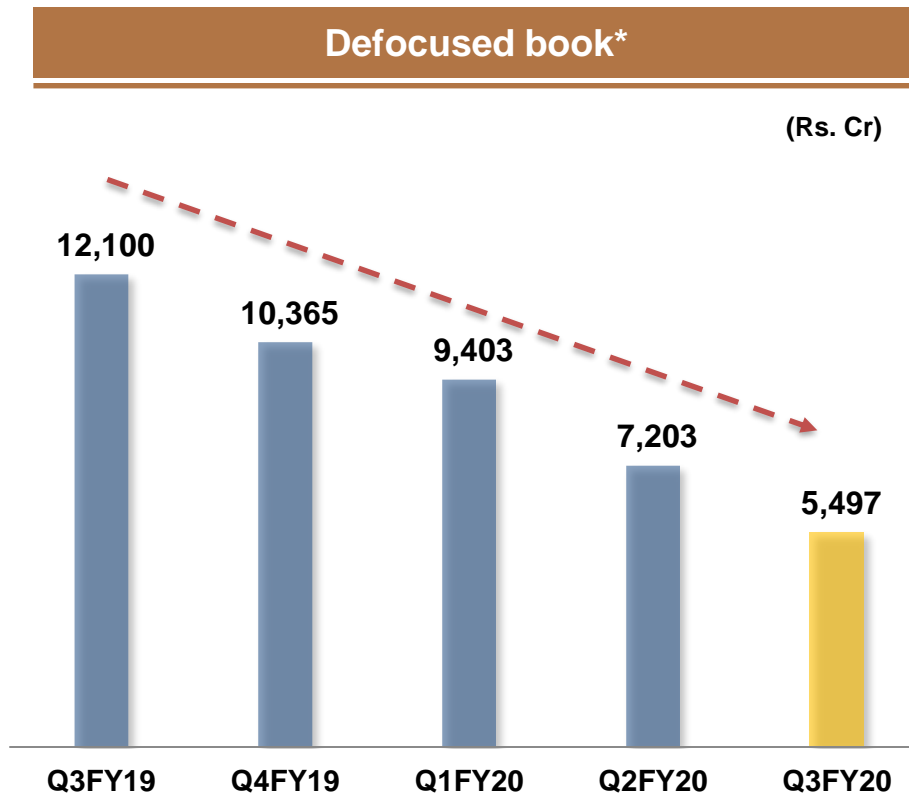


Business realignment with focus on 'Right to Win'

**Right to
Win**

2.3.1 Rapid reduction in Defocused book

Right to Win



Reduction in book through market sale of DCM bonds, refinance / prepayment in SFG book without any significant P&L impact

Demonstrated strong execution capability by successfully running down the defocused book twice over the last 4 years

Strong execution by SSG team in successfully running down the book to Rs. 5,497 Cr in Q3FY20 (reduction of 55% YoY & 24% QoQ)

* Defocused book consists of DCM, Structured Corporate Finance and retail defocused book

2.3.2 New product launch - Consumer Loans

Right to Win

PRODUCT CHARACTERISTICS

Existing 'Prime+' customers

Pre-Approved offering & risk-based pricing

Low opex and credit cost model



Database

- Rich database of 2 Cr+ customers (~1.2 Cr active customers)
- Pan India presence across 23 states and 223 branches



Data Analytics

- Offering based on internal & market view of customer behaviour
- Pricing basis risk profiling, customer's appetite to pay & competition mapping



Digital Proposition

- End to end digital platform
- 100% Paperless Journey
- Direct to customer journey

Data mining on wealth of internal data

Cross sell to best customers with successful track record

Multi-parameter based AI driven offering

Pilot launched in Q3FY20

Disbursed to 3700+ customers

Book Size of Rs. 42 Cr

Strategy Update

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Liability management

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Building business strengths

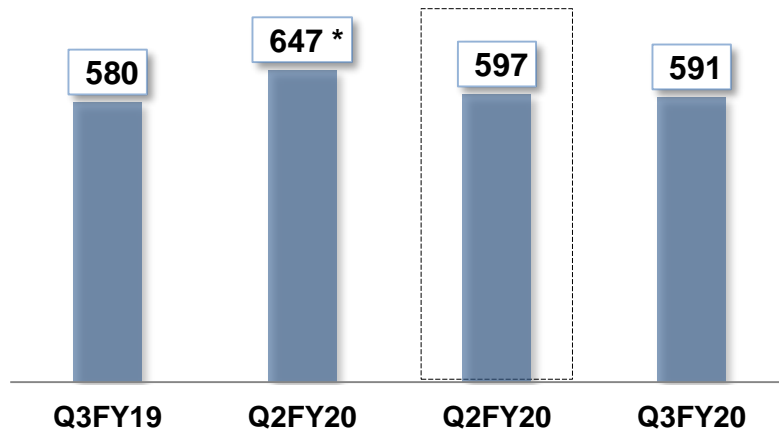
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Financial update

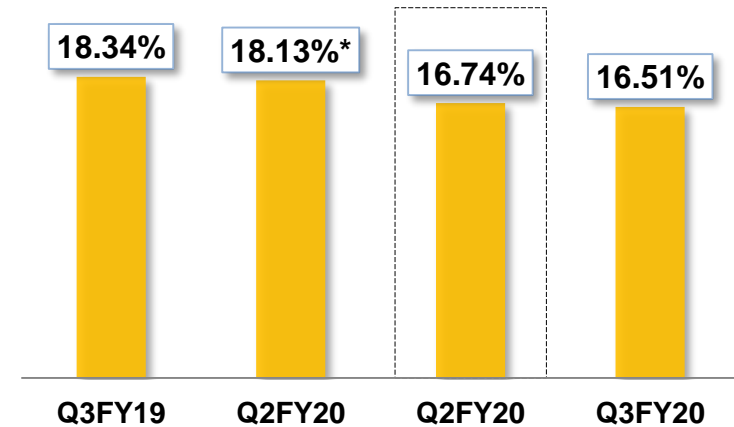
Our Delivery – PAT & RoE

PAT

(Rs. Cr)

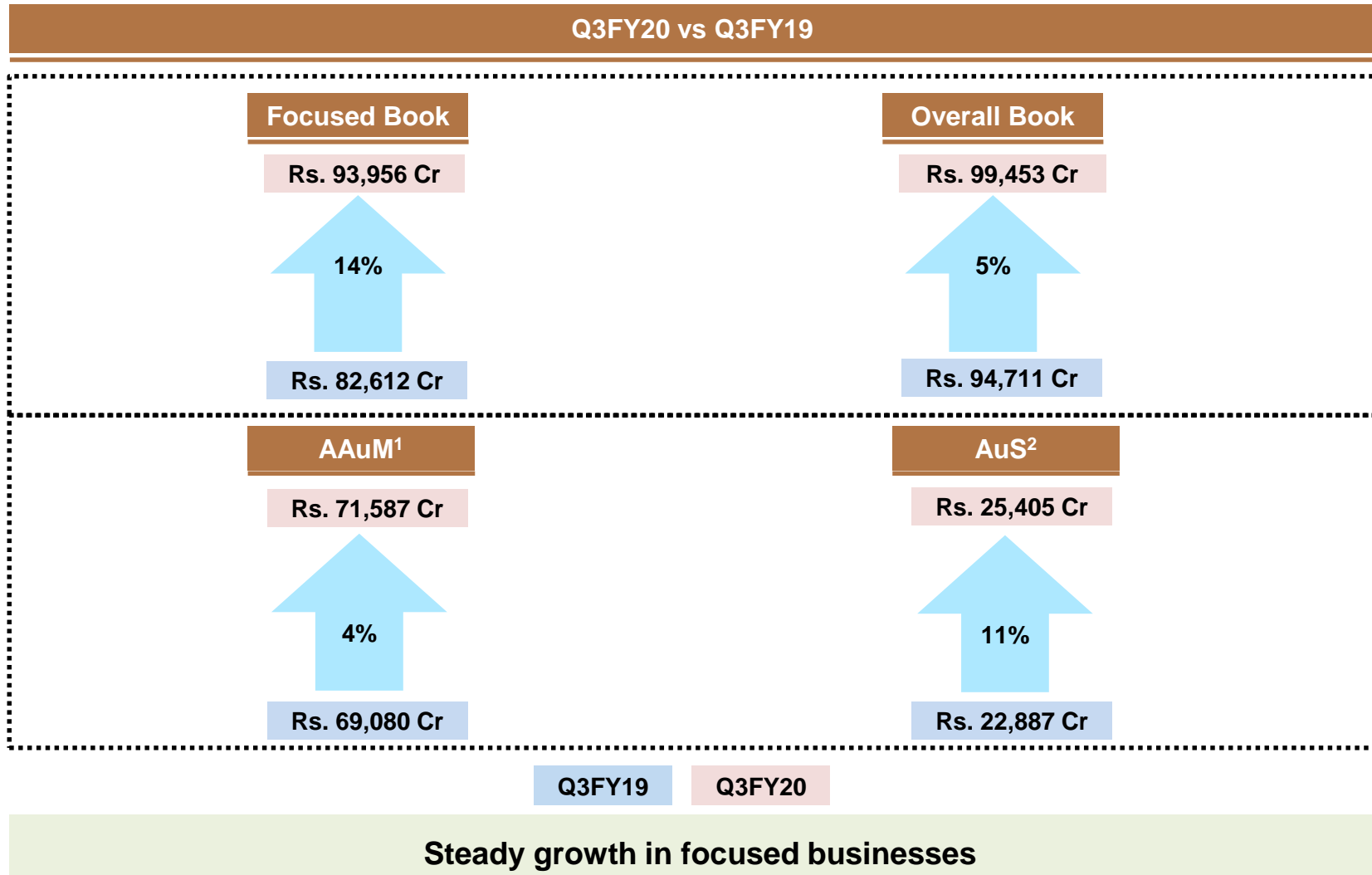


RoE



Normalising for the impact of tax rate change of Rs.50 Cr pertaining to Q1FY20,
Q2FY20 PAT stands at Rs.597 Cr | RoE stands at 16.74%

Financial Performance



¹ Investment Management – AAuM (quarterly average)

² Wealth Management – Closing AuS

Growth in focused businesses

Lending Businesses



Rural Finance



Housing Finance



Infrastructure Finance

Non Lending Businesses



Investment Management



Wealth Management

Q3FY19

Q3FY20

Book

14%

14%

13%

Disbursements

5%

14%

47%

AAuM¹

4%

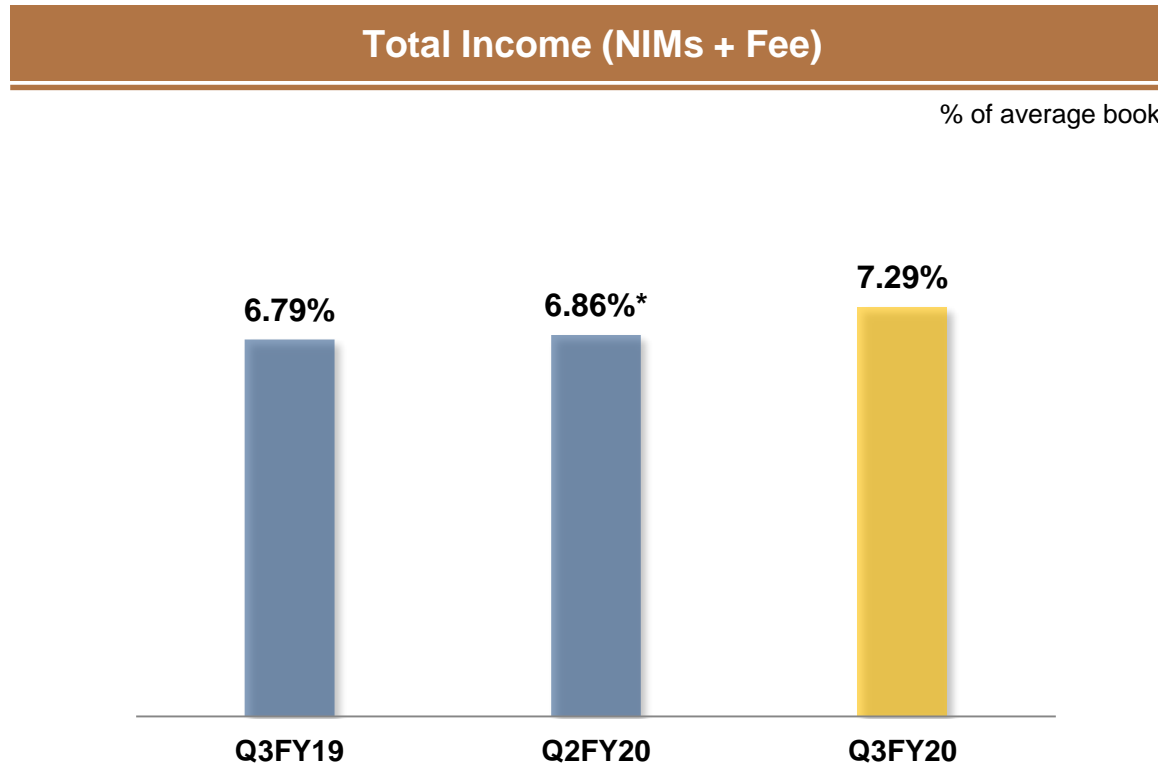
AuS²

11%

¹ Investment Management – AAuM (quarterly average)

² Wealth Management – Closing AuS

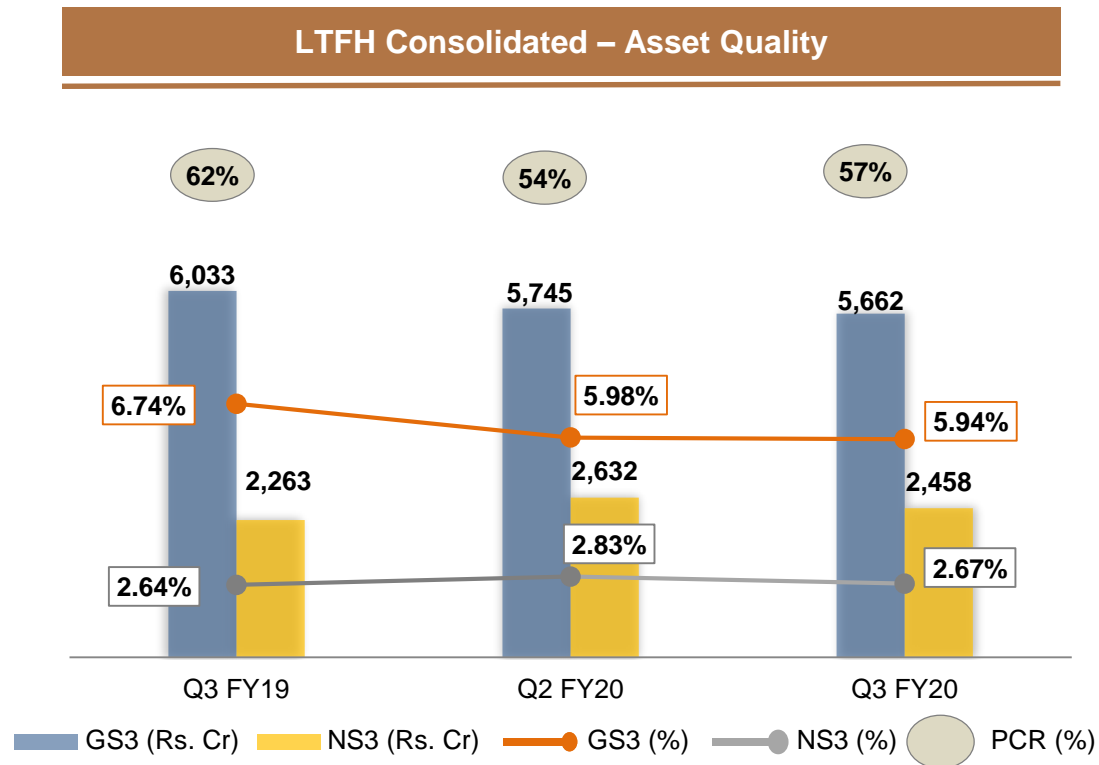
NIMs + Fee Income



Steady 'NIMs + Fee' by maintaining leadership position and pricing power across businesses

* Normalising for one-time impact
Actuals without normalization: Q2FY20 – 7.33%

Strengthening Balance sheet – Asset Quality



Built macro-prudential provisions of Rs. 350 Cr, over and above expected credit losses on GS3 assets

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

LTFH consolidated – Capital allocation and RoE bridge

Q3FY19			Business Segments (Rs. Cr)	Q3FY20			PAT Y-o-Y (%)
PAT	Net Worth	RoE		PAT	Net Worth	RoE	
233	3,664	27.54%	Rural Finance	290	4,555	26.45%	25%
209	3,150	27.75%	Housing Finance	203	4,320	19.34%	-3%
70	4,141	6.71%	Infrastructure Finance	172	6,150	12.79%	145%
513	10,955	19.36%	Lending Business	665	15,025	19.05%	30%
50	925	-	Investment Management	61	1,141	-	21%
562	11,880	19.58%	Focused Business Total	726	16,166	19.25%	29%
59	2,116	-	De-focused Business	(92)	984	-	-
(42)	(1,016)	-	Others	(43)	(2,544)	-	-
580	12,981	18.34%	LTFH Consol	591	14,606	16.51%	2%

Conclusion

LTFH remains on the path of consistent financial performance through steady profit margins, stable asset quality and growth in focused businesses

- ❖ ➤ Continue to deliver top quartile RoE at 16.51%
- Continue to maintain steady 'NIM + Fees' in a steady range (7.29% in Q3FY20 vs 6.79% in Q3FY19)
- Stable asset quality with GS3 reduction from 6.74% to 5.94% YoY


We have been distinguished by the inherent strength of our parentage, AAA rating and robust business model, over the past year, and have established a sustainable value proposition for all our stakeholders. This is demonstrated in the following:

- ❖ ➤ Raised Rs. 10,429 Cr in long term borrowing in Q3FY20; highest quarterly borrowing since FY17
- Raised Rs. 1,408 Cr through Retail NCDs with the issue being subscribed and closed on Day 2
- Effectively tapped PSL funding of Rs. 1,818 Cr in Q3FY20
- WAC has remained steady (8.54% in Q3FY20 vs 8.50% in Q3FY19 and 8.61% in Q2FY20) despite diversification, reduction in CP proportion and increase in long-term borrowings

Focused book growth of 14% from Rs. 82,612 Cr in Q3FY19 to Rs. 93,956 Cr in Q3FY20

- ❖ ➤ Data analytics based approach has helped us to increase/maintain market share while maintaining asset quality and operational efficiency
 - Maintaining inherent strengths through TAT, data analytics, footprint expansion and process improvement to ensure that we will see 'better than industry' growth when the demand picks-up
- ❖ Rapid reduction of defocused book to Rs. 5,497 Cr in Q3FY20 (reduction of 55% YoY and 24% QoQ)

We remain true to our strategy of delivering sustainable top quartile RoE



Appendix



L&T Financial Services

LTFH Consolidated – Summary financial performance

Performance summary				
Q3FY19	Summary P&L (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
3,039	Interest Income	3,254	3,307	9%
1,865	Interest Expense	1,891	1,884	1%
1,174	NIM	1,362	1,423	21%
416	Fee & Other Income	470	418	1%
1,590	Total Income	1,833	1,841	16%
396	Operating Expense	448	507	28%
1,194	Earnings before credit cost	1,384	1,334	12%
420	Credit Cost	624	605	44%
580	PAT before exceptional items	647*	591	2%
-	Exceptional items	473	-	-
580	PAT to Equity Shareholders	174	591	2%
Q3FY19	Particulars (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y(%)
94,711	Book	1,00,258	99,453	5%
12,981	Networth	13,981	14,606	13%
65	Book Value per share (Rs.)	70	73	12%

* Normalising for the impact of tax rate change of Rs. 50 Cr pertaining to Q1FY20, Q2FY20 PAT stands at Rs. 597 Cr

LTFH Consolidated – Key ratios

Key ratios			
Q3FY19	Key Ratios	Q2FY20	Q3FY20
12.97%	Yield	13.01%	13.09%
5.01%	Net Interest Margin	5.45%	5.63%
1.78%	Fee & Other Income	1.88%	1.66%
6.79%	NIM + Fee & Other Income	7.33%	7.29%
1.69%	Operating Expenses	1.79%	2.01%
5.09%	Earnings before credit cost	5.53%	5.28%
1.79%	Credit cost	2.49%	2.39%
2.28%	Return on Assets	2.44%	2.21%
6.29	Debt / Equity	6.15	5.85
18.34%	Return on Equity	18.13%*	16.51%

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	16.64%	3.48%	20.13%

* Normalising for the impact of tax rate change of Rs. 50 Cr pertaining to Q1FY20, Q2FY20 RoE stands at 16.74%

Lending Business – Business wise disbursement split

Disbursement				
Q3FY19	Segments (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
1,291	Farm Equipment	686	1,370	6%
1,647	2W Finance	1,113	1,495	-9%
2,796	Micro Loans	2,839	2,561	-8%
-	Consumer Loans	-	42	-
5,734	Rural Finance	4,638	5,468	-5%
653	Home Loans	652	706	8%
281	LAP	142	150	-47%
1,416	Real Estate Finance	1,238	1,168	-18%
2,350	Housing Finance	2,032	2,024	-14%
3,564	Infrastructure Finance	2,436	1,445	-59%
330	Infra Debt Fund (IDF)	672	624	89%
3,894	Infrastructure Finance	3,108	2,069	-47%
11,978	Focused Business	9,779	9,561	-20%
1,704	De-focused	-	-	-100%
13,682	Total Disbursement	9,779	9,561	-30%

Lending Business – Business wise book split

Book				
Q3FY19	Segments (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
7,306	Farm Equipment	7,747	8,240	13%
5,224	2W Finance	6,009	6,423	23%
11,592	Micro Loans	12,841	12,889	11%
-	Consumer Loans	-	42	-
24,122	Rural Finance	26,597	27,594	14%
5,697	Home Loans	7,024	7,459	31%
4,360	LAP	4,076	4,015	-8%
13,261	Real Estate Finance	15,885	15,215	15%
23,319	Housing Finance	26,986	26,689	14%
27,180	Infrastructure Finance	30,660	30,684	13%
7,990	Infra Debt Fund (IDF)	8,812	8,990	13%
35,171	Infrastructure Finance	39,472	39,674	13%
82,612	Focused Business	93,055	93,956	14%
12,100	De-focused	7,203	5,497	-55%
94,711	Total Book*	1,00,258	99,453	5%

Rural Finance – Summary financial performance

Performance summary				
Q3FY19	Summary P&L (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
1,078	Interest Income	1,240	1,311	22%
409	Interest Expense	485	490	20%
668	NIM	756	821	23%
113	Fee & Other Income	118	121	8%
781	Total Income	873	942	21%
210	Operating Expense	263	296	41%
570	Earnings before credit cost	610	646	13%
248	Credit Cost	251	276	11%
233	PAT	309*	290	25%

Q3FY19	Particulars (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
24,122	Book	26,597	27,594	14%
3,664	Networth	4,245	4,555	24%

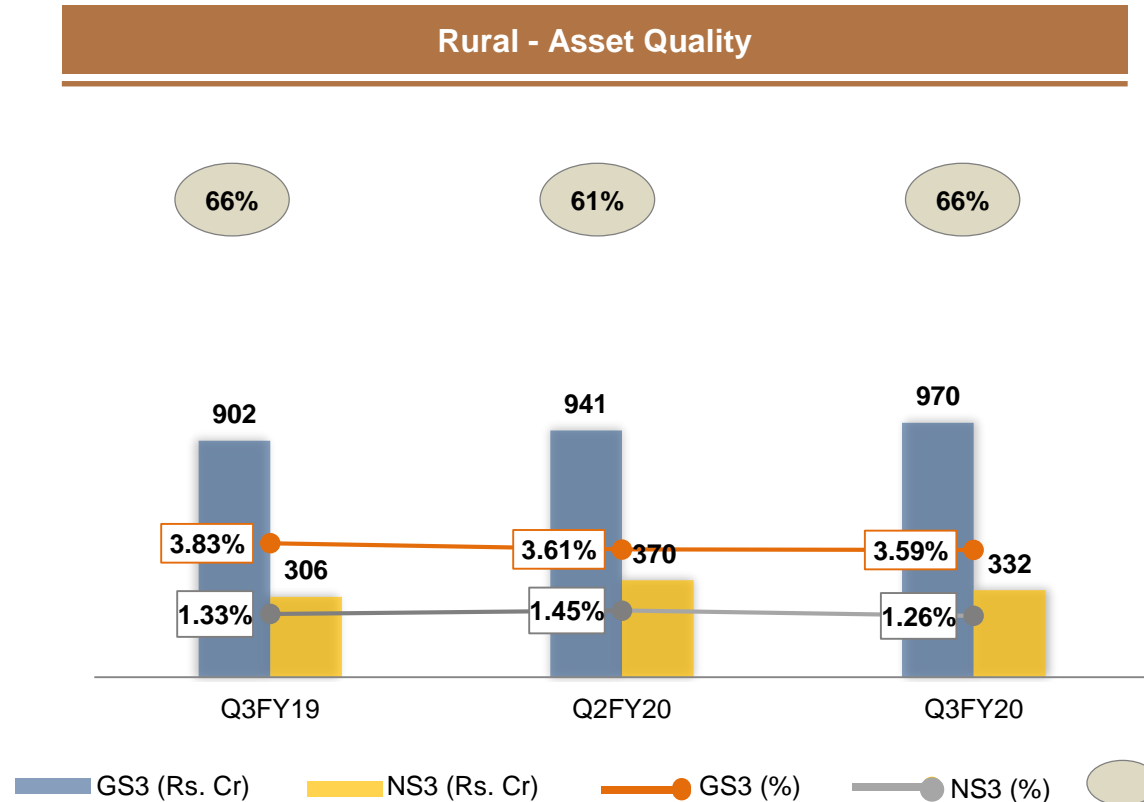
* Normalising for the impact of tax rate change of Rs. 27 Cr pertaining to Q1FY20, Q2FY20 PAT stands at Rs. 282 Cr

Rural Finance – Key ratios

Key ratios				
Q3FY19	Key ratios	Q2FY20	Q3FY20	
18.77%	Yield	18.92%	19.12%	
11.64%	Net Interest Margin	11.47%	11.90%	
1.96%	Fee & Other Income	1.79%	1.76%	
13.60%	NIM + Fee & Other Income	13.25%	13.66%	
3.66%	Operating Expenses	3.99%	4.29%	
9.94%	Earnings before credit cost	9.26%	9.37%	
4.33%	Credit cost	3.81%	4.00%	
3.90%	Return on Assets	4.62%	4.09%	
5.44	Debt / Equity	5.14	4.94	
27.54%	Return on Equity	30.25%*	26.45%	

* Normalising for the impact of tax rate change of Rs. 27 Cr pertaining to Q1FY20, Q2FY20 RoE stands at 27.57%

Rural Finance - Asset quality



Built macro-prudential provisions of Rs. 235 Cr, over and above expected credit losses on GS3 assets
 GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

Housing Finance – Summary financial performance

Performance Summary				
Q3FY19	Summary P&L (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
727	Interest Income	844	857	18%
408	Interest Expense	502	515	26%
319	NIM	341	343	7%
59	Fee & Other Income	53	66	12%
379	Total Income	394	409	8%
47	Operating Expense	74	82	75%
332	Earnings before credit cost	320	327	-1%
51	Credit Cost	42	72	39%
209	PAT	244*	203	-3%

Q3FY19	Particulars (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
23,319	Book	26,986	26,689	14%
3,150	Networth	4,118	4,320	37%

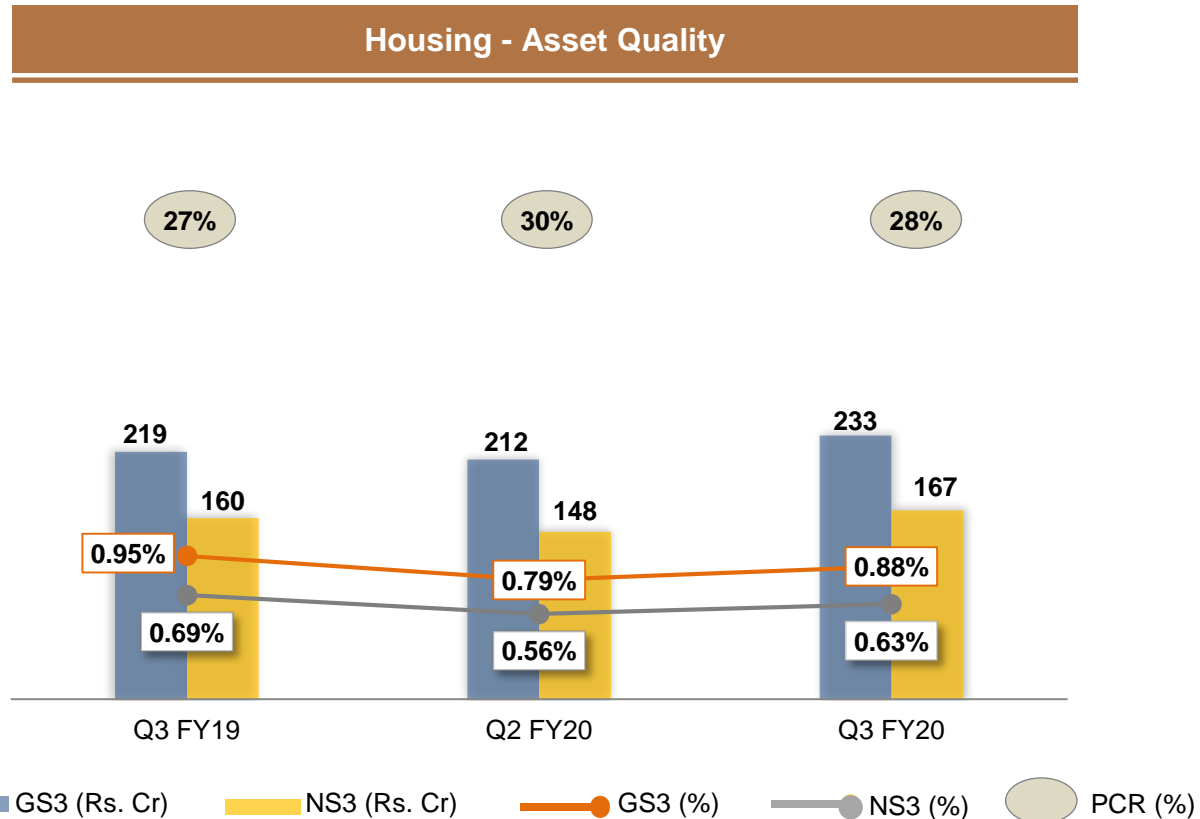
* Normalising for the impact of tax rate change of Rs. 24 Cr pertaining to Q1FY20, Q2FY20 PAT stands at Rs. 220 Cr

Housing Finance – Key ratios

Key ratios				
Q3FY19	Key ratios	Q2FY20	Q3FY20	
12.81%	Yield	12.64%	12.53%	
5.62%	Net Interest Margin	5.11%	5.01%	
1.05%	Fee & Other Income	0.80%	0.97%	
6.67%	NIM + Fee & Other Income	5.91%	5.97%	
0.82%	Operating Expenses	1.11%	1.20%	
5.85%	Earnings before credit cost	4.80%	4.78%	
0.91%	Credit cost	0.62%	1.05%	
3.35%	Return on Assets	3.43%	2.73%	
6.63	Debt / Equity	5.71	5.50	
27.75%	Return on Equity	24.49%*	19.34%	

* Normalising for the impact of tax rate change of Rs. 24 Cr pertaining to Q1FY20, Q2FY20 RoE stands at 22.16%

Housing Finance - Asset quality



Built macro-prudential provisions of Rs. 115 Cr, over and above expected credit losses on GS3 assets
 GS3 - Gross Stage 3; NS3 - Net Stage 3; PCR – Provision Coverage Ratio

Infrastructure Finance – Summary financial performance

Performance summary				
Q3FY19	Summary P&L (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
884	Interest Income	989	982	11%
696	Interest Expense	713	740	6%
188	NIM	276	242	29%
72	Fee & Other Income	92	92	27%
260	Total Income	368	333	28%
57	Operating Expense	53	52	-8%
203	Earnings before credit cost	315	281	38%
131	Credit Cost	121	97	-26%
70	PAT	196*	172	145%

Q3FY19	Particulars (Rs. Cr)	Q2FY20	Q3FY20	Y-o-Y (%)
35,171	Book	39,472	39,674	13%
4,141	Networth	5,141	6,150	48%

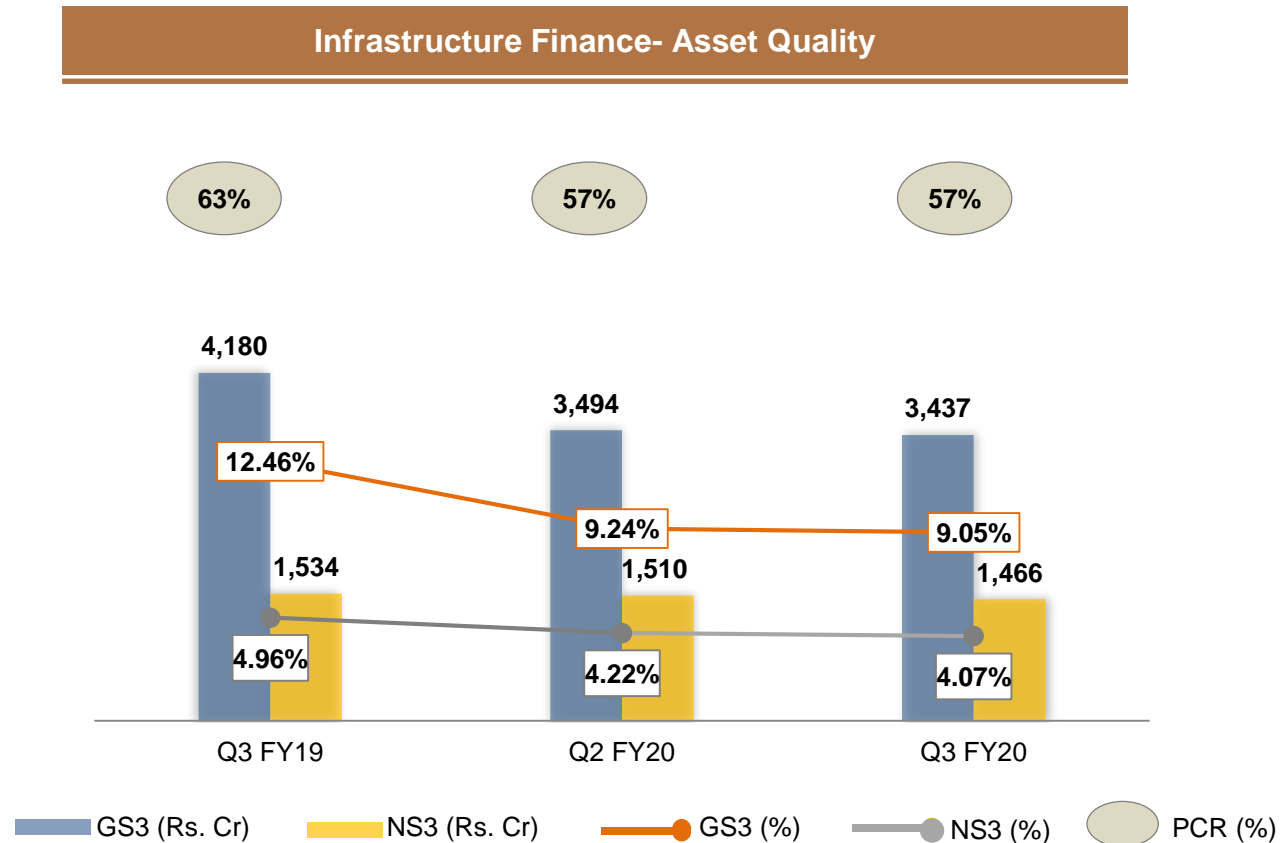
* Normalising for the impact of tax rate change of Rs. 25 Cr pertaining to Q1FY20, Q2FY20 PAT stands at Rs. 171 Cr

Infrastructure Finance – Key ratios

Key ratios				
Q3FY19	Key ratios	Q2FY20	Q3FY20	
10.02%	Yield	10.31%	9.92%	
2.13%	Net Interest Margin	2.88%	2.44%	
0.82%	Fee & Other Income	0.96%	0.92%	
2.95%	NIM + Fee & Other Income	3.84%	3.37%	
0.64%	Operating Expenses	0.55%	0.53%	
2.30%	Earnings before credit cost	3.28%	2.84%	
1.48%	Credit cost	1.26%	0.98%	
0.75%	Return on Assets	1.97%	1.69%	
7.30	Debt / Equity	6.58	5.34	
6.71%	Return on Equity	15.46%*	12.79%	

* Normalising for the impact of tax rate change of Rs. 25 Cr pertaining to Q1FY20, Q2FY20 RoE stands at 13.52%

Infrastructure Finance - Asset quality



Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q3FY19	Q2FY20	Q3FY20	Y-o-Y (%)
Renewable Power	3,176	1,534	1,478	-53%
Roads	413	284	159	-61%
Power Transmission	164	973	212	29%
Others ¹	141	317	220	57%
Total	3,894	3,108	2,069	-47%

LOAN BOOK

Sectors (Rs. Cr)	Q3FY19	Q3FY19 (% of Total)	Q2FY20	Q2FY20 (% of Total)	Q3FY20	Q3FY20 (% of Total)	Y-o-Y (%)
Renewable Power	18,211	52%	20,759	53%	20,720	52%	14%
Roads	7,310	21%	9,368	24%	9,272	23%	27%
Power Transmission	1,321	4%	2,622	6%	2,828	7%	114%
Others ²	8,328	24%	6,723	17%	6,853	17%	-18%
Total	35,171	100%	39,472	100%	39,674	100%	13%






¹ Others includes cement, water treatment, etc.

² Others includes infra project implementers, thermal power, healthcare, water treatment, etc.

AUM disclosure – Investment Management Business

Assets under Management (Rs. Cr)						
Fund Type	Quarter ended Dec, 2018		Quarter ended Sept, 2019		Quarter ended Dec, 2019	
	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²
Equity (Other than ELSS)	37,229	35,855	37,159	36,356	37,039	37,176
Equity – ELSS	3,211	3,181	3,283	3,216	3,381	3,347
Income	13,617	13,176	16,731	16,682	18,927	18,330
Liquid	11,983	16,737	8,496	12,829	11,328	12,608
Gilt	133	131	128	130	123	126
Total	66,173	69,080	65,797	69,213	70,798	71,587

Product profile and Geographies

BUSINESS		Average Ticket Size	Average Tenor	Major Geographies
Rural	 Farm Equipment	Rs. 4.1 Lakhs	46 months	MP, Karnataka, UP, Maharashtra, Telangana, Bihar, AP, Haryana
	 Two Wheeler	Rs. 62k	25 months	Kolkata, Pune, Mumbai, Bangalore, Hyderabad, Ahmedabad, Delhi
	 Micro Loan (Joint Liability Group)	Rs. 34k	24 months	TN, Bihar, Karnataka, Orissa, West Bengal, Kerala, MP, Gujarat
	 Consumer Loans	Rs. 1.1 Lakhs	34 months	Maharashtra, Gujarat, WB, Bihar
Housing	 Home Loan	Rs. 39 Lakhs	17 years	Mumbai, Delhi, Bangalore, Pune, Hyderabad, Chennai & Surat
	Loan against Property	Rs. 49 Lakhs	14 years	Bangalore, Pune, Mumbai, Delhi, Surat, Hyderabad

Corporate Social Responsibility

Directly linked to creating value

FOCUS: GENERATION OF SUSTAINABLE RURAL LIVELIHOODS

Water resource management



Target Group

60,000 farmers directly

Intervention

- 49,036* – Community outreach through interventions
- Capacity building of farmers through awareness camps and Farmer Field Schools
- Capacity of 419* TCM created through rainwater harvesting structures

Location

122 villages in Aurangabad, Beed, Buldhana, Jalna, Latur, Solapur & Osmanabad districts of Maharashtra

Digital financial inclusion



650 Digital Sakhis, 5500+ women entrepreneurs (WE) and 5,20,000 community members

- Onboarding of 150 Digital Sakhis at West Bengal Completed
- Digital Sakhis of Tamilnadu underwent training on advance modes of digital payments by NPCI
- 3,90,038* – Community outreach through interventions

287 villages in Maharashtra, Madhya Pradesh, Tamil Nadu, Odisha and West Bengal

3,241* students from affordable and BMC schools educated on road safety through audio-visual modules

Provided relief to 71,996* people of flood affected in Assam, Bihar, Maharashtra, Karnataka, Kerala & Odisha

Focus on social returns on investment for stakeholder value creation

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



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



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



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



Thomas Mathew T., *Independent Director*

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



Nishi Vasudeva, *Independent Director*

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



Pavinder Singh, *Nominee Director*

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



Prabhakar B., *Non-Executive Director*

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

Management Team



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



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



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



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



Manoj Shenoy
CE - Wealth Management &
Group Head – CSR
29 yrs exp, EFG Wealth Mgmt,
Anand Rathi



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



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



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



S Anantharaman
Chief Risk Officer &
Group Head- Compliance
27 yrs exp, HDFC Bank, Al Ahli
Bank of Kuwait, SBICI



Abhishek Sharma
Chief Digital Officer
16 yrs exp, Indian Army

Deliver sustainable RoE



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