L&T Financial Services

January 15, 2021

National Stock Exchange of India Limited	BSE Limited
Exchange Plaza,	Corporate Relations Department,
Plot No. C/1, G Block,	1st Floor, New Trading Ring,
Bandra - Kurla Complex, Bandra (East),	P. J. Towers, Dalal Street,
Mumbai - 400 051.	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 5, 2021 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

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Strategy & Results Update – Q3FY21

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LTFH 2.0

Our Commitment

TO BE A COMPANY WHICH:

- **Delivers sustainable 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 Q3 in perspective

B Financial Update

Q3FY21 in perspective

Drivers	Update
Strong economic recovery across sectors led by Rural and Infra	• Achieved highest quarterly disbursement since Q1FY20 (up by 51% QoQ) ➢ Farm disbursements up by 43% QoQ to Rs 1,554 Cr and 2W up by 50% QoQ to Rs 1,652 Cr ➢ Strong uptick in Infra disbursements to Rs 4,641 Cr; highest quarterly disbursement since Q1FY19 • Rural sector leading the economic recovery ➢ Maintained market share in Farm & 2W QoQ; highest quarterly disbursement in Farm & 2W since FY17 ➢ Rural disbursements in Q3FY21 are up 49% QoQ; have reached almost at Q3FY20 levels despite lower YoY disbursements in Micro Loans (cautious approach till data on payment behavior is normalized)

LTFH took advantage in intended sectors; maintained market share in Farm and 2W during festive season
Highest quarterly disbursement since Q1FY20; highest quarterly disbursement in Farm and 2W since FY17

Uptick in NIM+Fees on back of reduction in cost of borrowing and lesser liquidity buffer	• Increase in fee income by 12% QoQ; led by highest quarterly fees in Rural since FY17 • Advantageously placed with AAA rating and strong parentage; rating reaffirmed by CRISIL, ICRA, India Ratings and CARE during FY21 (post Covid) • LTFH (with AAA rating & strong parentage), have seen easing of liquidity leading to: ➢ Prepayment of high cost borrowing and renegotiation of interest rates ➢ Maintenance of lower average liquid assets during the quarter (QoQ) ***Resulting in cost of borrowing reduction by 50bps QoQ (from 8.32% in Q2FY21 to 7.82% in Q3FY21)***

Astute treasury management and abundant market liquidity has helped in reducing cost of borrowing leading to increase in NIMs+Fees to reach highest level of 7.39% since FY17

Q3FY21 in perspective

Drivers	Update
Resilient balance sheet through enhanced collections, adequate PCR and additional provisions on standard assets	• Maintained the traction in collection volumes across focused businesses ➢ Achieved collections of Rs 11,137 Cr in Q3FY21 vs Rs 4,321 Cr in Q1FY21 and Rs 10,296 Cr in Q2FY21 • GS3 has reduced YoY from 5.94% to 5.12% (vs 5.19% in Q2FY21); NS3 reduced YoY from 2.67% to 1.92% (vs. 1.67% in Q2FY21) • Continue to carry additional provisions (over and above PCR and standard asset provisions) of Rs 1,739 Cr (1.90%) on standard book as of Q3FY21

Significant pickup in collections volume across all the businesses
Strengthened balance sheet by carrying additional provisions for economic uncertainty

Drivers	Update
One time restructuring (OTR) under resolution framework for Covid-19 related stress by RBI	• Restructured assets worth Rs 213 Cr in Q3FY21; against which 10% provision is held as at Q3FY21 on the same • Additionally, invoked assets worth Rs 1,225 Cr which are likely to be restructured in Q4FY21 / Q1FY22 • Maximum potential restructuring (Rs 1,438 Cr) will be 1.4% of book

Easing of liquidity condition enabling reduction in cost of borrowing, resilient balance sheet through additional provisions and strong pickup in disbursements is expected to ensure responsible growth and protection from economic uncertainty

Q3FY21 in perspective

Industry update: Positive momentum across sectors (Led by Rural and Infra)

LTFS: Business update

Rural economy is becoming structurally far more resilient …

Rural

Rural economy is far more resilient today




Government initiatives	• Initiatives like DBT, MNREGA and irrigation programmes, PM kisan scheme, PM ujjwala yojana (cooking gas), PM awas yojana (affordable housing), ayushman bharat (medical) etc. is leading to lesser leakages & higher liquidity in the hands of the beneficiaries
Rainfall and reservoir levels	• Above normal monsoon rainfall for the second consecutive year and improved water reservoir levels for past 2 years
Increase in MSP and crop procurement	• Increase in minimum support prices as well as mandi prices to aid better cash flow in rural India • Higher government procurement of foodgrains expected to support the Pradhan Mantri Garib Kalyan Anna Yojana, to also spur higher production
Improved Rural infrastructure	• Continuous improvement in Rural infrastructure such as electricity and roads

Source: CRISIL

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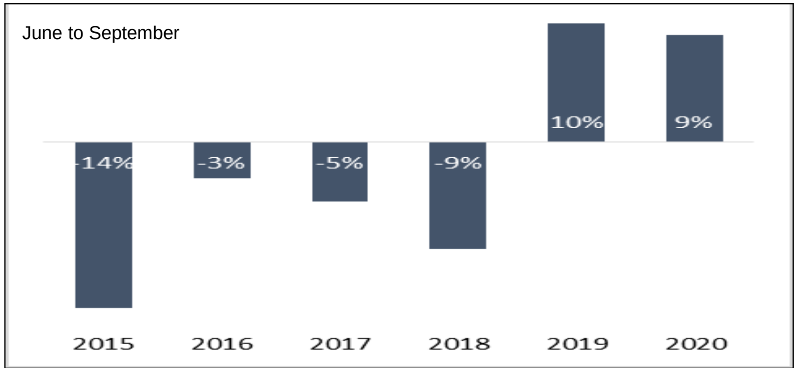
… and has been relatively less impacted by Covid-19

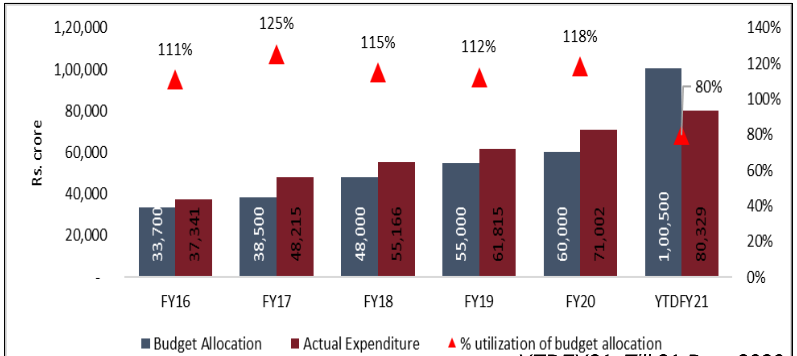
Rural

Rainfall (% departure from Long Period Average)



- On-time, abundant and well-spread rainfall has led to agriculture activity continue largely unhindered. Kharif acreage in FY21 has increased to 1095 lakh hectares, which is the highest in the past five years
- Lower spread of Covid-19 in rural areas given lower population density
- Rains were most abundant in the south (29% above LPA) with 4 key states seeing a surplus (AP, Telangana, Karnataka and Tamil Nadu)
- Although a mild deficiency was recorded in some parts (mainly in the northwestern region such as West UP), these regions have a good irrigation cover, which helped cushion the loss in farm output

Government outlay under MNREGA



YTDFY21: Till 21 Dec, 2020

- Government has front loaded a substantial chunk of MNREGA expenditure to generate employment for repatriated migrant labour
- During Apr – Nov'20, the aggregate wages expenditure under MNREGA was higher by 72% YoY
- In FY21, 55.5 mn households sought work under this scheme by Jul'20 (as against 57.4 mn in full FY20), reflecting the massive demand for work under the scheme due to Covid-19 lockdown
- Additionally, PM Kisan scheme has helped in uplifting cash flow in Rural India (~Rs 570 billion spent till Dec-end 2020)

Further, with share of Services being much lower in Rural at around 26%, it has helped it to bear the Covid-19 induced shock better (especially contact based services being impacted more compared to agriculture and manufacturing)

Source: CRISIL

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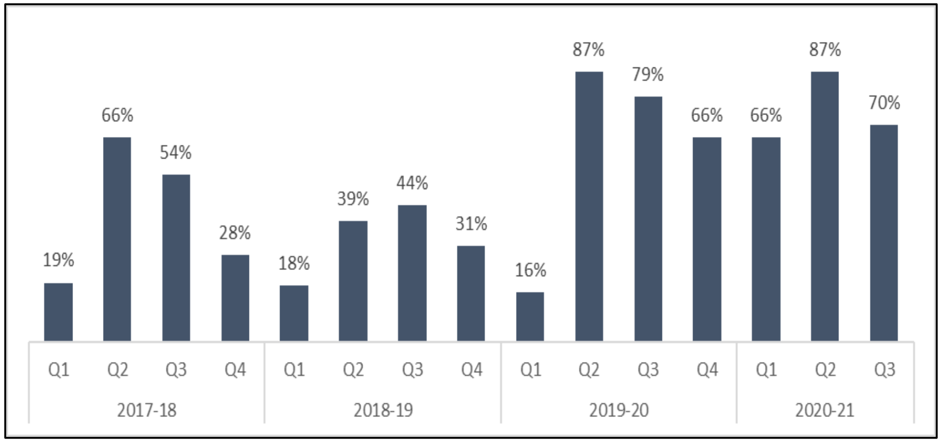
Leading to improved financial health and positive sentiment

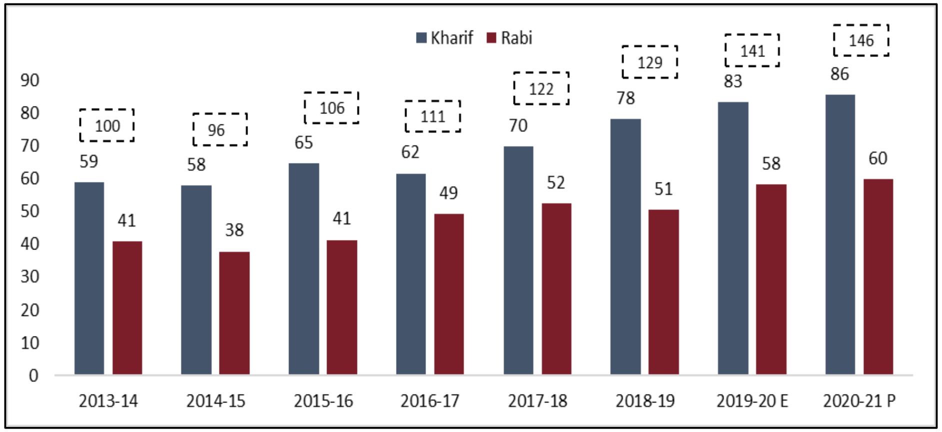
Rural

Storage as % of live capacity at FRL (full reservoir level)



- Healthy reservoir level in FY20 led to record high Rabi production and improved crop yield; current reservoir level indicates a good rabi output and expectation of positive rural sentiment to continue in remainder of FY21
- The live storage in 128 reservoirs as of Dec'20 is 91% of the live storage of corresponding period of last year and 120% of storage of average of last ten years
- As on 8th Jan'21, overall rabi sowing is 3% higher (YoY)
- The overall rabi acreage in FY21 is expected to be 0-2% higher as compared to the record high production last year

Farm income



- Kharif income expected to rise by 3-5% YoY in FY21, driven by an increase in acreage as well as crop prices, following a good monsoon and expected rise in government procurement
- Increase in MSP as well as mandi prices to aid better cash flow for Rural India
- Payment received by the farmers have been faster as compared to last year, thus improving liquidity
- Amid absence of any other investment opportunity due to Covid-19, there has been higher investment on agriculture activity, which has positively impacted Rural economy

Source: CRISIL

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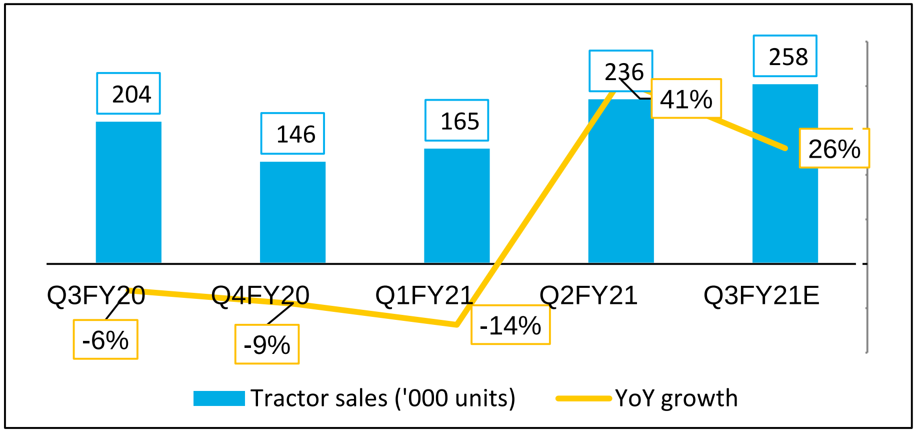
Demonstrated by steady pickup in Tractor & 2W sales (1/2)

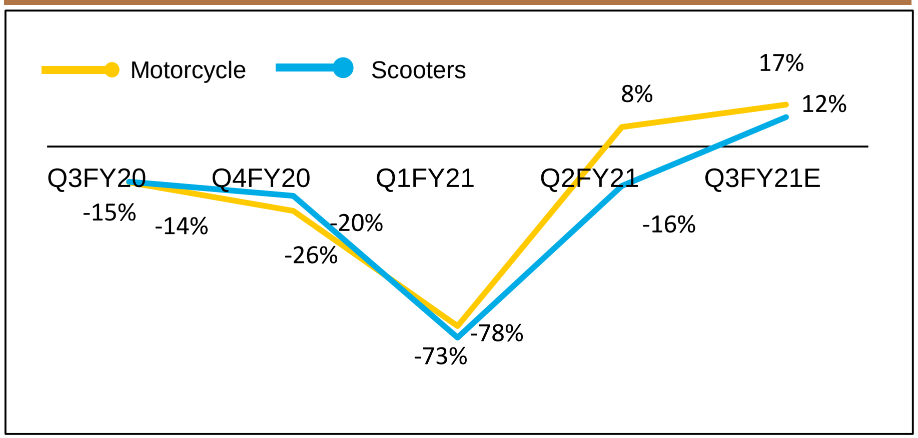
Rural

Domestic Sales of Tractors



- Tractor sales have reported 2 consecutive quarters of strong growth reflecting increase in farm income and rural sentiment
- Tractor sales are expected to rise by 18-20% in FY21 with:
  - Better crop profitability
  - Higher govt. support through income support schemes
  - Higher procurement of field crops
  - Higher rural expenditure
- Tractor demand expected to grow at CAGR of 4-6% over FY20-FY25 after factoring in 1-2 yrs. of below normal monsoon

Domestic Sales of Two Wheelers (YoY Growth)



- Motorcycle sales reported 17% growth in Q3FY21 vs. scooters which grew at 12% reflecting better rural sentiments
- Wholesale sales are expected to be positive for Q3FY21 as manufacturers increased inventory prior to festive season; however, retail sales remained negative
- 2W sales is expected to decline by 13% in FY21; Apr-Nov’20 saw 41% degrowth in retail sales. Sales are expected to witness gradual recovery in demand in Q4FY21 and FY22
- 2W sales projected to grow at CAGR of 7-9% (11-13% sales value) during FY21-25

Source: CRISIL

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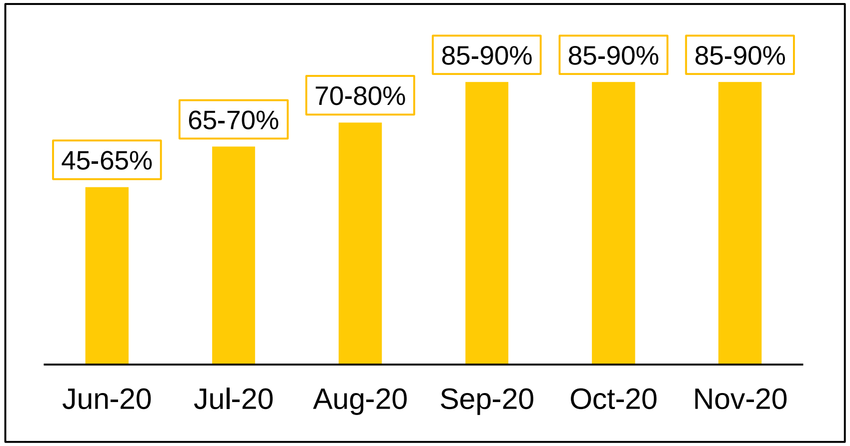
Micro Loans industry seeing m-o-m improvement (2/2)

Rural

Collection Efficiency Trend – MFI Industry



- Collection efficiency trend for the industry continues to improve reaching 85-90% in Nov’20. While the bounce back has been faster, improving it to the pre-pandemic level of 98-99% will be the key monitorable
- MFIs & SFBs have made Covid-19 provisions from Q4FY20 to Q2FY21. The aggregate provisions amounts to 3.5-4.0% of Q2FY21 loan book, on an avg. That’s significantly lower than the avg. credit losses seen during demonetisation, which was ~7%
- Lower number of Covid-19 infections in rural areas and a good harvest played a positive impact on rural repayments

Key Industry Aspects

- In FY21, CRISIL expects MFI asset quality to deteriorate on account of strain on MFI borrowers earning capability. As of Q2FY21, PAR* 0 has increased to 21.5% from 9.9% in Q4FY20 (as compared to 17.7% in Q4FY17 – post demonetisation)
- After achieving CAGR of 26% from FY17-20 (Rs 3.4 trn in Mar’20), the overall portfolio is expected to grow marginally to Rs 3.5 trn in FY21 (FY21 disbursements at 50% of FY20). Industry is expected to grow at 14% CAGR from FY20-23
- Domestic microfinance industry has shown resilience towards external shocks in the past and is expected to gain momentum in the next two fiscals with pick-up in economic activity
- Going forward, average ticket size will increase but at a slower pace with focus on under-penetrated states and in rural areas

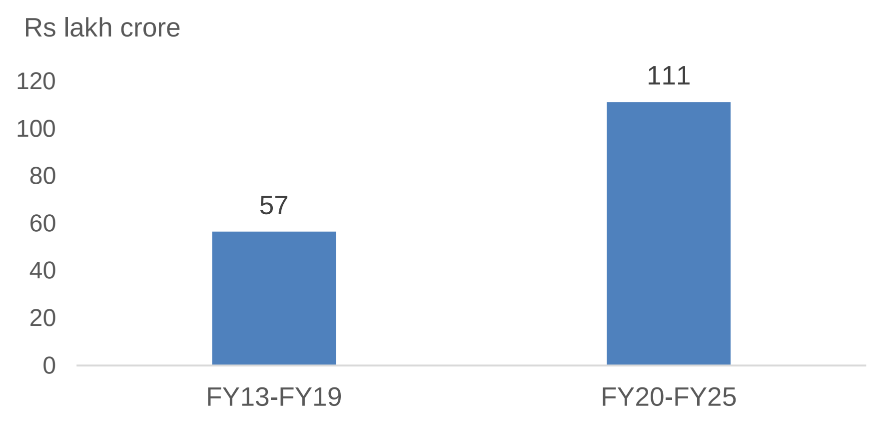
- **Rural economy is far more resilient due to Govt initiatives, good monsoon, reservoir level, increase in MSP & infrastructure spend**
- **For Micro Loans, disbursements have slowly resumed since Q2FY21; while overall collection efficiencies have improved QoQ basis, the repayment behavior at bottom of pyramid continues to be erratic**

*Source: CRISIL; *PAR: Portfolio At Risk*

Government focus to drive long-term growth

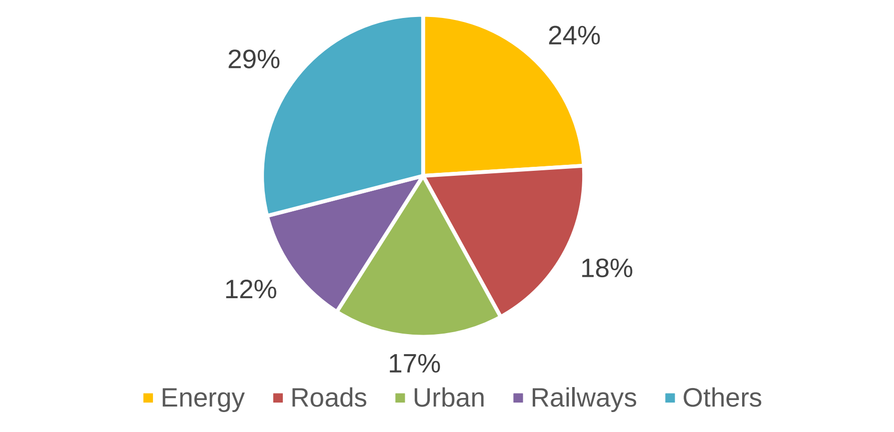
Infrastructure

Capital expenditure expected to double during FY20-25



- According to National Infrastructure Pipeline (NIP), infrastructure investment grew at a CAGR of 11% during FY13-19
- Infrastructure investment is expected to double to Rs 111 lakh crore during FY20-25
- While the onset of pandemic has resulted in cut back of infrastructure investment, it is expected to gradually pickup, given the strong government focus and the potential to create employment

Led by investment in Energy, Roads & Urban (FY20-25))



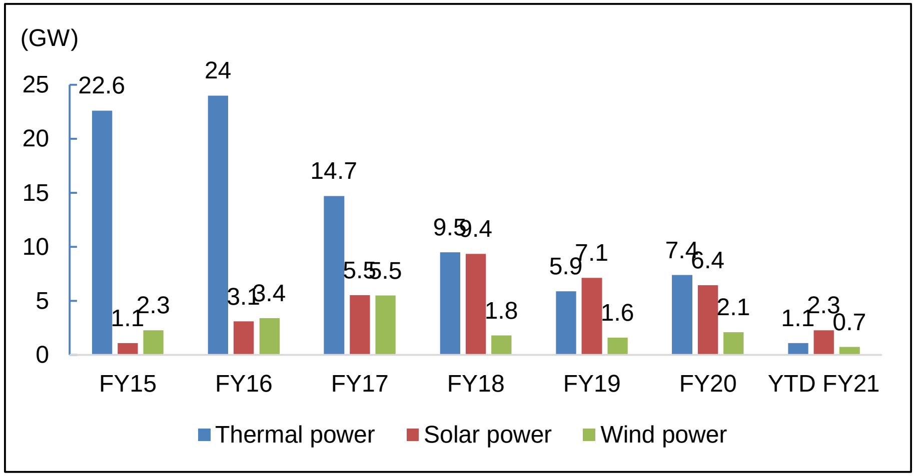
- Sectors such as energy, roads, urban infrastructure and railway are expected to account for 71% of investments
- Power demand is expected to clock a CAGR of 3-4% over FY20-25, with capacity addition to be concentrated around renewables, leading to it’s share rising from 10% in FY’20 to 17-18% by FY25
- According to the Global Infrastructure Outlook 2017, India would need to spend $ 4.5 trn on infrastructure cumulatively by 2030; this will also help to realise the vision of a $ 5 trn economy by 2025

Source: CRISIL

Focus on Renewable and HAM within Power and Road sectors

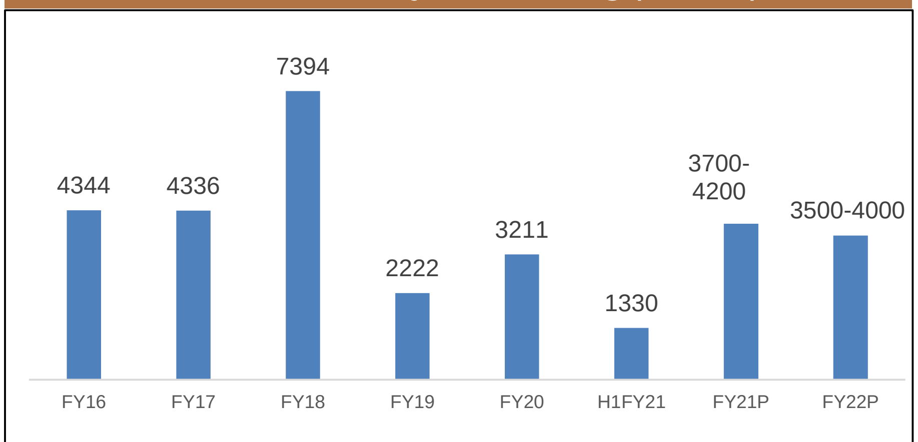
Infrastructure

Capacity addition for renewable gaining momentum



- CRISIL expects investment of Rs 9.5-10.5 trn in the Power sector over the next five years
- During FY19, solar power capacity additions crossed that of conventional power for the first time. During Apr-Nov'20, despite Covid-19, 2.3 GW of solar power capacity was added in the country
- Momentum in capacity additions for solar power has seen a rise over the years driving the growth in solar generation; supported by lower tariffs resulting from declining module prices
- Over the next five years (FY21-25), renewable capacity of ~72GW is expected to be added as against ~37 GW of conventional power

NHAI's Road Project Awarding (in Kms)



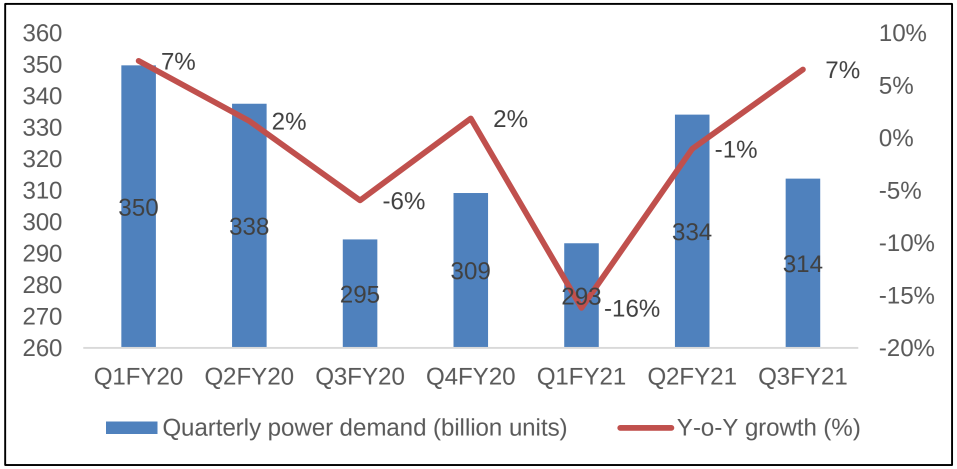
- Investment in the road sector is expected to be Rs 17 trn during FY21-25 as against Rs 10 trn during FY16-20
- CRISIL estimates NHAI awarding 3,700-4,200 Kms in FY21, the authority has already awarded ~2,100 Km upto Oct20, achieving >45% of its target of 4,500 Km
- CRISIL expects average award of 4,000-4,500 Km annually during FY20-25 due to strong pipeline of projects under Bharatmala
- With the policy push in the form new changes in HAM plus the reduction in the bid eligibility criteria, CRISIL expects higher share of 35-45% of HAM projects to be awarded in FY21

Source: CRISIL

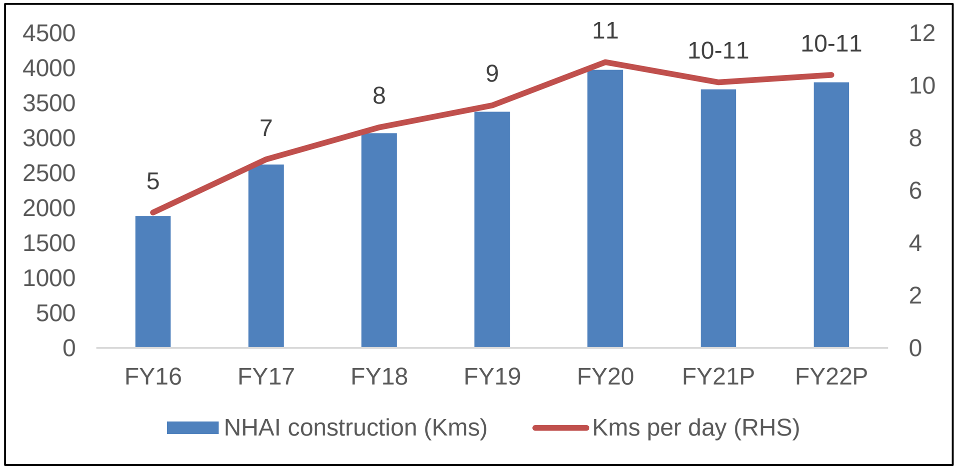
Strong recovery post Covid as economic activity picked up

Infrastructure

Power demand has reached pre Covid levels



National Highway construction has picked up pace



- Power demand is gradually starting to pick up to near pre-Covid levels, after a slump in Apr-May’20
- The Government of India has announced Rs 1.2 trn support to improve liquidity of cash starved discoms:
  - ~Rs 1,180 Bn worth of loans already sanctioned and ~Rs 310 Bn already been disbursed/ released till mid-Oct’20
  - Expected to help discoms meet their payment obligations to generation companies, which, in turn, would improve the latter’s cash flows and ability to service their debt

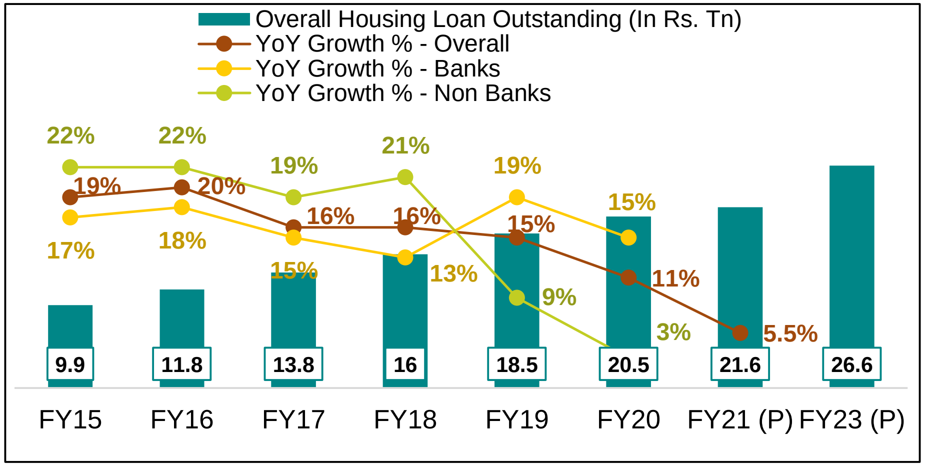
- Labour issues and bottleneck in the supply chain have eased labour availability with the phased opening of the economy and as of Nov’20, road construction sites are back to ~90% of pre-Covid levels
- Despite the lockdown in Apr and May 2020 (which was followed by monsoons), highway construction saw a growth of 4.2% YoY (Apr-Nov’20); with construction activity increasing significantly sine Oct
- During last few months, NHAI has focused on clearing land acquisition issues and issuing appointed dates for >90% of HAM projects as of Sep’20, up from 55-60% in Sep’19

Source: CRISIL

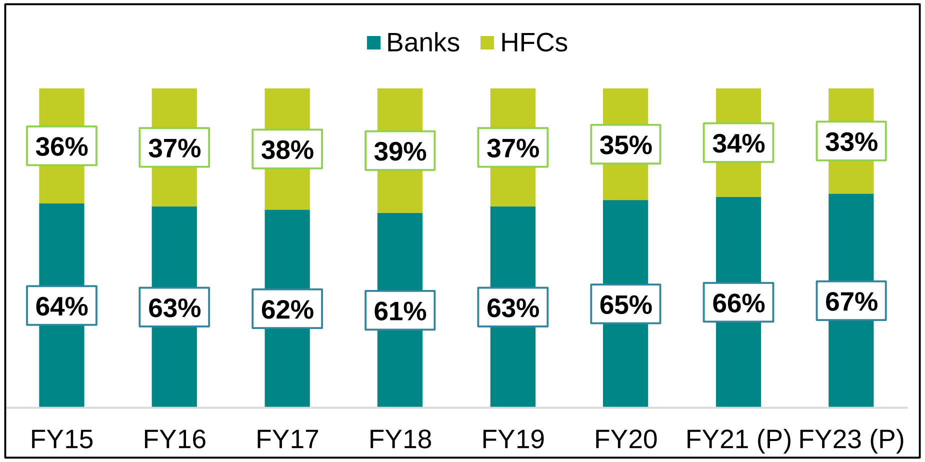
Housing: Home loans business returning to pre-Covid levels

Housing

Home Loans - Portfolio Outstanding



Share of Banks & HFCs in overall Housing Finance Market



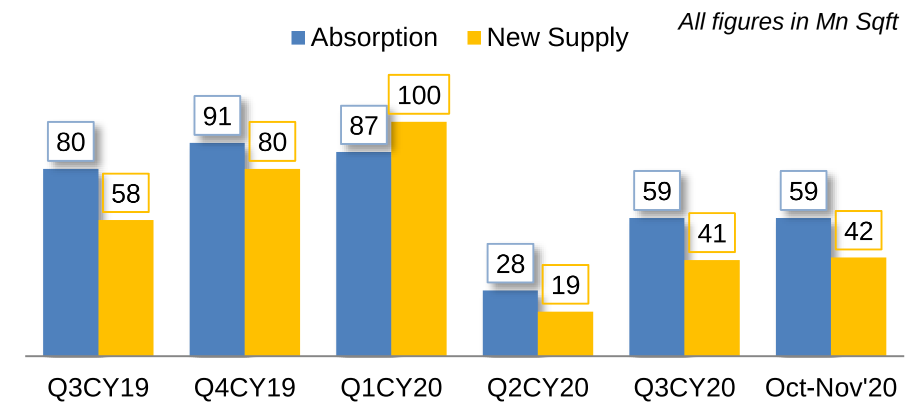
- Home Loans portfolio growth slowed down. Banks are expected to gain market share owing to focus on retail segment and availability of low cost deposits
- Home loans portfolio is expected to grow at 5-6% YoY in FY21 and at 10-11% CAGR between FY21-23
- Uptick in Housing Loan demand post lows of first quarter of FY21, is being driven by :
    - ➢ All time low interest Rates
    - ➢ Lowering of Stamp duty charges by some State Govt.'s
    - ➢ High discount by builders
    - ➢ Regulator initiatives such as risk weight rationalisation on housing loans
- LAP: Debilitating impact of COVID-19 on MSMEs is likely to increase the risk aversion towards the LAP segment, resulting in players being more cautious to lend

Source: CRISIL

Housing: Recovery in real estate sales from Aug-20

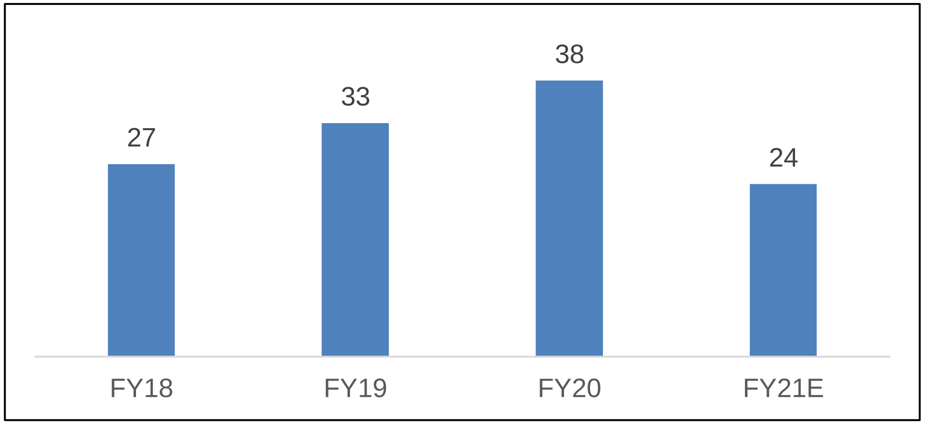
Housing

Top 6 Markets: Trends in Residential Market



- Overall, absorption has seen a steady recovery since Aug-20
- New home sales volumes during Q4CY20 are estimated to be almost at levels prior to Covid-19. MMR saw record high volumes, spurred by the boost provided by cut in stamp duty
- The sustainability of the rebound in home sales would be critically contingent upon a pick-up in economic growth and increase in consumer confidence and incomes
- In case, nature of economic recovery is uneven and potential home buyers continue to face lingering uncertainty on future income growth, pace of recovery would get impacted

Top 6 Markets: Net Absorption in Commercial Market



- Aggregate absorption in the office space segment across the top six cities is expected to be 35-40% lower in the current fiscal than in the previous year
- Nevertheless, demand recovery in seen in this segment from Q3CY20 onwards. This recovery in demand is led by pre-commitments in new completions
- Commercial lease rentals for top 6 cities are expected to remain stable in FY21

Source: CRISIL

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Business update

Disbursements

Maintained market share in Farm & 2W; amongst leading player in Infra

Collections

Continued momentum in collections

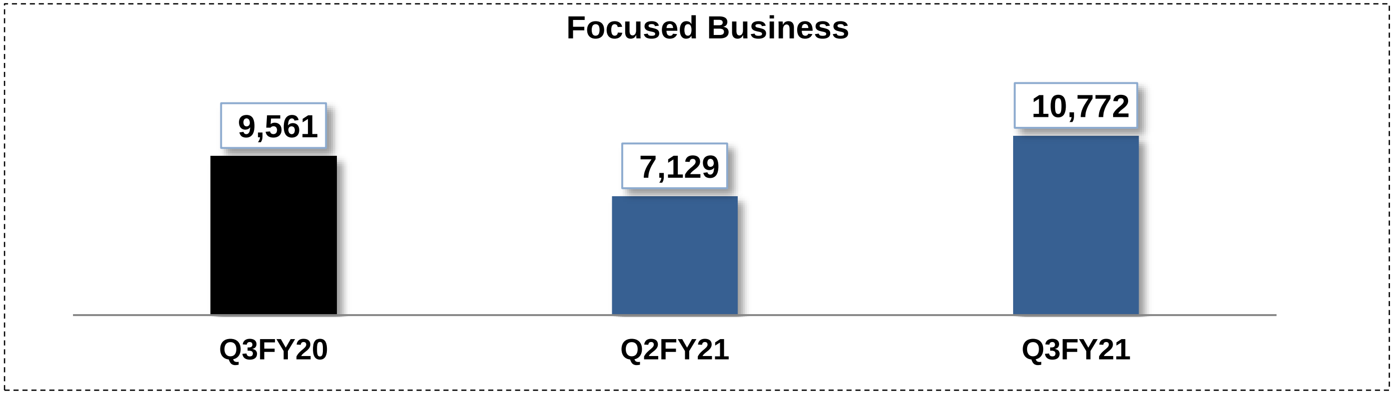
Strengthened Balance Sheet

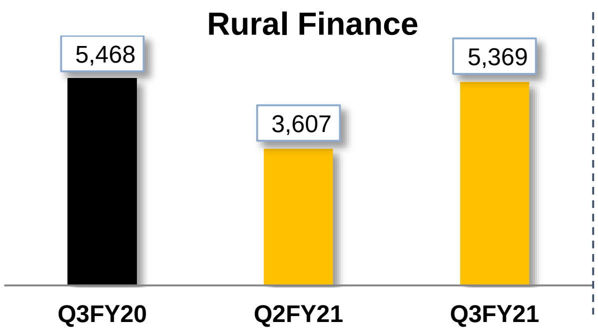
Resilient balance sheet through additional provisions

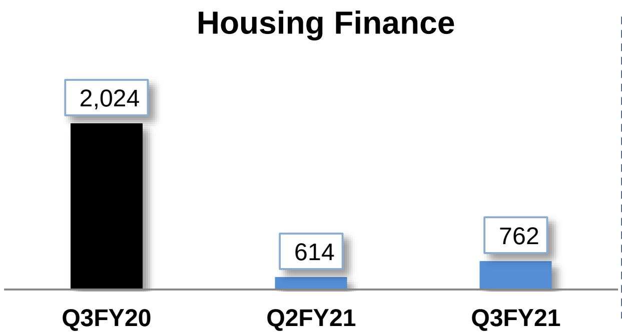
Liquidity & Liability Management

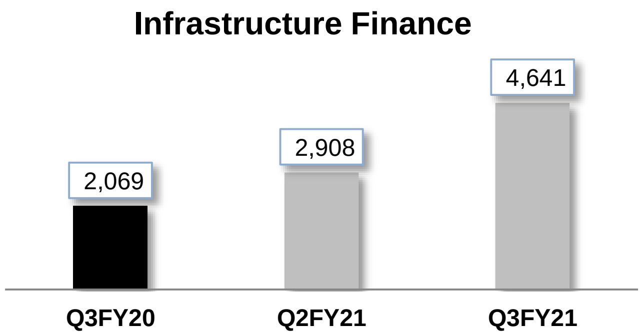
Easing of liquidity leading to reduction in cost of borrowing; continued strong liability franchise

1.1 Disbursements – targeted sourcing basis collection trend









- Disbursements crossed pre-Covid levels (up 51% QoQ) owing to strong pickup in Rural (up 49% QoQ) & Infra (up 60% QoQ)
  - Took advantage of festive season to maintain market share in Farm and 2W QoQ
  - Disbursements in Infra towards identified segments of Roads, Renewables & transmission. Highest quarterly disbursements since Q1FY19; continued momentum in sell down volumes

Highest quarterly disbursement since Q1FY20; highest quarterly disbursement in Farm/2W (since FY17) and Infra (since Q1FY19)

Maintained market share in Farm and 2W QoQ; amongst leading player in Infra (renewable and road)

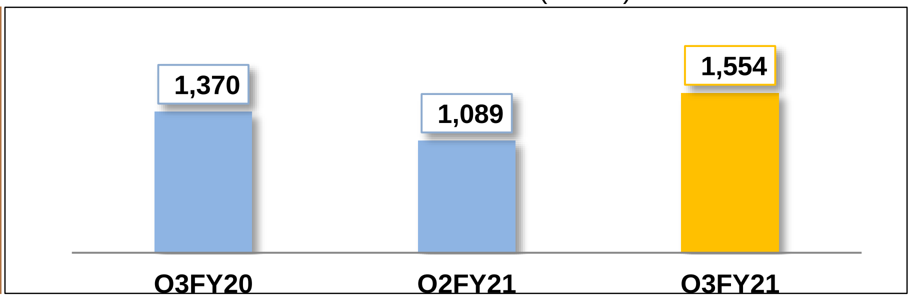
All figures are in Rs. Cr.

1.2.1 Strong pick-up in Rural disbursements

Rural

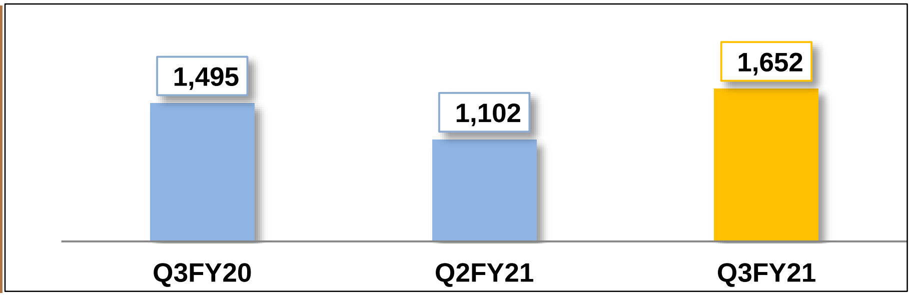
Disbursements (Rs. Cr)

FARM



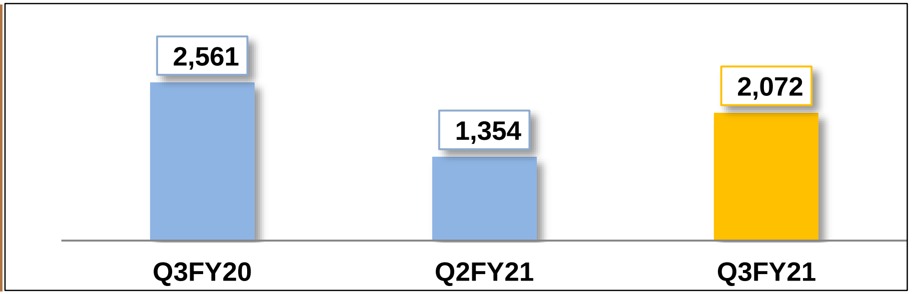
- Maintained market share QoQ; achieved highest quarterly disbursement since FY17. Disbursements up by 43% QoQ
- Increased business with top dealers on the back of strengthened TA proposition; 60% of total business in Q3 coming through TA
- Maintained business controls with prudent product calls – LTV continues within 70% level

2W



- Continued momentum by maintaining market share QoQ; achieved highest quarterly disbursement since FY17
- Significant improvement during festive season; disbursements are up by 50% QoQ
- Maintained LTV within 70% range with tightened credit norms

MICRO LOANS



- Increase in disbursements QoQ (up 53%) owing to improved collection efficiency
- However, disbursements are down 19% YoY as focus remains on existing customers; observing increase in credit rejections
- Focus on sourcing new customer business in branches showing >99% CE

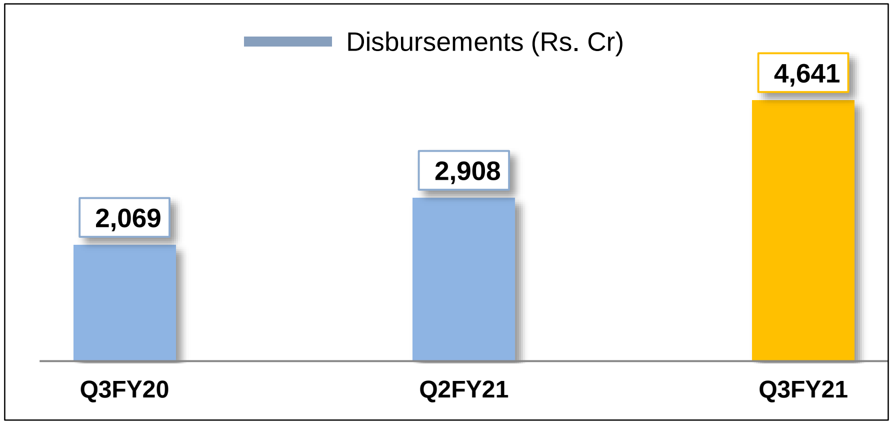
Took advantage of festive season by maintaining market share QoQ in Farm and 2W; highest disbursements in Farm & 2W since FY17

L&T Financial Services

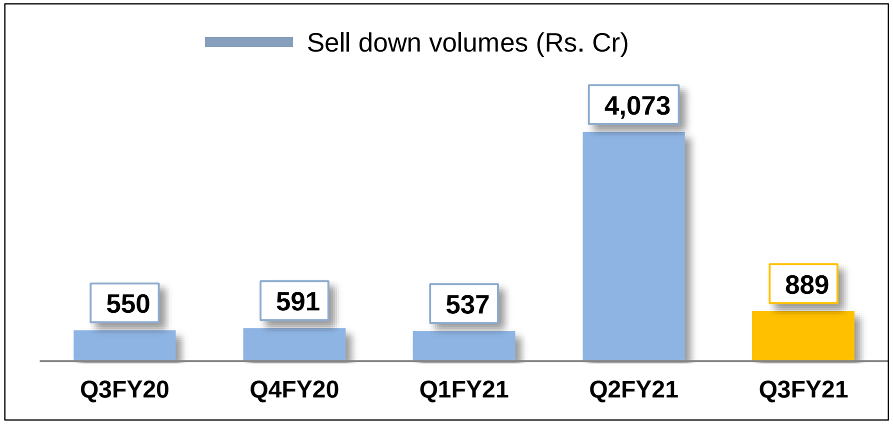
1.2.2 Excellent pickup in disbursements especially in renewables

Infrastructure

INRASTRUCTURE FINANCE



SELL DOWN VOLUMES



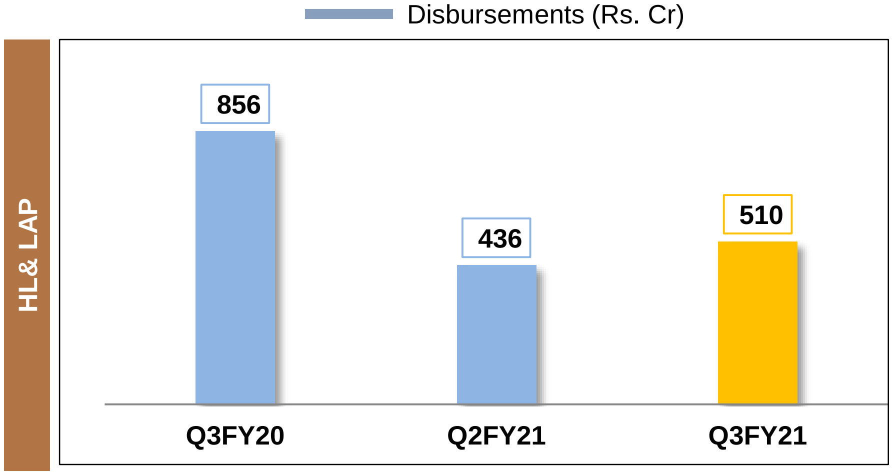
- Enhanced efforts towards sell-down and pre-payments to create room for disbursements without increase in capital allocation
- Stringent risk guardrails to underline new exposure
- Focus on projects with strong sponsors and off-takers with proven track record
- Focused on re-financing of operational renewable assets to garner incremental disbursements
- Exploring lending opportunities in the TOT space and new HAM projects
- Continued emphasis on portfolio monitoring and disbursement towards completion of existing projects

Continue to be one of the leading player in Infrastructure business with disbursements assisted by continued momentum in sell-down

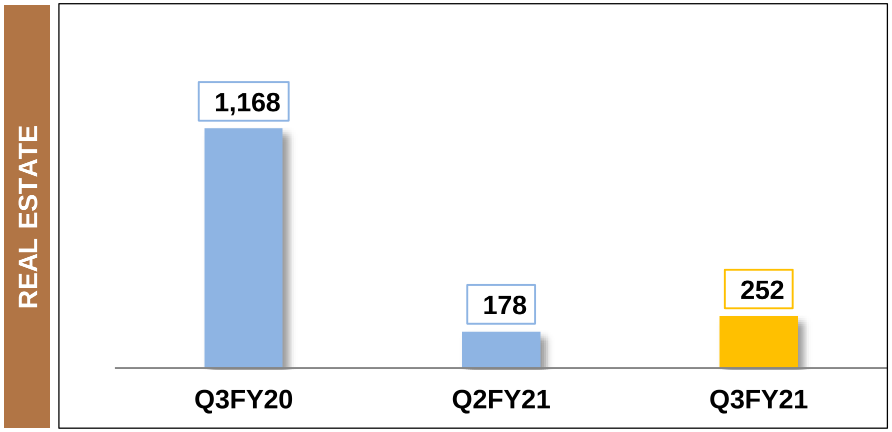
L&T Financial Services

1.2.3 Steady pick-up in Housing

Housing



- **Home loan:** Moderate pickup in disbursements driven by pickup in economic activity; focus on salaried segment & direct sourcing
  - ➢ Direct sourcing at 82% for home loans
  - ➢ Salaried HL constitute 94% of overall Q3FY21 HL disbursements
  - ➢ Salaried HL disbursements have reached 93% of Q3FY20 level
  - ➢ Self employed home loan restricted to key developers
- **LAP:** Sourcing restricted mainly to government backed ECLGS scheme



- Continued disbursements to existing projects to ensure project completion
- No new project/borrowers sanctioned till date in FY21 – continue to be selective going forward
  - ➢ Even though sales have improved substantially across industry and in our portfolio, we will wait to see sustainable data and accordingly revise our guardrails for undertaking new sanctions
  - ➢ In meantime, focus will be entirely on project management to ensure project progresses as per plan

Improvement in salaried housing sales; disbursements limited to tranche in Real Estate portfolio

L&T Financial Services

1.3.1 Book – Demonstrated growth in target portfolios

		Disb Growth		Book Growth		
		QoQ	YoY	QoQ	YoY	
Quick Recovery	Farm Equipment	43%	13%	6%	18%	Continued positive growth in Farm; Maintained market share
	Two Wheelers	50%	10%	5%	9%	Maintained marked share during festive season; Use of analytics to increase counter share
	Infrastructure Finance	60%	124%	8%	4%	Robust disbursement momentum; Supported by continued momentum in sell-down
	Home Loans	33%	(39%)	(2%)	3%	Pickup in Salaried portfolio; Salaried Book up by 15% (YoY)
Moderate Recovery	Micro Loans	53%	(19%)	(4%)	(8%)	Calibrated disbursements guided by collections; Disbursement still to reach pre Covid levels
	LAP	(30%)	(47%)	(7%)	(9%)	Guarded approach towards self-employed profiles; Disb. limited to top-up loan through Govt. backed ECLGS
	Real Estate	42%	(78%)	(4%)	(2%)	Funding existing project with focus on project completion; No new project/borrowers sanctioned till date in FY21
LTFH	Focused Book	51%	13%	2%	3%	Collection led disbursement strategy; Focused disbursements in line with trend in collections

1.3.2 Leading to improved leadership position across businesses

Farm

Ranked 1st

(H1 FY21)

One of the Leading player in Infrastructure financing (Renewable and Roads)

Micro Loans

Ranked 3rd

(H1 FY21)

Leading Indian Mandated Lead Arranger and Book Runner for INR loans

Ranked 2nd in "Bookrunner" & 3rd in "Mandated Arranger" by Refinitiv and Bloomberg (9MCY20)

Two -wheeler

Amongst Top 5

(H1 FY21)

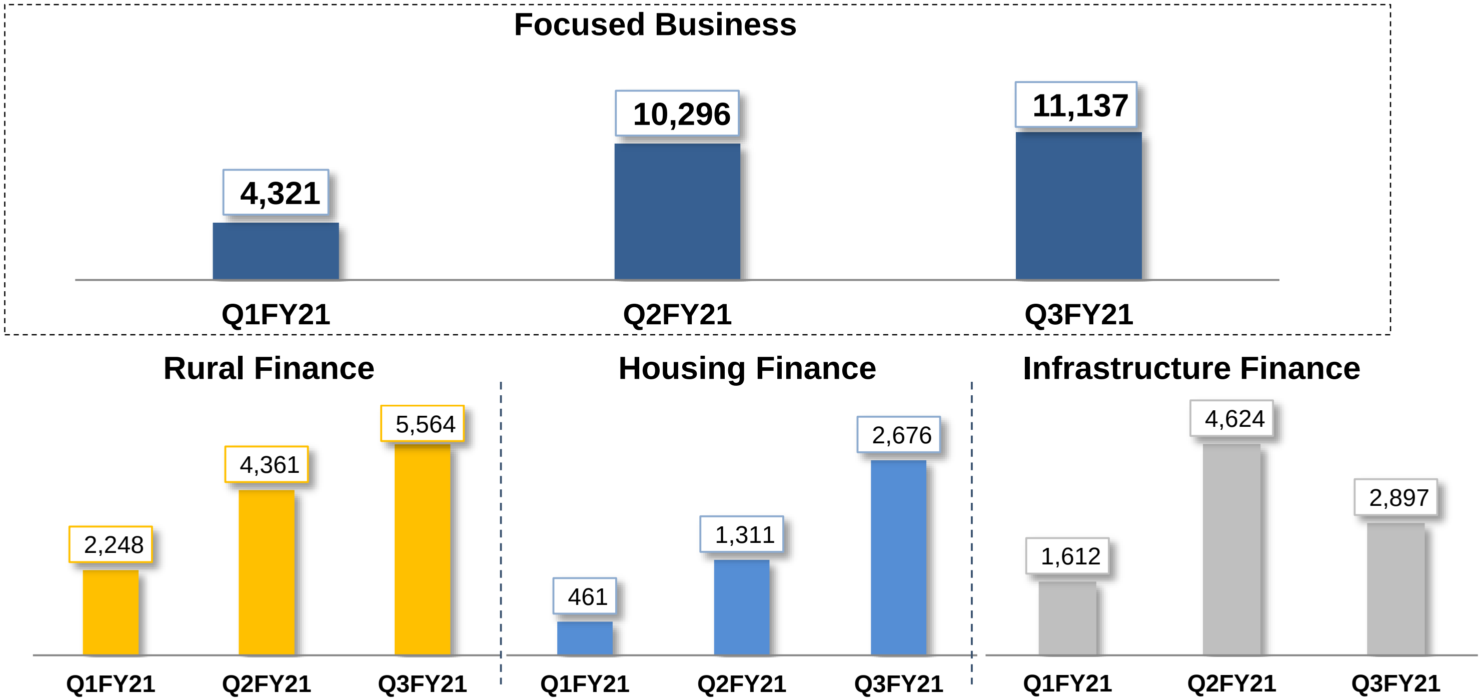
Leading Mandated Lead Arranger and Book Runner Asia (ex Japan) for Green UoP loans

Only Indian Institution in Top 4; ranked by Bloomberg (9MCY20)

Using business strengths to gain market share in intended businesses

Source: CRISIL, Refinitiv, Bloomberg
Bloomberg rankings are APAC (Ex-Japan)

2.1 Collections – on ground efforts leading to increased collections



- Continued collection momentum, owing to concerted field efforts and return of normalcy
  - Marked improvement in Rural and Real Estate collections QoQ
  - Restricted movements & Covid-19 impact on MSMEs leading to lower collections than normal in self-employed segment (HL & LAP) in urban centers
  - Regular collection seen in Infra portfolio; one off prepayments led to higher collection in Q2FY21 vis-à-vis Q3FY21

Concerted efforts, analytics led prioritization and resource allocation leading to increased collection volumes

All figures are in Rs. Cr

2.2.1 Steady improvement in collections

Rural

Farm

- Robust farm cash-flows, riding on robust kharif harvesting season, all-time high wheat procurement, normal & well distributed southwest monsoon and higher rabi acreage, have supported collections favorably
- Achieved regular CE of 91.8% in Dec'20 through on-ground collection efforts

2W

- Gradual improvement in regular CE to reach pre-Covid level (98.1% in Dec'20) owing to enhanced call center capacity & on field strength
- Use of analytics for collection prioritization (hard bucket collection as priority)
- Bounce rates continue to be elevated as compared to pre COVID level, leading to enhanced collection efforts

Micro Loans

- Increase in regular CE to 98.3% level in Dec'20 through roll out of contests and incentive structures
- Strengthened higher bucket collections team to monitor 1-90 and 90+ DPD buckets
- Customer repayment behavior still remains irregular

Improvement in collection efficiency; built adequate additional provisions to weather any future contingencies

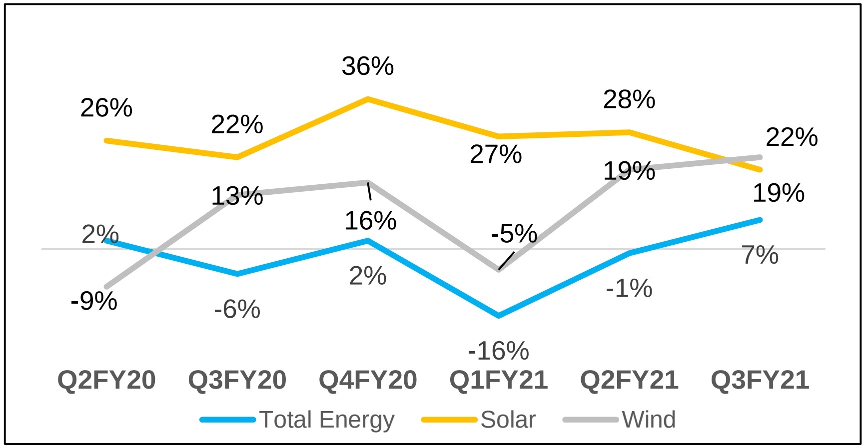
Leveraging analytics along with on-ground efforts to enhance portfolio quality

Regular CE = cashflow received from 0 dpd customer for billing / billing of 0 dpd customer

2.2.2 Continued steady performance

Infrastructure

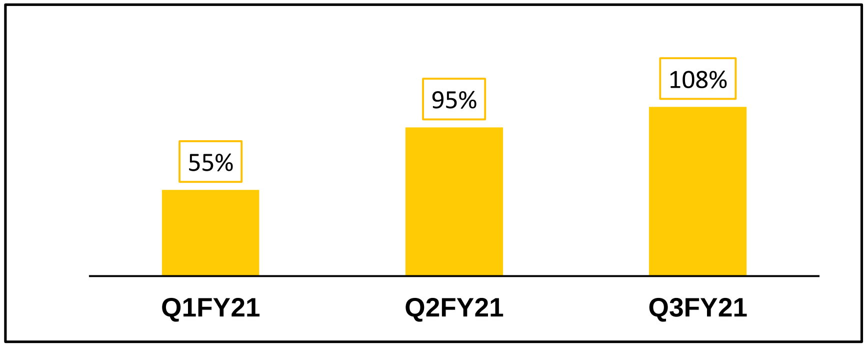
Industry avg. Daily Power Generation (YoY % change)



Renewables

- Overall energy consumption has turned positive; renewable continue to drive growth
- Under the Discom package, more than Rs. 31,000 Cr has been disbursed to Discoms out of over Rs. 1,18,000 Cr sanctioned, which would improve the cashflows for these entities
- Operational projects have been instructed to maintain "Must Run" status

LTFS portfolio Toll Collections (% level YoY)



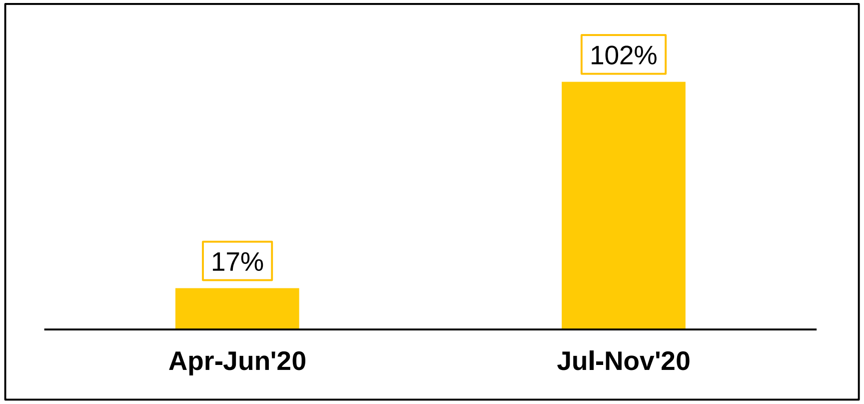
Road

- Annuity projects are receiving timely payments from NHAI
- Toll project collections have surpassed pre-Covid levels
- NHAI has granted a relief to the operational toll projects in the form of extension in concession period till the time collections achieve 90% of the average daily fee

2.2.3 Steady improvement in collections

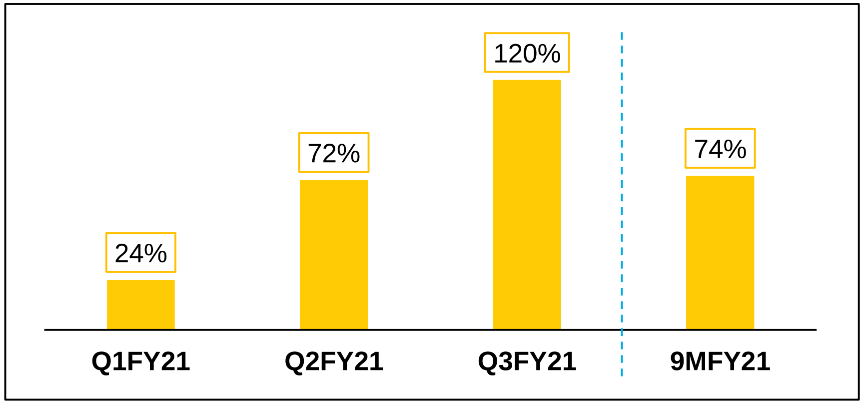
Housing

LTFS Real Estate portfolio sales (YOY achievement))



- Focus on Cat A developers, resumed construction activity, Govt. measures and attractive schemes given by developers, has helped our funded projects sales rebound faster than the industry
- Buyer preference continued to be towards projects by reputed developers and/or with visible construction progress
- Industry sales are at 82% in July-Nov'20 vis-a-vis the same period last year. New home sales volumes during Q3FY21 are estimated to be at Q3FY20 levels

LTFS Real Estate escrow collections (YoY achievement)



- Continued support to developers in construction progress and improvement in sales has facilitated improvement in escrow collections to more than Q3FY20 levels
- Principal Repayment / Pre-payments in 9MFY21 reached 78% of 9MFY20 level

Marked improvement in Sales and Collections facilitated by our continued focus on project completion and rigorous monitoring

L&T Financial Services

3 Strengthened Balance Sheet

Additional Provisions on Non GS3

Particulars (Rs. Cr)	Total Lending Business
Loan book size (excluding GS3 book) - (1)	91,533
Provision on stage 1 and stage 2 assets as per ECL model - (2)	**487**
Additional provisions - (3+4+5=6)	**1,739**
Macro Prudential provisions - (3)	1,100
Covid-19 Provisions @10% on 1-90 DPD book with moratorium - (4)	483
Enhanced ECL provisions on stage 1 & 2 assets basis higher LGD assumptions – (5)	157
Additional provisions as % of book – (6/1)	**1.90%**
Total additional provisions on book (over and above GS3 provisions) – (2+6=7)	**2,226**
Total provisions as % of book (over and above GS3 provisions) - (7/1)	**2.43%**

Micro Loan book – Carrying additional provisions of Rs. 1,079 Cr (9.6% of standard Micro Loans book)

Housing Finance book – Carrying additional provisions of Rs. 518 Cr (2.03% of standard Housing Finance book)

As a prudent measure, maintained additional provisions to strengthen balance sheet, even though there is strong on-ground recovery

L&T Financial Services

4.1 AAA Credit Rating for LTFH and all its subsidiaries

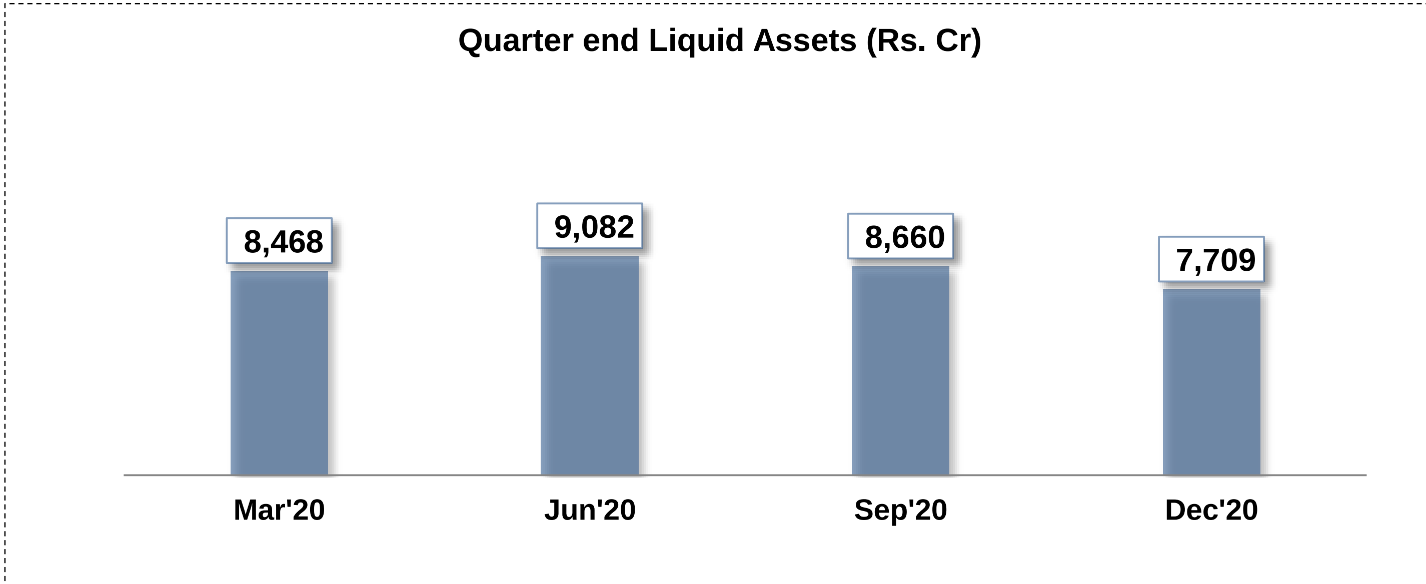
Credit Ratings – LTFH and its subsidiaries	
Ratings Update	• LTFH and all its lending subsidiaries long-term ratings have been reaffirmed 'AAA ' by all 4 rating agencies: ➢ CRISIL - May 2020 to December 2020 ➢ CARE - October 2020 ➢ India Ratings - September 2020 ➢ ICRA - September 2020

Key strengths highlighted by Rating Agencies

- **Liquidity**: Rating Agencies have analysed LTFS cash flow / liquidity position and they have considered the liquidity position of LTFS as comfortable to meet all debt obligations over the next few months
- Diversified business mix with strong presence across the financial services space
- Strategic importance and strong support to financial services business by the parent, Larsen and Toubro Ltd. (L&T: AAA)
- Strong resource raising ability and adequate capitalisation

Diversified business presence, strategic importance to L&T, strong resource raising ability and adequate capitalisation has led AAA rating being reaffirmed even in the current challenging environment

4.2 Liquidity easing leading to moderation of excess liquidity buffers

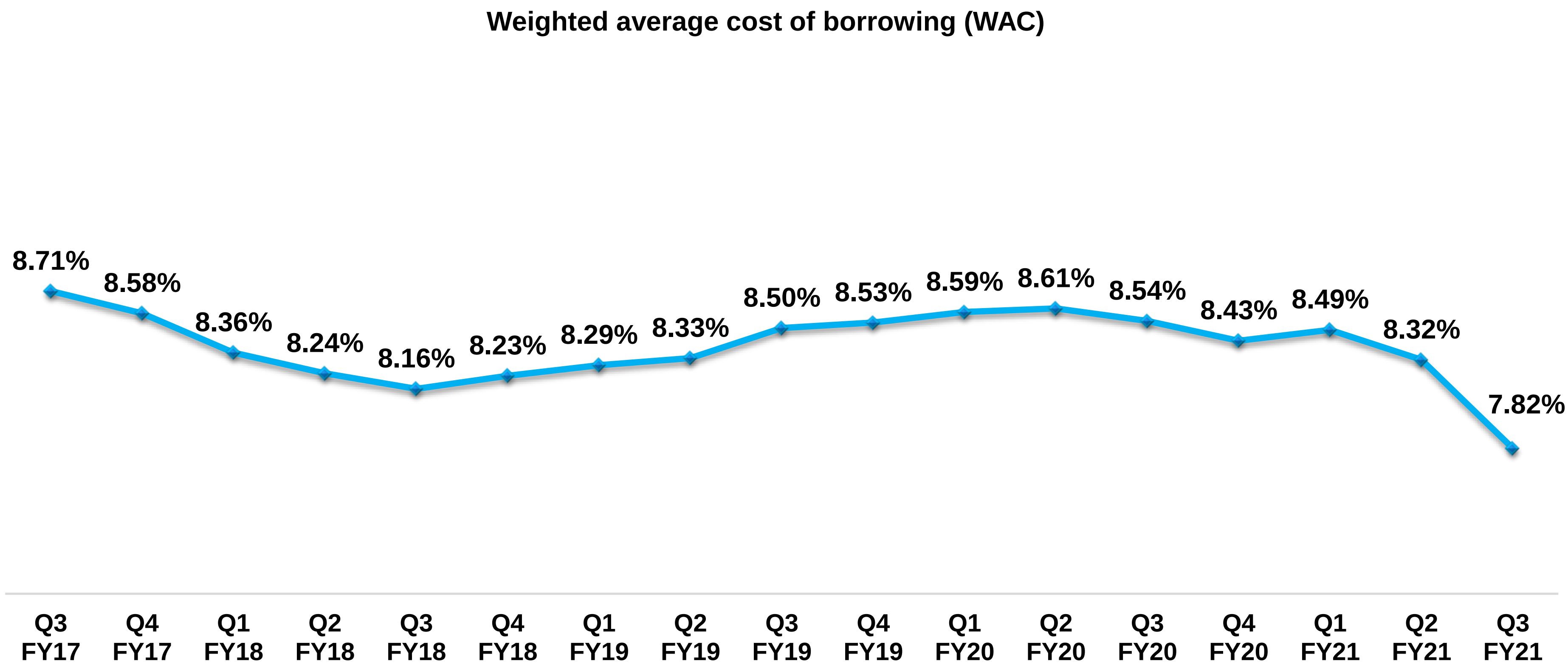


- As of Dec’20, Rs. 16,442 Cr of liquidity is maintained through the following:
  - Liquid Assets in form of cash, FDs and other liquid investments of Rs. 7,709 Cr
  - Undrawn bank lines of Rs. 6,733 Cr and back up line from L&T of Rs. 2,000 Cr
- Maintained lower average liquid assets during the quarter
- Rating Agencies have analysed LTFS cash flow / liquidity position, and they have considered the liquidity position of LTFS as comfortable to meet all debt obligations over the next few months

LTFH (with AAA rating & strong parentage) have seen easing of liquidity; leading to lower average liquid assets during the quarter

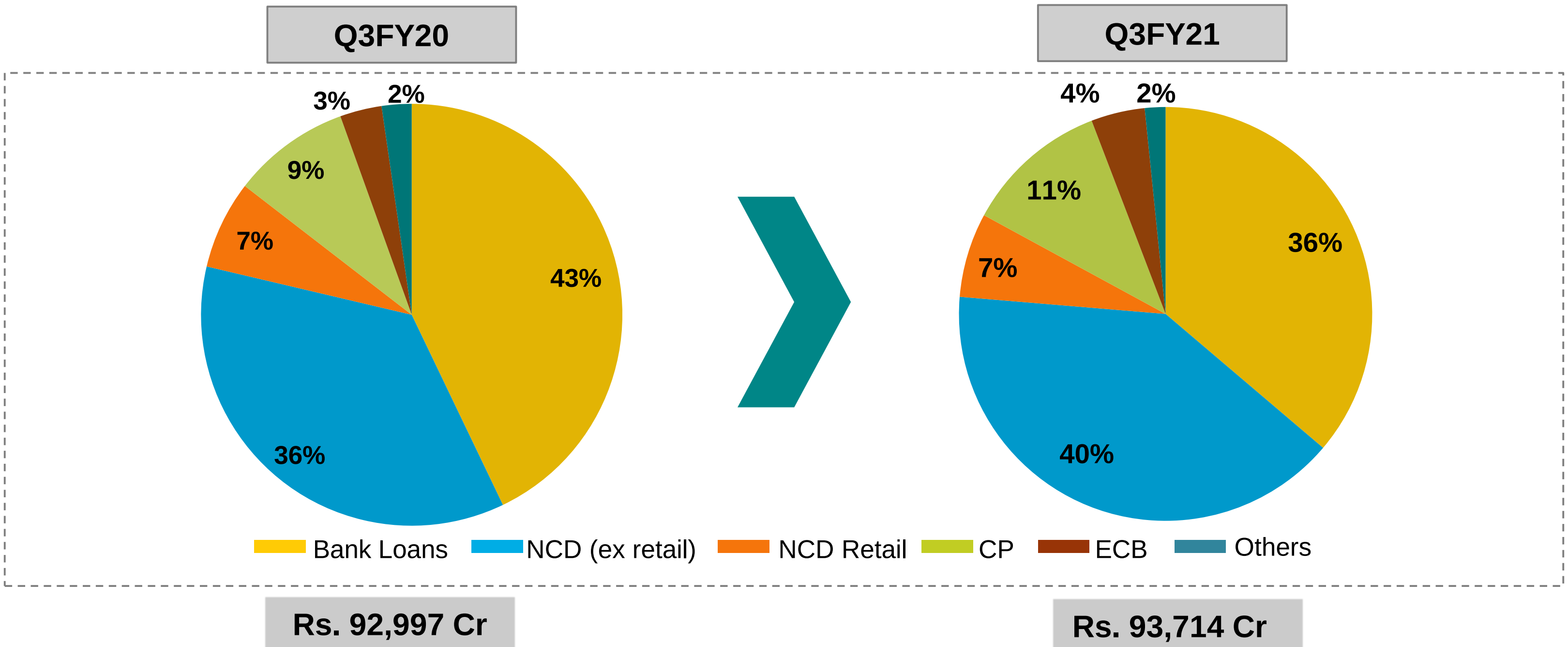
L&T Financial Services

4.2 and reduction in cost of borrowings



Reduction in WAC led by prepayments of high cost borrowings , renegotiation of interest rates and raising of incremental long term borrowings at lower cost; Q3FY21 WAC lowest since FY17

4.3.1 Strong liability franchise (1/2)



- Focus was to take advantage of drop in interest rates by borrowing long-term NCDs and Priority sector loans
- Drawn down 2nd tranche of USD 50 million (Rs 368 Cr) in Q3FY21 of the total USD 100 million ECB from AIIB

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

**Others include Preference shares, ICDs etc.*

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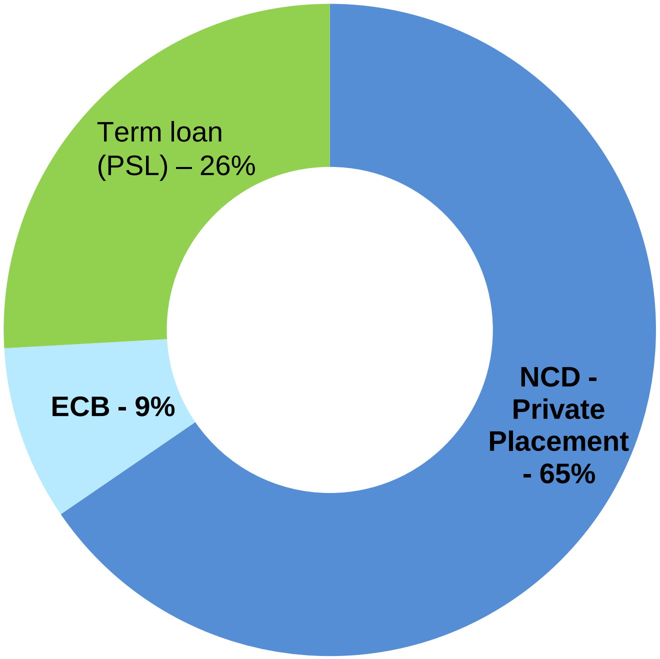
4.3.2 Strong liability franchise (2/2)



Rs. 4,248 Cr

Incremental Long Term Borrowing (Rs. Cr)

Products	Q3FY21
NCD – Private Placement	2,780
ECB	368
Bank Loans – PSL*	1,100
Total	**4,248**

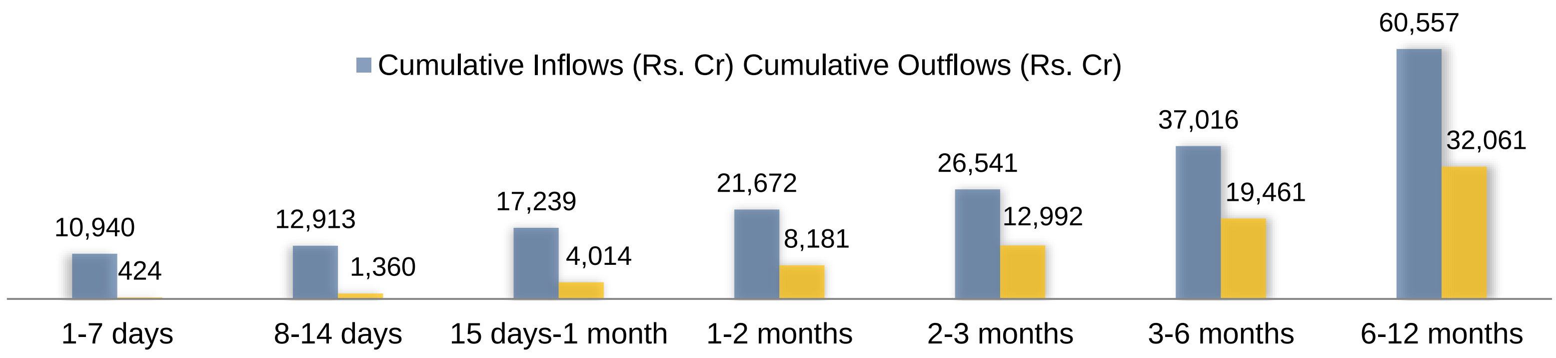
** PSL- Priority sector on-lending by banks to NBFCs.*

L&T Financial Services

4.4 Prudent ALM

As on 31st December, 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	**10,517**	**11,553**	**13,225**	**13,491**	**13,549**	**17,556**	**28,496**
Cumulative (%)	**2483%**	**850%**	**330%**	**165%**	**104%**	**90%**	**89%**

Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	68,898
Re-priceable liabilities	49,625
Positive	**19,273**

Continue to maintain positive liquidity gaps, enabling us to tide over liquidity crisis

Agenda

A Q3 in perspective

B Financial Update

Focused book growth (QoQ)

Lending Businesses

Rural Finance

Housing Finance

Infrastructure Finance

Non Lending Businesses

Investment Management

Q2FY21 → Q3FY21

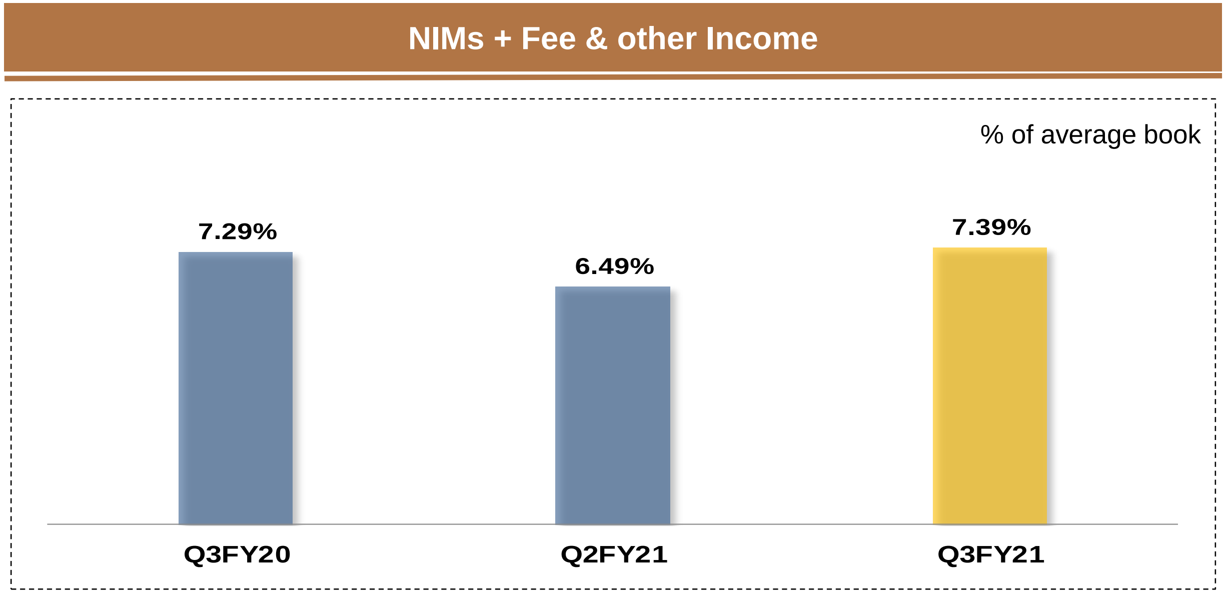
	Rural Finance	Housing Finance	Infrastructure Finance
Book	↑ 2%	↓ 4%	↑ 8%
Disbursements	↑ 49%	↑ 24%	↑ 60%

	Investment Management
AAuM[1]	↑ 9%

[1] *Investment Management – AAuM (quarterly average)*

L&T Financial Services

NIMs + Fee & other income

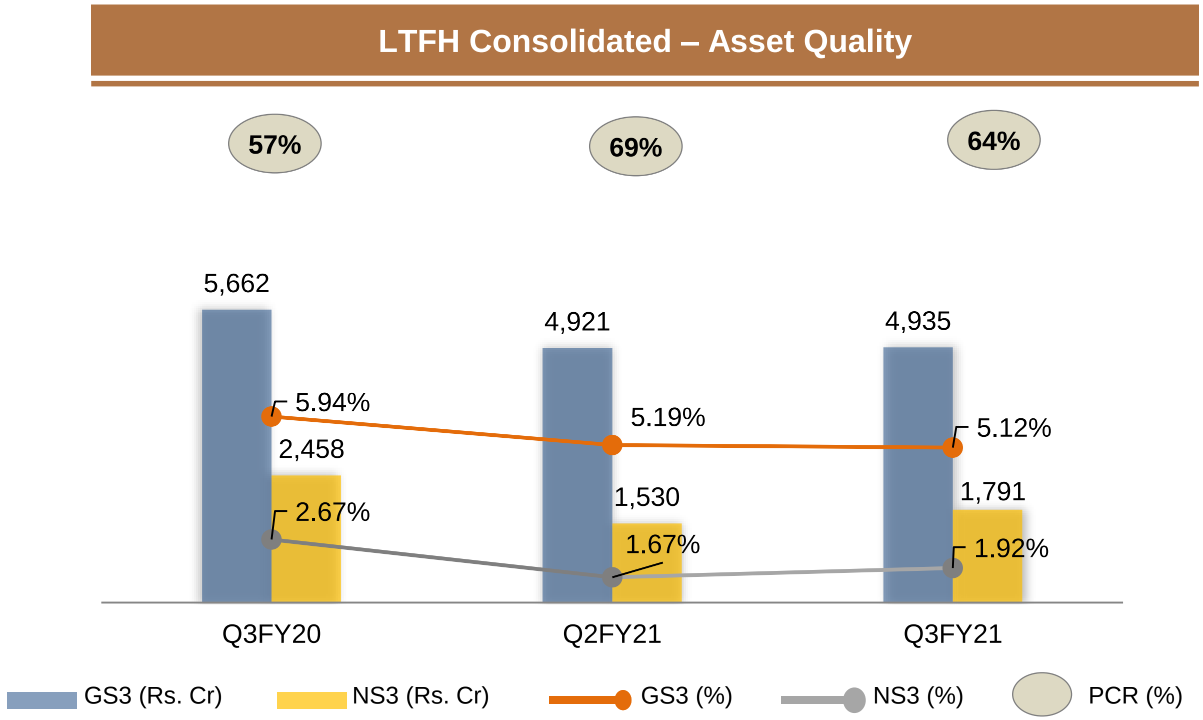


- Increase in fee income by 12% QoQ; led by highest quarterly fees in Rural since FY17
- LTFH (with AAA rating and strong parentage) have seen easing of liquidity leading to:
  - Prepayment of high cost borrowing and renegotiation of interest rates
  - Maintenance of lower average liquid assets during the quarter (QoQ)

Resulting in cost of borrowing reduction by 50bps QoQ (from 8.32% in Q2FY21 to 7.82% in Q3FY21)

Astute treasury management and abundant market liquidity has helped in reducing cost of borrowing leading to increase in NIMs+Fees to reach highest level of 7.39% since FY17

Asset Quality



In addition to above; Macro Prudential provisions, Covid-19 and enhanced provision for stage 1&2 assets at Rs. 1,739 Cr (1.90%)
Focus on strengthening balance sheet by creating additional provisions of 1.90% on standard book, to prepare for any uncertainty

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

Credit cost

Credit Cost (Rs. Cr)	FY19	FY20	9MFY21
Credit Cost on focused business	1,233	1,468	1,386
Credit Cost on defocused business	47	769	280*
Additional Provisions: Macro Prudential, Covid-19 and enhanced ECL on stage 1&2 assets	325	339	1,075
Total Credit Cost	**1,606**	**2,576**	**2,741**
Credit Cost on focused business (% annualised)	1.57%	1.59%	2.01%
Credit Cost on focused + defocused businesses (% annualised)	1.40%	2.24%	2.21%
Gross Stage 3 (GS3, %)	5.90%	5.36%	5.12%
Provision Coverage Ratio (PCR %)	61%	59%	64%

❖ Carrying additional provisions of Rs. 1,739 Cr on account of:

- ✓ Macro prudential (Rs 1,100 Cr), Covid-19 (483 Cr) & Enhanced ECL on stage 1 & 2 assets (Rs. 157 Cr)

❖ OTR: Restructured assets worth Rs 213 Cr in Q3FY21; against which 10% provision is held as at Q3FY21

Strengthened balance sheet by maintaining adequate PCR on GS3 book and additional provision on non-GS3 book, despite seeing good collection traction, for any economic uncertainty

* Additionally, utilized capital gain of Rs. 225 Cr in Q1FY21 from sale of Wealth business to provide fully for 1 large account

L&T Financial Services

LTFH Consolidated – Capital allocation and RoE bridge: Q3FY21

Q3 FY20			Business Segments (₹ Cr)	Q3 FY21			PAT Y-o-Y (%)
PAT	Net worth	RoE		PAT	Net Worth	RoE	
290	4,555	26.45%	Rural Finance	127	4,723	10.83%	(56%)
203	4,320	19.34%	Housing Finance	121	4,534	10.85%	(40%)
123	4,928	11.79%	Infrastructure Finance (ex IDF)	100	5,231	7.69%	(19%)
49	1,221	16.30%	IDF	37	1,385	10.76%	(25%)
665	**15,025**	**19.05%**	**Lending Business**	**385**	**15,873**	**9.79%**	**(42%)**
61	1,141	-	Investment Management	51	1,208	-	(16%)
726	**16,166**	**19.25%**	**Focused Business Total**	**436**	**17,081**	**10.31%**	**(40%)**
(92)	984	-	De-focused	(131)	698	-	-
(43)	(2,544)	-	Others	(14)	(2,269)	-	-
591	**14,606**	**16.51%**	**LTFH Consol**	**291**	**15,509**	**7.54%**	**(51%)**

- ❖ Credit cost for the quarter is at Rs 1,024 Cr, which includes Rs 144 Cr of mark down to a specific HFC in defocused book. Excluding this, credit cost in Q3FY21 is at Rs 880 Cr (vs Rs 821 Cr in Q2FY21)
- ❖ Continue to carry additional provisions (over and above PCR and standard asset provisions) of Rs 1,739 Cr (1.90%) on standard book as of Q3FY21

Conclusion

Progressive Business Pickup

Strong economic recovery across sectors led by Rural and Infrastructure

- Highest quarterly disbursement since Q1FY20 (up 51% QoQ); Rural & Infra has reached pre-Covid levels
- Maintained market share in Farm and 2W QoQ; highest quarterly disbursement in Farm and 2W since FY17

Uptick in NIMs + Fees

Astute treasury management and abundant market liquidity has helped in reducing cost of borrowing; leading to increase in NIMs+Fees to reach highest level of 7.39% since FY17

- Increase in fee income by 12% QoQ; led by highest quarterly fees in Rural since FY17
- LTFH (with AAA rating & strong parentage), have seen easing of liquidity leading to:
  - Prepayment of high cost borrowing and renegotiation of interest rates
  - Maintenance of lower average liquid assets during the quarter (QoQ)

Resulting in cost of borrowing reduction by 50bps QoQ (from 8.32% in Q2FY21 to 7.82% in Q3FY21)

Continued collection momentum

Maintained the traction in collection volumes across focused businesses

- Achieved collections of Rs 11,137 Cr in Q3FY21 vs Rs 4,321 Cr in Q1FY21 and Rs 10,296 Cr in Q2FY21

Resilient Balance Sheet

Resilient balance sheet through improved GS3, adequate PCR & additional provisions on standard assets

- GS3 has reduced YoY from 5.94% to 5.12% (vs 5.19% in Q2FY21); NS3 reduced YoY from 2.67% to 1.92% (vs. 1.67% in Q2FY21)
- Continue to carry additional provisions at Rs.1,739 Cr (1.90%) on standard book
- One time restructuring (OTR): Maximum potential restructuring (Rs 1,438 Cr) will be 1.4% of book

Rights issue: A meeting of the board is proposed to be held on 18 Jan 2021 to discuss terms of the rights issue of upto Rs 3,000 Cr

Appendix

L&T Financial Services

LTFH Consolidated – Summary financial performance

Performance Summary

Q3FY20	Summary P&L (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y (%)
3,307	Interest Income	3,206	3,243	1%	(2%)
1,884	Interest Expense	1,894	1,724	(9%)	(9%)
1,423	NIM	1,311	1,519	16%	7%
419	Fee & Other Income	309	347	12%	(17%)
1,841	NIM + Fee & other income	1,620	1,866	15%	1%
507	Operating Expense	453	490	8%	(3%)
1,334	Earnings before credit cost	1,167	1,376	18%	3%
605	Credit Cost	821	1,024	25%	69%
591	**PAT before exceptional items**	**288**	**291**	**1%**	**(51%)**
-	Exceptional items (Others)	(23)	-	-	0%
591	**PAT**	**265**	**291**	**10%**	**(51%)**

Q3FY20	Particulars (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y(%)
99,453	Book	98,823	1,00,099	1%	1%
14,606	Networth	15,155	15,509	2%	6%
73	Book Value per share (Rs.)	76	77	2%	6%

L&T Financial Services

LTFH Consolidated – Key ratios

Key Ratios			
Q3FY20	**Key Ratios**	**Q2FY21**	**Q3FY21**
13.09%	Yield	12.84%	12.85%
5.63%	Net Interest Margin	5.25%	6.02%
1.66%	Fee & Other Income	1.24%	1.37%
7.29%	NIM + Fee & other income	6.49%	7.39%
2.01%	Operating Expenses	1.81%	1.94%
5.28%	Earnings before credit cost	4.67%	5.45%
2.39%	Credit Cost	3.29%	4.06%
2.21%	Return on Assets	1.04%	1.04%
5.85	Debt / Equity	5.57	5.50
16.51%	**Return on Equity**	**7.58%**	**7.54%**

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	17.84%	3.98%	21.82%

L&T Financial Services

Lending Business – Business wise disbursement split

Disbursement					
Q3FY20	Segments (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y (%)
1,370	Farm Equipment	1,089	1,554	43%	13%
1,495	TW Finance	1,102	1,652	50%	10%
2,561	Micro Loans	1,354	2,072	53%	(19%)
42	Consumer Loans	62	92	48%	120%
5,468	**Rural Finance**	**3,607**	**5,369**	**49%**	**(2%)**
706	Home Loans	323	431	33%	(39%)
150	LAP	113	79	(30%)	(47%)
1,168	Real Estate Finance	178	252	42%	(78%)
2,024	**Housing Finance**	**614**	**762**	**24%**	**(62%)**
1,445	Infrastructure Finance	2,908	4,432	52%	207%
624	Infra Debt Fund (IDF)	-	209	-	(67%)
2,069	**Infrastructure Finance**	**2,908**	**4,641**	**60%**	**124%**
9,561	**Focused Business**	**7,129**	**10,772**	**51%**	**13%**
-	De-focused	-	-	-	-
9,561	**Total Disbursement**	**7,129**	**10,772**	**51%**	**13%**

L&T Financial Services

Lending Business – Business wise book split

Book					
Q3FY20	**Segments (Rs. Cr)**	**Q2FY21**	**Q3FY21**	**QoQ (%)**	**YoY (%)**
8,240	Farm Equipment	9,191	9,704	6%	18%
6,423	TW Finance	6,708	7,014	5%	9%
12,889	Micro Loans	12,262	11,824	(4%)	(8%)
42	Consumer Loans	210	285	36%	-
27,594	**Rural Finance**	**28,371**	**28,828**	**2%**	**4%**
7,459	Home Loans	7,824	7,685	(2%)	3%
4,015	LAP	3,911	3,648	(7%)	(9%)
15,215	Real Estate Finance	15,506	14,841	(4%)	(2%)
26,689	**Housing Finance**	**27,241**	**26,174**	**(4%)**	**(2%)**
30,684	Infrastructure Finance	29,715	32,414	9%	6%
8,990	Infra Debt Fund (IDF)	8,846	9,043	2%	1%
39,674	**Infrastructure Finance**	**38,560**	**41,456**	**8%**	**4%**
93,956	**Focused Business**	**94,172**	**96,459**	**2%**	**3%**
5,497	De-focused	4,651	3,640	(22%)	(34%)
99,453	**Total Book**	**98,823**	**1,00,099**	**1%**	**1%**

Rural Finance – Summary financial performance

Performance Summary

Q3FY20	Summary P&L (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y (%)
1,311	Interest Income	1,291	1,376	7%	5%
490	Interest Expense	484	454	(6%)	(7%)
821	NIM	807	922	14%	12%
121	Fee & Other Income	118	153	29%	26%
942	NIM + Fee & other income	926	1,075	16%	14%
296	Operating Expense	294	329	12%	11%
646	Earnings before credit cost	631	745	18%	15%
276	Credit Cost	565	590	4%	114%
290	**PAT**	**61**	**127**	**110%**	**(56%)**

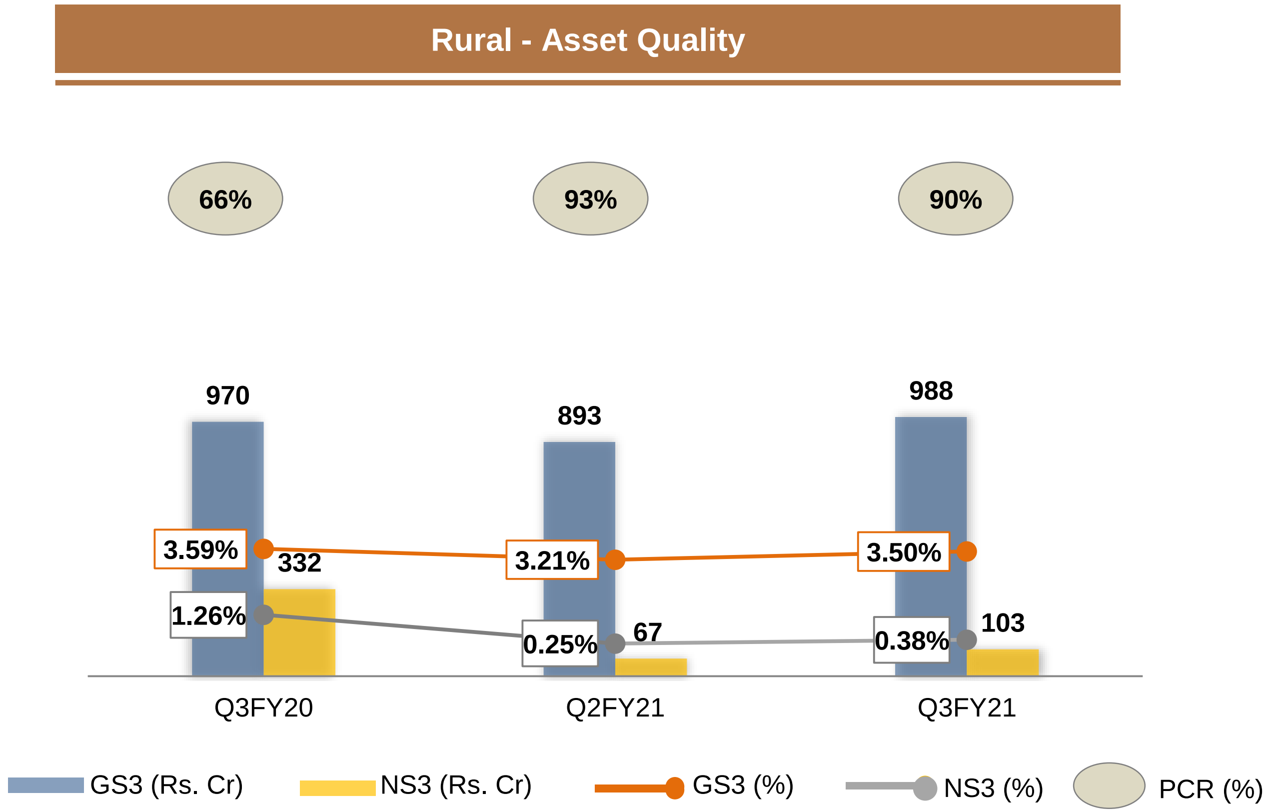
Q3FY20	Particulars (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y(%)
27,594	Book	28,371	28,828	2%	4%
4,555	Networth	4,567	4,723	3%	4%

Rural Finance – Key ratios

Key Ratios			
Q3FY20	**Key Ratios**	**Q2FY21**	**Q3FY21**
19.12%	Yield	18.67%	18.90%
11.90%	Net Interest Margin	11.57%	12.56%
1.76%	Fee & Other Income	1.70%	2.08%
13.66%	NIM + Fee & other income	13.27%	14.65%
4.29%	Operating Expenses	4.22%	4.49%
9.37%	Earnings before credit cost	9.05%	10.16%
4.00%	Credit Cost	8.10%	8.04%
4.09%	Return on Assets	0.83%	1.67%
4.94	Debt / Equity	4.82	4.73
26.45%	**Return on Equity**	**5.20%**	**10.83%**

L&T Financial Services

Rural Finance - Asset quality



In addition to above; Macro Prudential provisions, Covid-19 and enhanced provision for stage 1&2 assets at Rs. 1,185 Cr (4.34% of standard book)

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

Housing Finance – Summary financial performance

Performance Summary

Q3FY20	Summary P&L (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	YoY (%)
857	Interest Income	836	797	(5%)	(7%)
515	Interest Expense	536	471	(12%)	(8%)
343	NIM	300	325	8%	(5%)
66	Fee & Other Income	38	30	(21%)	(55%)
409	NIM + Fee & other income	338	355	5%	(13%)
82	Operating Expense	78	81	4%	(1%)
327	Earnings before credit cost	260	274	6%	(16%)
72	Credit Cost	131	130	0%	82%
203	**PAT**	**108**	**121**	**12%**	**(40%)**

Q3FY20	Particulars (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	YoY(%)
26,689	Book	27,241	26,174	(4%)	(2%)
4,320	Networth	4,400	4,534	3%	5%

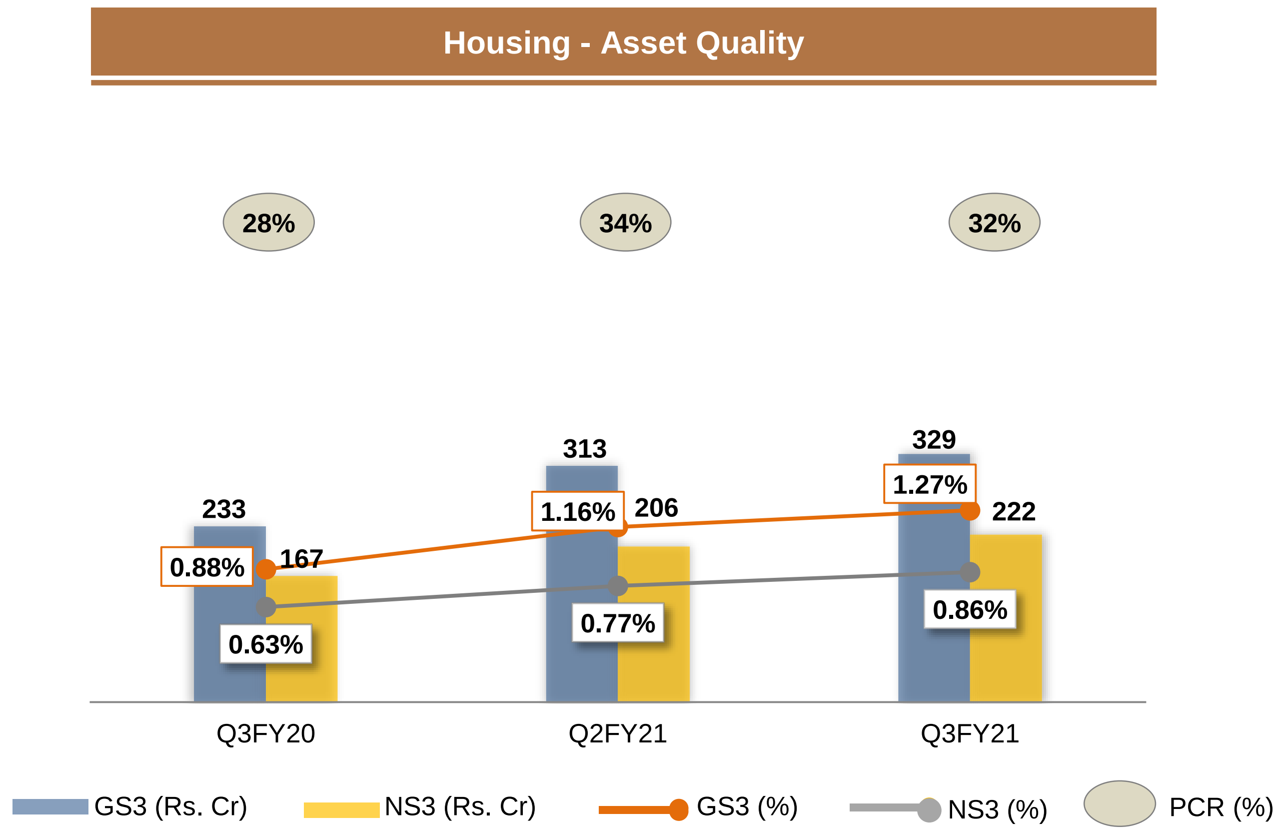
L&T Financial Services

Housing Finance – Key ratios

Key Ratios			
Q3FY20	Key Ratios	Q2FY21	Q3FY21
12.53%	Yield	12.24%	11.75%
5.01%	Net Interest Margin	4.40%	4.80%
0.97%	Fee & Other Income	0.55%	0.44%
5.97%	NIM + Fee & other income	4.95%	5.24%
1.20%	Operating Expenses	1.14%	1.19%
4.78%	Earnings before credit cost	3.80%	4.05%
1.05%	Credit Cost	1.91%	1.92%
2.73%	Return on Assets	1.38%	1.54%
5.50	Debt / Equity	5.56	5.21
19.34%	**Return on Equity**	**9.89%**	**10.85%**

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. 518 Cr (2.03% of standard book)

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

L&T Financial Services

Infrastructure Finance (ex IDF) – Summary financial performance

Performance Summary

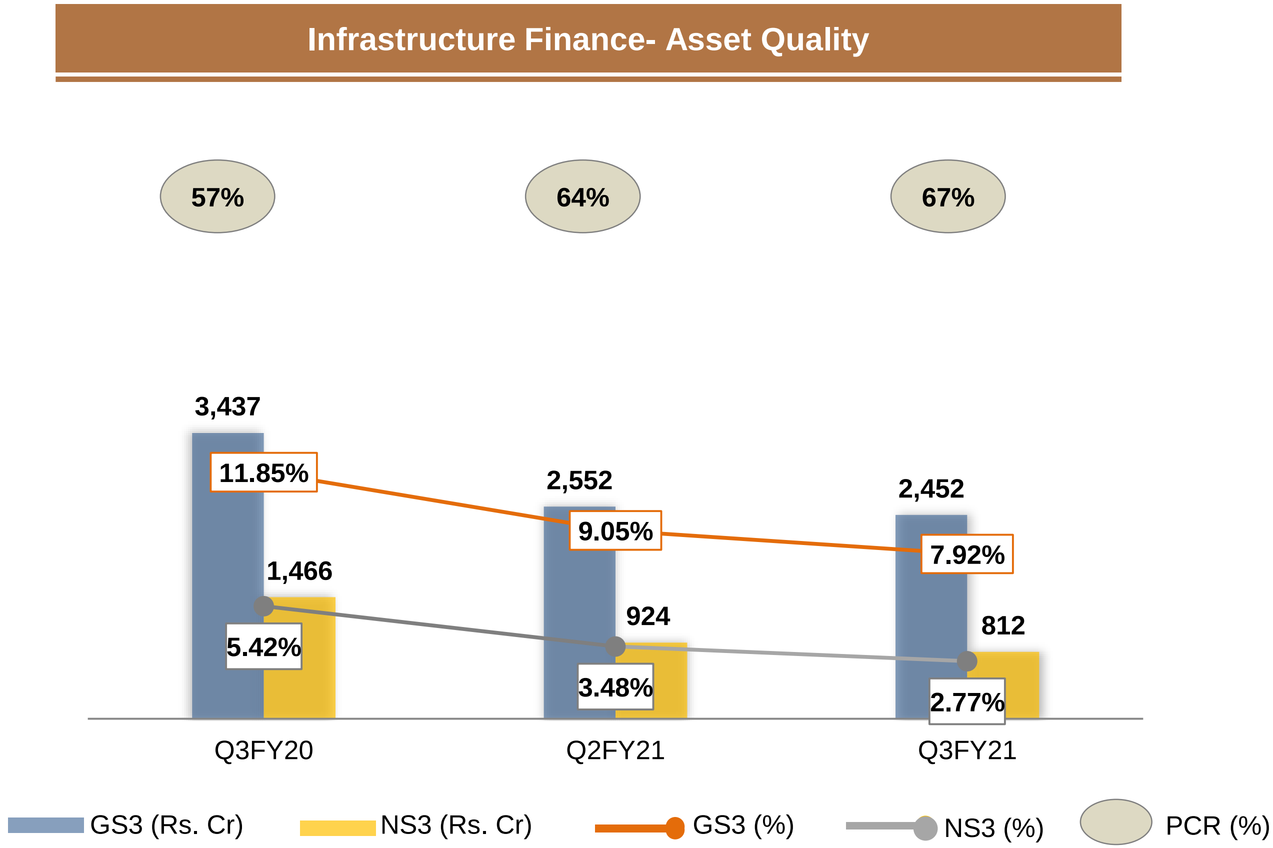
Q3FY20	Summary P&L (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	YoY (%)
770	Interest Income	757	767	1%	0%
572	Interest Expense	581	524	(10%)	(8%)
198	NIM	177	243	37%	23%
77	Fee & Other Income	49	64	32%	(17%)
276	NIM + Fee & other income	225	307	36%	11%
44	Operating Expense	37	40	7%	(10%)
232	Earnings before credit cost	188	268	42%	16%
97	Credit Cost	125	113	(10%)	17%
123	**PAT**	**44**	**100**	**125%**	**(19%)**

Q3FY20	Particulars (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	YoY (%)
30,684	Book	29,715	32,414	9%	6%
4,928	Networth	5,127	5,231	2%	6%

Infrastructure Finance (ex IDF) – Key ratios

Key Ratios			
Q3FY20	**Key Ratios**	**Q2FY21**	**Q3FY21**
10.02%	Yield	9.94%	9.87%
2.58%	Net Interest Margin	2.32%	3.12%
1.01%	Fee & Other Income	0.64%	0.83%
3.58%	NIM + Fee & other income	2.96%	3.95%
0.57%	Operating Expenses	0.49%	0.51%
3.01%	Earnings before credit cost	2.47%	3.44%
1.26%	Credit Cost	1.64%	1.45%
1.58%	Return on Assets	0.53%	1.20%
5.08	Debt / Equity	4.81	5.16
11.79%	**Return on Equity**	**3.47%**	**7.69%**

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

Q3FY20	Summary P&L (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y (%)
212	Interest Income	217	212	(2%)	0%
168	Interest Expense	178	179	1%	7%
43	NIM	39	33	(15%)	(24%)
14	Fee & Other Income	11	13	24%	(5%)
58	NIM + Fee & other income	50	46	(7%)	(20%)
8	Operating Expense	9	9	(4%)	8%
49	Earnings before credit cost	40	37	(7%)	(24%)
1	Credit Cost	(1)	1	-	14%
49	**PAT**	**42**	**37**	**(12%)**	**(25%)**

Q3FY20	Particulars (Rs. Cr)	Q2FY21	Q3FY21	QoQ (%)	Y-o-Y(%)
8,990	Book	8,846	9,043	2%	1%
1,221	Networth	1,348	1,385	3%	13%

IDF – Key ratios

Key Ratios			
Q3FY20	Key Ratios	Q2FY21	Q3FY21
9.60%	Yield	9.49%	9.45%
1.97%	Net Interest Margin	1.70%	1.46%
0.64%	Fee & Other Income	0.47%	0.60%
2.61%	NIM + Fee & other income	2.17%	2.06%
0.37%	Operating Expenses	0.40%	0.39%
2.24%	Earnings before credit cost	1.77%	1.67%
0.03%	Credit Cost	(0.05%)	0.03%
2.07%	Return on Assets	1.65%	1.43%
6.40	Debt / Equity	5.44	5.55
16.30%	**Return on Equity**	12.56%	10.76%

Nil GS3 since Inception

L&T Financial Services

Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q3FY20	Q2FY21	Q3FY21	QoQ (%)	YoY (%)
Renewable Power	1,478	2,421	1,835	(24%)	24%
Roads	159	144	1,592	1008%	899%
Power Transmission	212	125	1,150	822%	443%
Others	220	219	64	(71%)	(71%)
Total	**2,069**	**2,908**	**4,641**	**60%**	**124%**

LOAN BOOK

Sectors (Rs. Cr)	Q3FY20	Q3FY20 (% of Total)	Q2FY21	Q2FY21 (% of Total)	Q3FY21	Q3FY21 (% of Total)	QoQ (%)	YoY (%)
Renewable Power	20,720	52%	21,401	55%	22,274	54%	4%	7%
Roads	9,272	23%	9,431	24%	10,850	26%	15%	17%
Power Transmission	2,828	7%	1,600	4%	2,693	6%	68%	(5%)
Others[1]	6,853	17%	6,129	16%	5,639	14%	(8%)	(18%)
Total	**39,674**	**100%**	**38,560**	**100%**	**41,456**	**100%**	**8%**	**4%**

[1] Others includes infra project implementers, thermal power, healthcare, water treatment, etc

L&T Financial Services

AUM disclosure – Investment Management Business

Assets under Management (Rs. Cr)

	Quarter ended Dec, 2019		Quarter ended Sep, 2020		Quarter ended Dec, 2020	
Fund Type	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**
Equity (Other than ELSS)	37,039	37,176	32,550	32,087	35,470	34,335
Equity – ELSS	3,381	3,347	3,085	3,036	3,436	3,277
Income	18,927	18,330	18,742	17,972	22,483	21,423
Liquid	11,328	12,608	9,193	9,630	10,154	9,660
Gilt	123	126	278	332	283	282
Total	**70,798**	**71,587**	**63,848**	**63,057**	**71,826**	**68,976**

- Overall AUM has increased from ₹ 70,798 Cr in Dec-19 to ₹ 71,826 Cr in Dec-20, up 1% YoY. AUM reached at pre-Covid level in Dec-20
- The AUM for equity and fixed income asset classes as on Q3FY21 stood at Rs 38,906 and Rs 22,483 Cr with growth of 9% and 20% respectively on QoQ basis
- Overall AUM rank remained the same at 12th

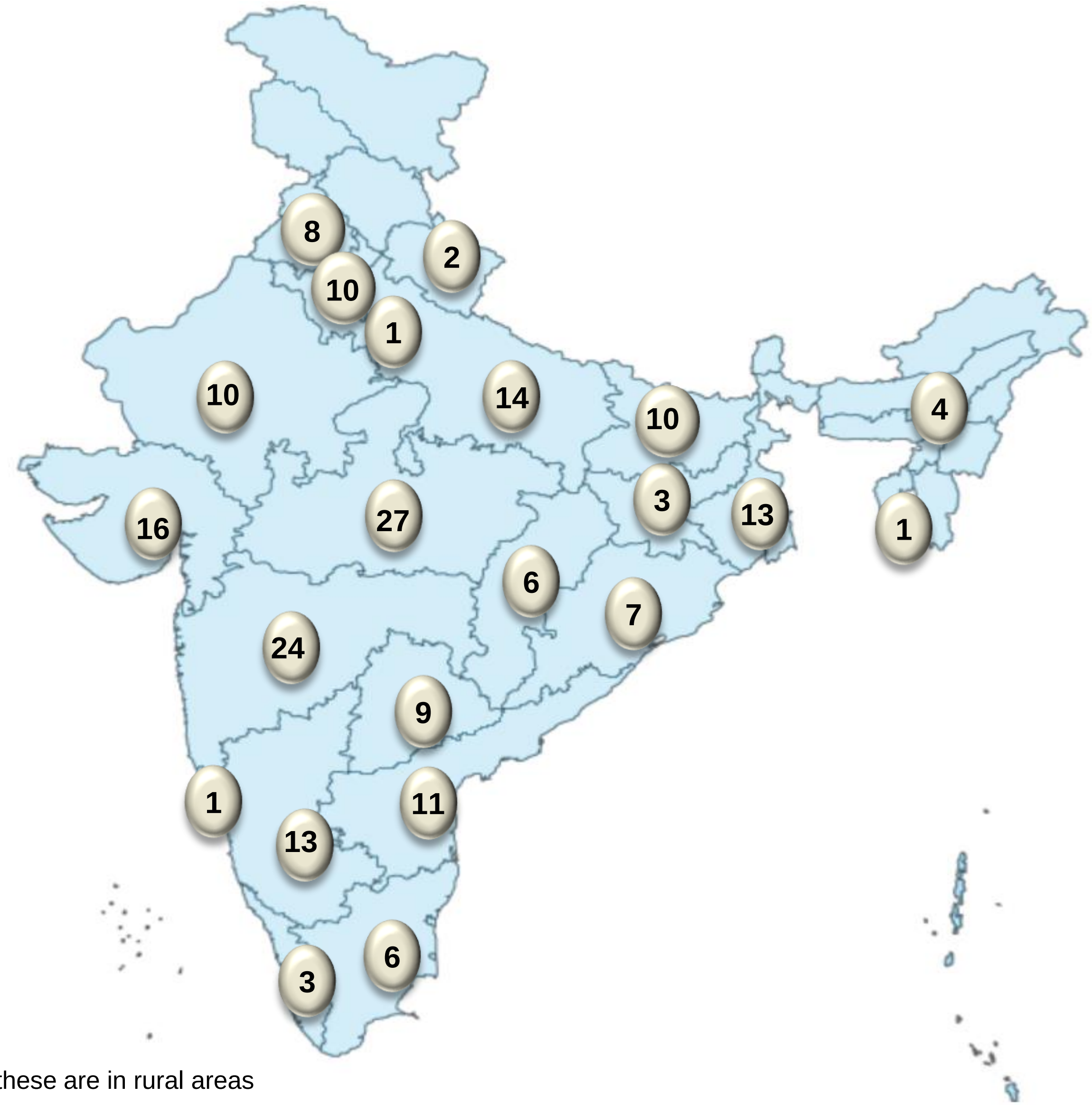
[1] As on the last day of the Quarter
[2] Average AUM for the Quarter

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. 3.1 Lakhs	Rs. 4.2 Lakhs	45 months	MP, Karnataka, UP, Bihar, Telangana, Maharashtra, Haryana, AP, WB
Rural	Two Wheeler	Rs. 39k	Rs. 67k	26 months	Kolkata, Pune, Mumbai, Bangalore, Hyderabad, Ahmedabad, Delhi
Rural	Micro Loans (Joint Liability Group)	Rs. 23k	Rs. 42k	24 months	TN, Bihar, Karnataka, West Bengal, Kerala, MP, Orissa
Rural	Consumer Loans	Rs. 1.1 Lakhs	Rs. 1.0 Lakhs	33 months	Maharashtra, Gujarat, WB, Bihar, Karnataka
Housing	Home Loan	Rs. 39 Lakhs	Rs. 56 Lakhs	22 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 31st December, 2020

No. of States & Union Territories	21 & 1
No. of branches	199
No. of Micro Loans meeting centers**	1,449
No. of employees	22,381

**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


- Reached 5,00,000+ households to train individuals on financial literacy
- Created a cadre of 660 Digital Sakhis across Maharashtra, Madhya Pradesh, Tamil Nadu, Odisha, and West Bengal

Disaster Relief

- Relief and Rehabilitation provided to about 71,996 beneficiaries in Odisha, Kerala, Bihar, Karnataka, Assam, and Maharashtra

Integrated Water Resource Management


- Reached out to 60,000+ farmers for creating awareness on sustainable agriculture practices through audio-visual modules screening in the Jalvaibhav programme

COVID-19 Response


- Digital Sakhis launched various awareness initiatives including community outreach, door-to-door distribution of pamphlets, messaging on social media platforms and awareness through voice messaging services
- Digital Sakhis ensured that various government benefits reach migrant and agricultural labourers, differently-abled people, widows and senior citizens

L&T Financial Services

Awards & Recognition

IDC DX Awards

DX- CEO
IDC Digital Transformation Awards- India

(October, 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)

Business Standard
Social Excellence Award 2019

Most Socially Aware Corporate of the Year

(March, 2020)

FICCI

Corporate Social Responsibility Award

Women Empowerment

(March, 2020)

10th India Digital Awards
Digital Sakhi

(February, 2020)

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*

- 30 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

Management Team

Dinanath Dubhashi
Managing Director & CEO
30 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, Bajaj Finserv, ABN Amro,
HSBC, ANZ, IDFC Bank, ICICI Bank

Abhishek Sharma
Chief Digital Officer
16 yrs exp, Indian Army

Deliver sustainable RoE

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L&T Financial Services