



# Corporate Presentation

**L&T Finance Limited**  
**L&T Infrastructure Finance Company Limited**  
**L&T Investment Management Limited**



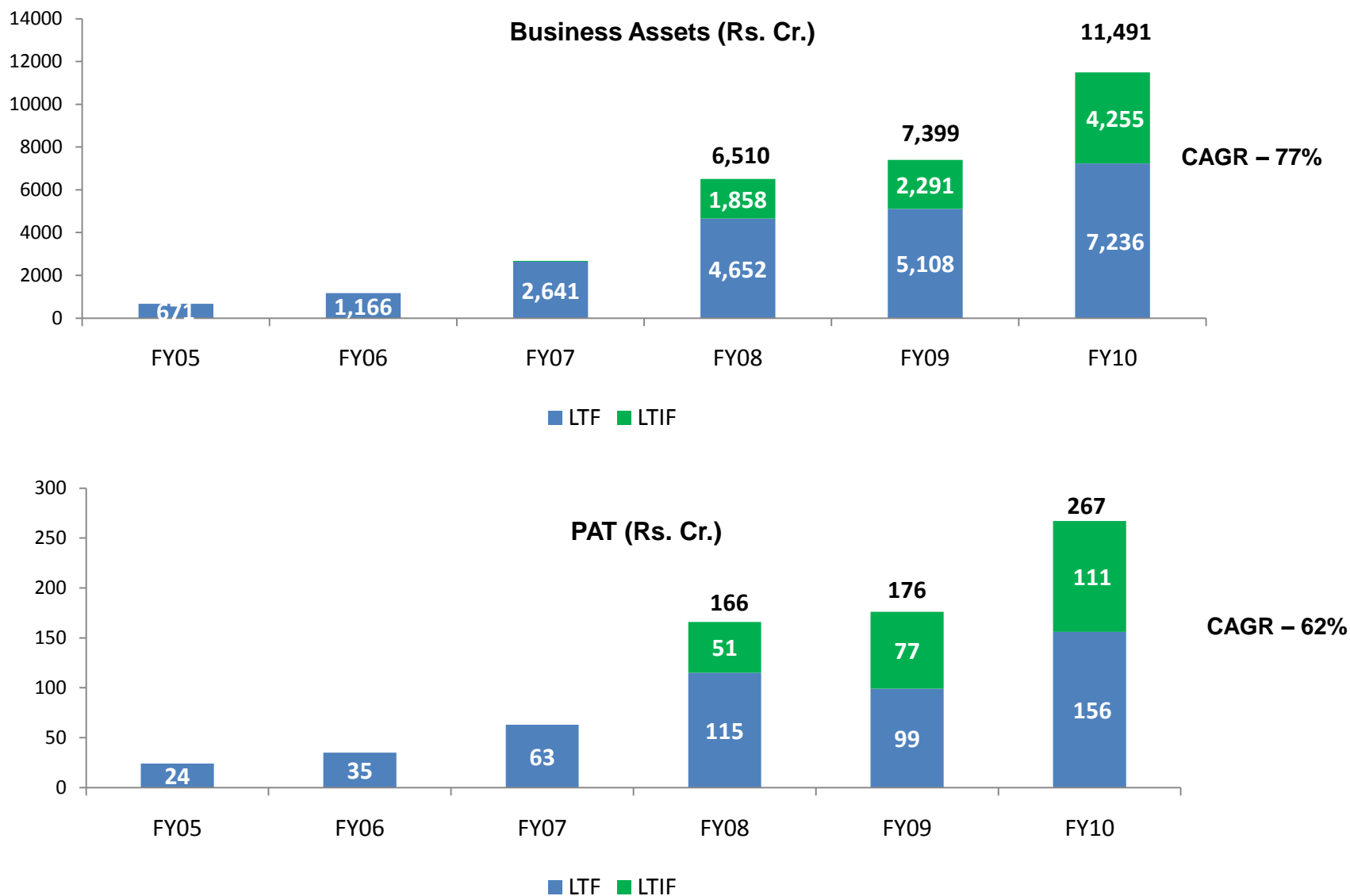
# L&T's Vision for Financial Services

- Financial Services has been identified as a strategic business area by L&T
- Vision is to be a full fledged player in the Financial Services space and offer all products and services to the customer under one roof
- Opportunity
  - FS contributes to less than 10% of GDP in India, while in mature markets it is in the range of 25-30%
  - Growth expected across all the segments, backed by the favorably changing demographic factors
- Necessity
  - Diversifying the current portfolio of L&T
- L&T is positioned as a trusted brand and a large, stable corporate
- L&T's management is fully committed support this vision

To emerge as one of the leading FS players in the country

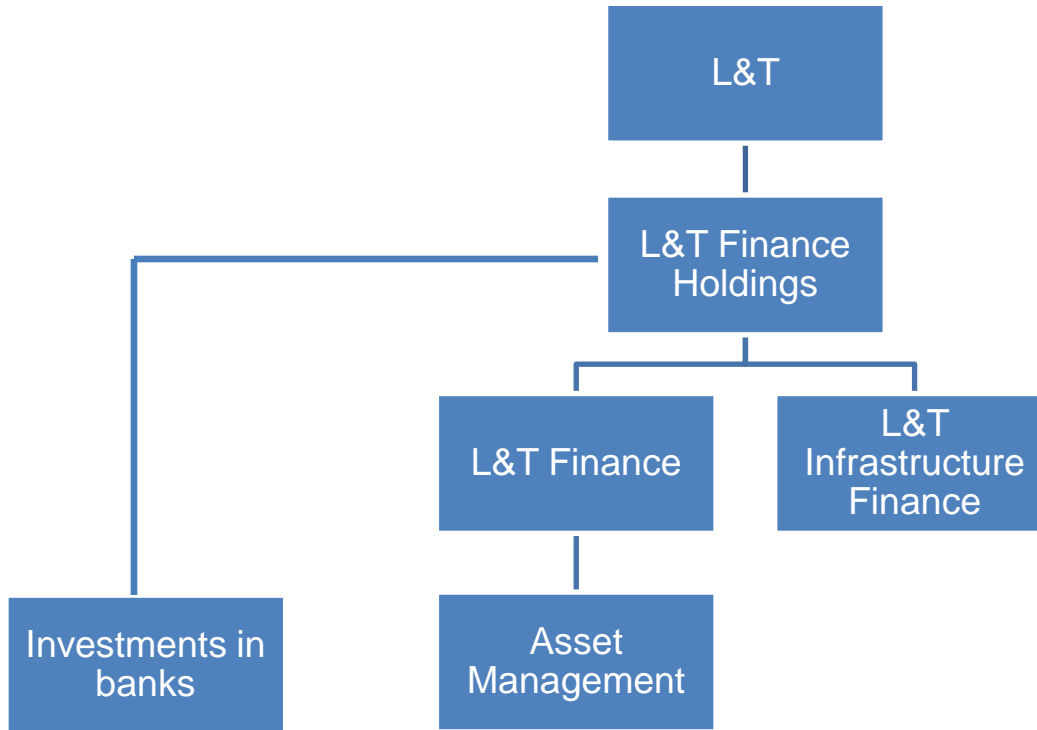


# On an aggressive growth trajectory...





# Holding Structure





# L&T Finance Limited

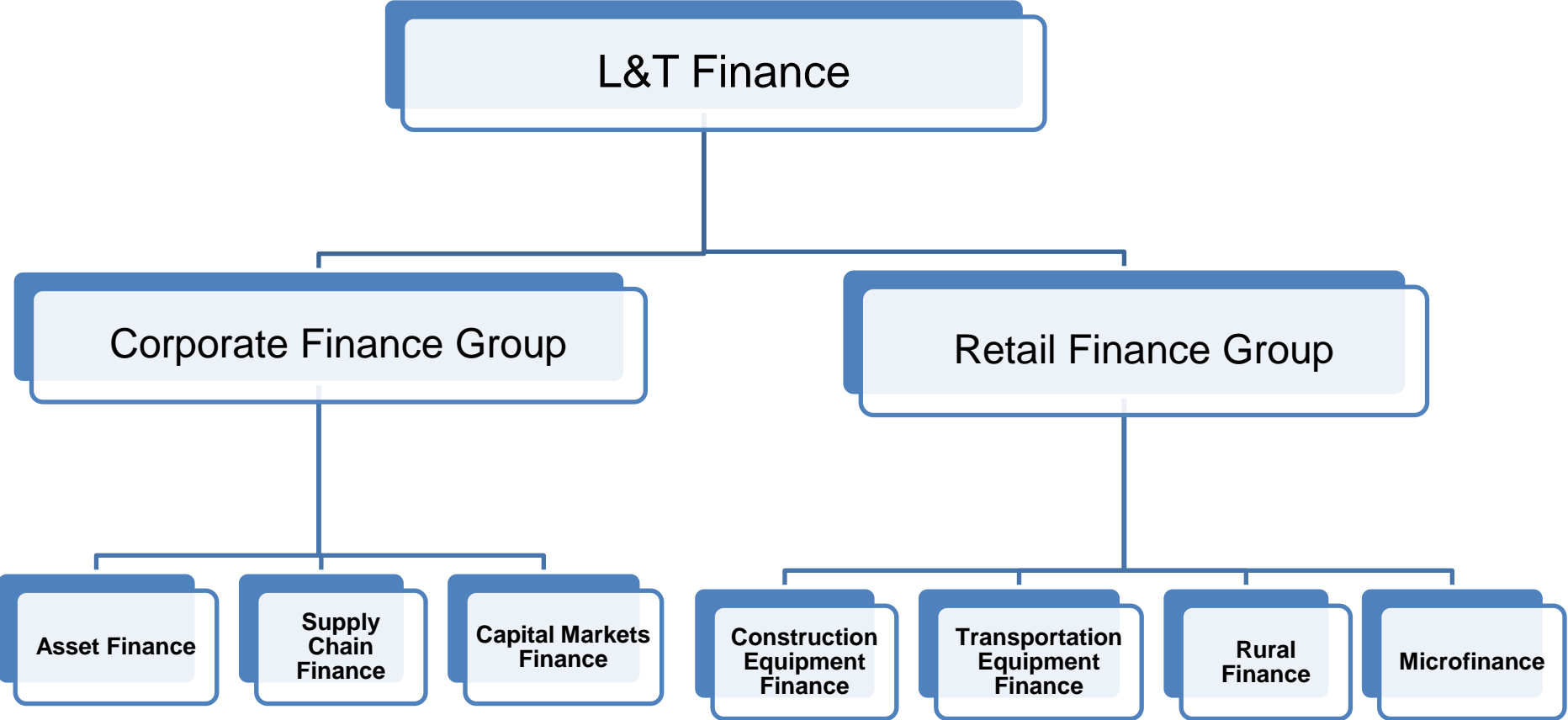


# Company Background

- L&T Finance (LTF) was established in 1994 as a wholly owned subsidiary of L&T, for its foray into financial services
- It is a Non Banking Financial Company, classified under the category 'Asset Finance Company – Non Deposit Taking'
- Engaged in short to medium term asset backed financing viz. construction equipment, commercial vehicles, tractors and farm equipment, channel finance, micro-finance etc.
- With its product / service offerings, LTF caters to all the major customer segments viz. Corporate, SME and Retail
- LTF has a nation wide network of over 200 locations, with strong footprint in rural / semi urban areas
- It has an employee base of ~ 2,800, lead by an experienced management team
- While the company was set-up with a view to synergize with the opportunities within the L&T ecosystem, today LTF has established itself successfully in all its chosen market segments



# Business Structure





# Management Team

- LTF has a young and well experienced management team with diverse exposure in financial services
- Most of the top management team has remained with the company since inception
  - Sustained through cycles of the economy and the NBFC sector
  - Experts in their domain with ability to attract and nurture talent
- It is also supplemented by people deputed from L&T across various functions, enriching and enhancing the team
- Strong middle management with rich work experience

Board Composition	
Mr. Y. M. Deosthalee	CFO & Whole-time Director, L&T
Mr. N. Sivaraman	Senior Vice President, Financial Services, L&T
Mr. R. Shankar Raman	Senior Vice President, Finance & Accounts, L&T
Mr. S. Raghavan	Senior Vice President, Machinery & Industrial Products, L&T
Mr. S. V. Haribhakti	Independent Director



# Geographic Spread



**LTF has a strong network, with presence in over 200 locations across the country**



# Key Strengths

## Brand

- Strong parentage of L&T
- Trusted and respected
- Strong presence in the rural / semi urban location

## Adequate Capitalisation

- CAR as on 31st Mar, 10 was 16.41% vs. the RBI norm of 12%

## Credit Rating

- Credit rating of AA+ by CARE and LAA+ by ICRA
- Indicates high safety, stability and lowest credit risk

## Diversified and balanced mix of businesses

- Well balanced portfolio of corporate and retail assets
- Caters to diverse customer segments
- High portfolio quality and collection efficiencies

## Experienced management team

- Senior management team has extensive knowledge and experience in managing financial services business



## Business Segments



# Construction Equipment Finance

## Business Model

- Tie ups with equipment dealers like for deal origination
- An exclusive marketing team manage the disbursements, collections and documentation
- Extensive industry knowledge and experience provides competitive edge to LTF both in sourcing and assessment of business

## Product Description

- LTF finances a wide range of construction equipment like earthmovers, wheel loaders, hydraulic excavators, stone crushers etc.
- Loans of short to medium term tenors are offered with monthly / quarterly repayments.
- Customers include construction companies and contractors
- Clients are classified into 'Strategic' and 'Retail' for better customer management and focused service



# Transportation Equipment Finance

## Business Model

- Tie ups with CV dealers and manufacturers
- While North & West are primary markets, this product is offered pan India except North-East and J& K
- An exclusive team manage the deal origination, processing and collection
- Customers include both first time users and fleet owners

## Product Description

- LTF finances purchase of CVs of all makes and sizes
- 3 – 5 year term loans are offered
- Loan to value ratio is 85 – 90%



# Rural Finance

## Business Model

- Tie ups with all the major tractor manufacturers and dealers across the country
- Loans are sourced at the dealer locations at the point of sale of assets
- LTF has a strong presence in South and North
- Agriculturalists and small transport operators constitute the customer segment

## Product Description

- LTF finances purchase of rural assets under 2 flagship schemes
  - Kisan Gaurav® – Tractors
  - Kisan Bandhu® – Small transport vehicles
- LTF also offers short term working capital assistance to tractor dealers
- 3 – 5 year term loans are offered
- Loan to value ratio is 75 – 80 %



# Micro-finance

## Business Model

- LTF does direct lending to Joint Liability Groups
  - Small groups of 4-6 people who are mutual guarantors to each other
- Customers include vegetable vendors, traders, hawkers etc.

## Product Description

- LTF offers micro credit under the following schemes
  - Gram Bandhu® - Micro Loans to joint liability groups of 4-6 individuals ranging from Rs. 5,000/- to Rs. 50,000/-
  - Udyog Bandhu® - Small Loans to rural businesses ranging from Rs. 50,000/- to Rs. 2,00,000/-
- Loans typically have a tenor of 12 months
- Repayments could be on a weekly or monthly frequency depending on the area of lending



# Corporate Loans & Leases

## Term Loans

- LTF offers asset backed term loans to its corporate clients
  - Purchase of plant & machinery, IT equipment, furniture & fixtures etc.
  - Charge is created in favour of LTF as a security
- Customers for this product include large corporates as well as SMEs.

## Lease Plans

- Operating & Financial Lease plans are offered to customers for purchase of cars, IT equipment, plant & machinery etc.
- Target customers for this product are large companies
- LTF has tie-ups with manufacturers, which helps in structuring suitable products



# Supply Chain Finance

- Assistance to SMEs to aid in working capital management
- Vendor Finance (VF) – LTF provides short term WC facility to vendors of large companies, by discounting invoices
- Dealer Finance (DF) – financial assistance in the form of short term credit facilities to dealers of large companies



# Capital Market Products

- Seen as an opportunistic business
- Financial assistance is offered to promoters / HNIs
- Funding is against pledge of shares or other securities kept as margin by the borrower
- Purchase of mutual fund units, employee stock option are also financed under this scheme



# Distribution

- Distribution / delivery channel is an important component of being a full service provider
  - Helps in customer ownership, especially when we start manufacturing a suite of products
- L&T Finance has been distributing general insurance for two years now
  - Logical extension to the asset financing business
  - Made a beginning in distributing Mutual Fund and Life Insurance



# L&T Infrastructure Finance Limited



# Company Background

- L&T Infrastructure Finance Company (LTIF) was incorporated in the year 2007, as a wholly owned subsidiary of L&T
- Classified as an IFC
- It marks L&T's foray into infrastructure financing sector, which has huge business potential
  - Seeks to leverage L&T's domain knowledge and expertise in the infrastructure sector
- Provides comprehensive financial solutions to infrastructure development projects across various sectors
- LTIF is one of the highest capitalized NBFCs in infrastructure sector
- LTIF has an affirmed long term credit rating of LAA by ICRA
- Operates out of Mumbai, Delhi, and Chennai and has a team of ~ 50 employees

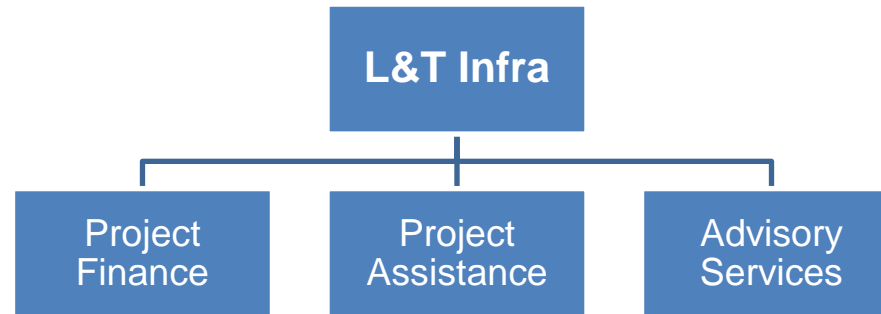


# Business Segments & Product Offering

- LTIF has positioned itself in the role of an activist financier in the infrastructure sector and has adopted a business model which offers complete financial solutions to the borrower
- LTIF undertakes project financing through one or a combination of the following products
  - Term loans
  - Mezzanine debt / Sub debt
  - Equity
  - Leasing
  - Structured finance
  - Syndication



# Organisation Structure & Management Team



## Board Composition

Mr. Y. M. Deosthalee	CFO & Whole-time Director, L&T
Mr. B. V. Bhargava	Chairman, CRISIL & NCDEX, Formerly, Vice Chairman & Managing Director, ICICI Ltd.
Dr. R. H. Patil	Chairman, Clearing Corporation of India Ltd, Founder Chairman of NSE
Mr. Richard Tinsley	President, International Advisory & Finance, Canada; MD, Asia Pacific Power, Aus.
Mr. N. Sivaraman	Senior Vice President, Financial Services, L&T
Mr. K. Venkatesh	Chief Executive, L&T IDPL

## Management Team

Mr. Suneet Maheshwari	Chief Executive
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# L&T Investment Management Limited



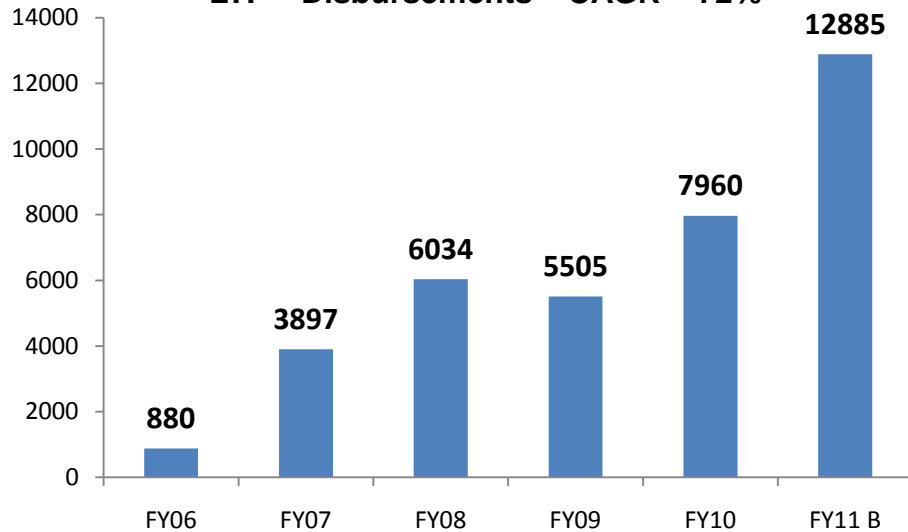
# Key Facts

- The acquisition of DBS Cholamandalam Asset management Limited (DCAM) by L&T Finance marks its foray into the mutual funds industry
- DCAM was established in 1996 and is one of the oldest AMCs in the country
- It manages assets of ~ Rs. 2,600 Cr. as of Mar'10, across a mix of debt, equity and hybrid funds.
- It reaches out to ~ 120,000 retail investors through its nationwide distribution network in over 22 locations.
- It has a team of ~ 75 employees
  - Mr. Sanjay Sinha is the CEO
- Name of the AMC and the fund changed to L&T Investment Management Limited and L&T Mutual Fund respectively, w.e.f Feb 2010

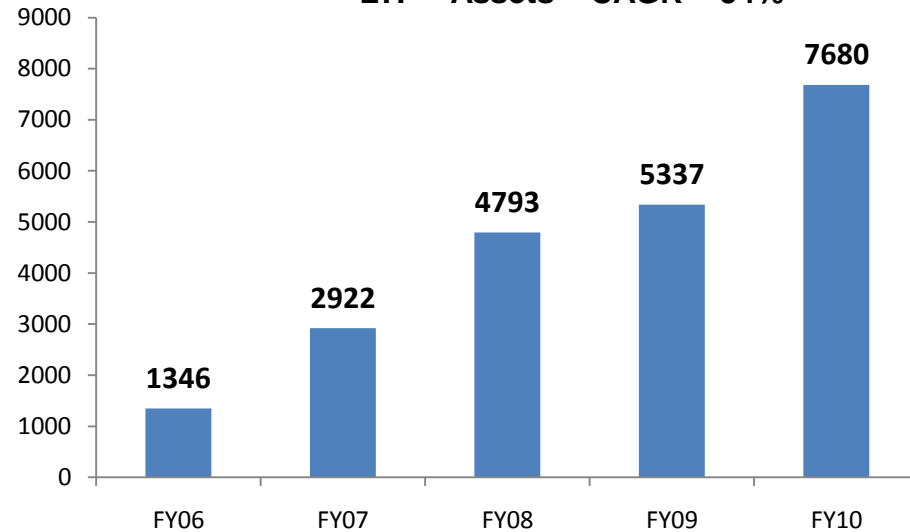


# Performance Highlights

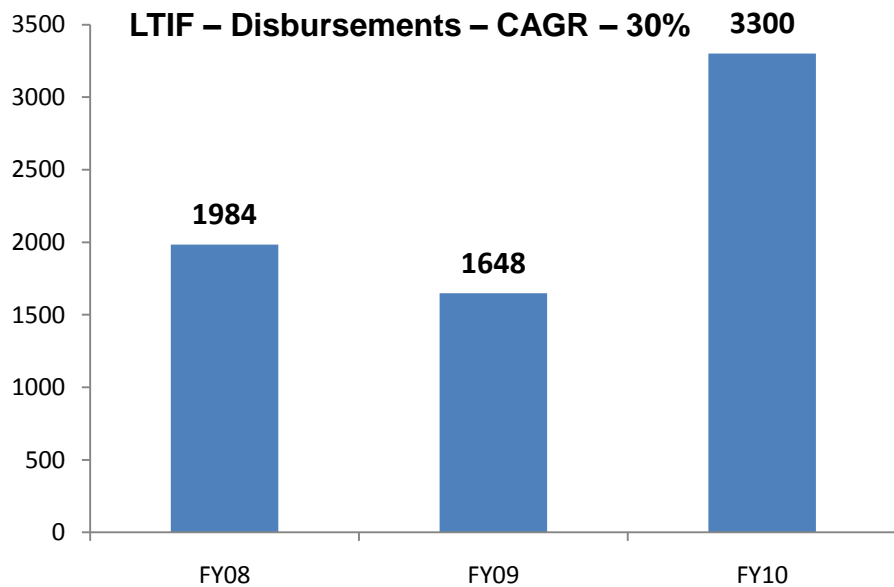
**LTF – Disbursements – CAGR – 72%**



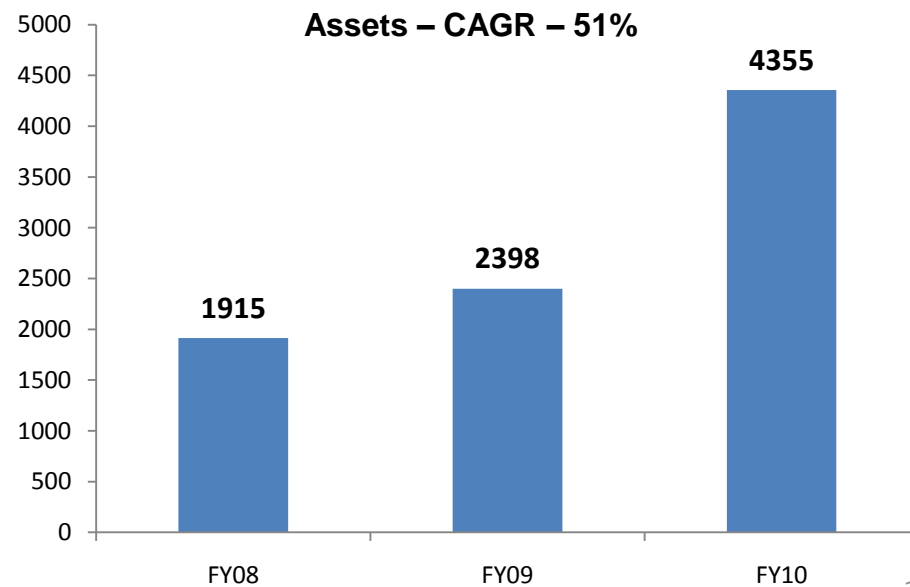
**LTF – Assets – CAGR – 54%**



**LTIF – Disbursements – CAGR – 30%**



**Assets – CAGR – 51%**





Thank You