September 30, 2021

L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited): Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture Programme	7,598.00	7,598.00	[ICRA]AAA(stable); reaffirmed
Non-Convertible Debenture Programme#	407.00	0.00	[ICRA]AAA(stable); reaffirmed and withdrawn
Long Term Market Linked Debenture Programme	500.00	500.00	PP-MLD[ICRA]AAA(stable); reaffirmed
Commercial paper programme	500.00	500.00	[ICRA]A1+; reaffirmed
Total	**9,005.00**	**8,598.00**	

**Instrument details are provided in Annexure-1*

#The withdrawal is at the request of the company since the rated instruments have matured and fully repaid

Rationale

The rating reflects LTICL's parentage in the form of L&T Finance Holdings (LTFHL), the good underwriting reflected in the strong asset quality, which is expected to provide a high degree of certainty to LTICL's business profile, LTICL's technical and operational expertise in the infrastructure space and its experienced core management team, comfortable capitalisation since inception supported by moderate gearing (6.3 times as on March 31, 2021), demonstrated ability to raise funds with long term maturity (from 3 to 20 years) at fixed rate thereby mitigating interest rate risk, high share of government-guaranteed and supported projects in the loan portfolio, average 5 years of operational history of projects financed. The ratings for LTICL continue to factor in the shared brand name with L&T Limited, and expectation of timely support from L&T group, if required.

RBI vide its letter dated May 17, 2021, had advised LTICL to take steps to convert the Company into an NBFC – Investment and Credit Company (NBFC – ICC) from an IDF-NBFC. As advised by RBI, the company has applied for change in the NBFC classification to NBFC – ICC. ICRA has taken note of the proposed conversion and will continue to monitor the developments on the same. The extant regulatory framework for IDF-NBFCs allows the entities certain benefits in terms of higher permissible single party exposure, existence of tripartite agreements in case of some exposures and tax exemption. The conversion of LTICL from IDF-NBFC to NBFC-ICC will have a bearing on the company on these factors. In this regard, ICRA understands that the entity will accordingly plan to bring down the exposures within the permissible levels for an NBFC-ICC and new business will have to adhere to the lower limits, as applicable. As for profitability, while there could be some moderation in the return indicators from current levels, ICRA expects the entity to have adequate profitability supported by low operating costs due to the wholesale nature of business and controlled credit costs. Further, incrementally the company's fresh exposures will not be covered under tripartite agreements and thus the risk profile of the asset portfolio could change going forward which may be mitigated by the company's intention to maintain leverage of <6.5x on a steady state basis. ICRA also notes that the company has adequate on-book liquidity (~ Rs. 2,045 crore as on June 30, 2021) to manage the repayments over the near to medium term additionally supported by inflows from advances.

While arriving at the rating for L&T Infra Credit Limited (LTICL), ICRA has considered the consolidated performance of LTFHL and its finance subsidiaries (collectively referred to LTFHL Group) given the strong operational and financial synergies between the companies. L&T Finance Holdings Limited (LTFHL) is a holding company with a diversified business profile in the financial services space. LTFHL's wholly-owned subsidiaries operate in rural, housing and wholesale finance and asset management businesses.

The ratings for LTFHL factors in the increased granularity in the group's loan book with increased share of retail business in portfolio mix (45% as on June 30, 2021, as compared with 36% as on March 31, 2019), the improvement in the capitalization profile supported by recent equity capital raise by way of rights issue of ~Rs. 3,000 crore in FY2021 and management's stated intention of maintaining prudent capitalization going forward as well. The ratings continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.59% equity in the company as on June 30, 2021 and the expectation that support from L&T in the form of both capital support and management oversight, would continue going forward as well. The ratings also draw comfort from the LTFHL Group's increased strategic importance to the parent with financial services being a focus area for the L&T group demonstrated by latest equity capital infusion of ~Rs. 1,900 crore in FY2021. The ratings also factor in the comfortable liquidity profile of the group supported by a diversified borrowing mix. The strengths are, however, partially offset by the moderate asset quality, presence of the group in relatively riskier lending segments and portfolio vulnerability arising out of wholesale book especially real estate lending (where large part of the portfolio is under construction, and hence under moratorium; however, there is no moratorium on the interest portion). In this regard, ICRA takes note that the group has gradually been reducing the real estate loans in the overall mix and adopting a selective approach in taking new exposures. Also, with the strengthened capital position the concentration risk has moderated to some extent with share of top 20 group advances in relation to net worth reducing to 124% as on March 31, 2021 from 168% as on March 31, 2019. In ICRA's opinion, LTFHL's ability to absorb higher provisioning, in addition to augmentation of capital through various avenues would help the Group support the consolidated balance sheet. Going forward, continued support from L&T, sustained financial performance, reduced portfolio vulnerability and improving asset quality indicators remain key rating monitorable.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to L&T Group - LTICL is owned by L&T Finance Holdings Limited (LTFHL) and L&T Finance Limited (LTF). LTF is the largest shareholder (76.64% as on June 30, 2021) and the balance being held by L&T Finance Holdings Limited (LTFHL; held 23.36% stake). LTICL enjoys significant operational synergies through its association with the LTFHL group. Also, the group's ultimate parent, L&T is the country's largest engineering and construction group and the market leader in infrastructure development, with expertise gained over the past seven decades of operations. The parent's committed support to the financial services business in the form of capital, management, technical and operational pool considerably reinforces the credit profile of LTICL. Thus, LTICL's ratings draw strength from L&T and any change in the rating of the parent and/or support from the parent company could warrant a rating change. The company also has an experienced senior management team with considerable experience in the infrastructure financing space. L&T is expected to maintain strategic linkages, management oversight & control and majority shareholding in LTFHL group on an ongoing basis.

LTICL's loan portfolio comprises of only operational projects supporting overall business risk profile; the group is present in multiple asset classes in retail and wholesale segment - LTICL's loan book size declined by ~4% on YoY basis to Rs. 8,436 crore as on March 31, 2021 from Rs. 8,796 crore as on March 31, 2020 on account of lower disbursements in FY2021 as the company followed a more cautious approach for new business following the impact of Covid-19 on the overall economy which in turn had impacted the progress and credit profile of infrastructure projects. The renewable energy segment had the highest share of 67% in the portfolio as on March 31, 2021 followed by roads (28%) and power transmission (5%). The growth in the loan book over the past few years was largely driven by the growth in the renewable segment, while the share of the road segment has gradually declined.

Currently, the entire portfolio of the company consists of operational projects and asset quality of these operational projects (including projects without tripartite agreements) is expected to be stable, given lower risks as compared to non-operational projects. However, given the wholesale nature of the loan book, the portfolio remains vulnerable to lumpy slippages in the asset quality. With the conversion from IDF-NBFC to NBFC-ICC, the company would not have the regulatory constraints on lending and ICRA would continue to monitor the asset mix as it evolves. ICRA takes comfort from the management's stated intent of continuing to focus on relatively low risk operational infrastructure projects.

At a consolidated level, LTFHL's lending book size decline by ~11% on y-o-y basis to Rs. 88,440 crore as on June 30, 2021 from Rs. 98,879 crore as on June 30, 2020 due to reduction in wholesale loan book. Consequently, the share of retail segments had increased to 45% on June 30, 2021 from 40% on June 30, 2020 (43% on March 31, 2021) driven by growth in farm equipment by 27% and 2-wheeler financing segments by 8% on y-o-y basis and decline in real estate finance by 19% and defocused book by 48% on y-o-y basis. LTFHL group also benefits from the brand name of L&T, which it has leveraged to grow its corporate and retail portfolio. As on June 30, 2021, 45% LTFHL's portfolio comprised of loans to retail segments (Micro loans (13%), Farm Equipment (12%), Two-wheeler (8%) and Home Loans/LAP (12%) and consumer loans (1%)) while the balance 55% comprised loans to the wholesale segments (Real Estate Finance (14%), Infrastructure Finance (38%) and defocused book (3%)). Going forward, the growth in loan book is expected to moderate from past levels following the impact of Covid-19 on the overall economy and the company has also been following a cautious approach for incremental disbursements. Over the medium to long-term, the group plans to increase the share of retail to 60%.

Adequate capitalisation profile - LTICL remains comfortably capitalized with a net worth (Equity capital + Reserves & Surplus) of Rs. 1,336 crore and a capital to risk weighted assets ratio (CRAR) of 37.1% (Tier I of 29.2%) as against the regulatory requirement of 15% and a gearing of 6.3 times as on March 31, 2021. The reported capital adequacy for the company also benefits from the relatively lower risk weights of 50% applicable for the operational PPP projects, which constitute ~99% of the company's total loan book as on March 31, 2021. The company's capitalisation remains further supported by commensurate internal capital generation and loan book growth over the past few years. ICRA expects LTICL to maintain prudent capitalisation levels and support from L&T through its subsidiaries would be forthcoming as and when, if required.

At the consolidated level, LTFHL's capitalisation remains adequately supported by its track record of raising funds and good internal capital generation. Muted business growth in FY2021 and raising of equity capital of ~Rs. 3,000 crore through rights issue in Q4FY2021 resulted in improvement in gearing to 4.44 times as on June 30, 2021 from 6.33 times on June 30, 2020. Consolidated CRAR improved to 24.56% (Tier 1: 19.42%) on June 30, 2021 from 21.18% (Tier 1: 17.23%) on June 30, 2020. ICRA believes that prudent capitalisation is one the key mitigants to absorb any asset quality related shocks and expects that the company would maintain prudent capitalisation profile going forward. Nonetheless, given the strong parentage and the demonstrated ability of the entity to raise capital from market, the capitalisation profile of the LTFHL is expected to remain adequate. ICRA expects the support from L&T would be forthcoming as and when required.

Comfortable liquidity position supported by ability to raise funds at competitive rates and for relatively longer tenures - The funding profile of LTICL benefits from the good standing of the L&T group in the capital markets as well as the regulatory requirement for an NBFC-IDF of raising resources primarily through issuance of bonds of minimum a 5-year maturity (shorter tenure bonds and commercial papers to not exceed 10% of outstanding debt). The company has demonstrated ability to raise funds with long term maturity to match with the long duration of its assets. The company has raised funds with tenors of 5, 7, 8, 10, 15 and 20 years. Also, the proportion of Commercial Paper (CP) is Nil as on March 31, 2021. Also, majority of the assets and liabilities of the company earn/bear a fixed rate of interest which mitigates the interest rate risk associated with the portfolio to an extent. Since the company had lent to only projects that are operational, cash flows start immediately after disbursement. ICRA expects the company to continue to lend primarily to low risk operational infrastructure projects. Hence, the liquidity profile of the company is expected to remain comfortable. Further, post conversion to NBFC—ICC, ICRA expects LTICL to raise funds through bank borrowings and diversify its funding mix.

At the consolidated level, the funding profile of the group is fairly diversified with a mix of non-convertible debentures, bank borrowings, and commercial paper. As on June 30, 2021, overall market borrowings stood at ~60% of total borrowings. At the same time, the proportion of commercial papers in the overall funding mix remained low at 7% as on June 30, 2021.

Credit challenges

Concentration risk given the wholesale nature of lending business; moderate asset quality indicators for the group with presence in relatively riskier lending segments, albeit gradually declining share of wholesale exposures - The company has taken exposure only in operational projects which eliminates the construction and execution risk. Nevertheless, given the inherent nature of business of infrastructure financing exposes the company to project risks and the exposures are concentrated and hence the portfolio of LTICL would remain susceptible to asset quality shocks in case of slippages in few key exposures. As on March 31, 2021, top 10 advances accounted for ~31% of the total portfolio and 194% of the net worth (~29% of the total portfolio and 203% of the net worth as on March 31, 2020). ICRA however takes notes of the high share of government guaranteed/supported projects in the business mix, the longer operational track record of projects in LTICL's books, the group's longstanding experience in infrastructure lending and strong credit protection measures built into the company's lending model which act as risk mitigants. Going forward, LTICL's ability to maintain strict underwriting standards while growing the portfolio would be a key monitorable. The restructured assets, under the RBI COVID-19 framework accounted for ~3% of total loan book as on March 31, 2021.

At the consolidated level, the asset quality indicators for the group had improved in FY2021 with consolidated Gross and net stage 3 at 4.97% and 1.57%, respectively as on March 31, 2021 as compared to 5.36% and 2.28% respectively as on March 31, 2020 on account of controlled slippages and write-offs in retail segments and improvement in asset quality indicators for infrastructure financing business. Given the challenges in the operating environment, the portfolio vulnerability remains high in some key business segments. Nonetheless, with the strengthened capital position the concentration risk had moderated, with share of top 20 group advances in relation to net worth reducing from 168% as on March 31, 2019, to 124% as on March 31, 2021. LTFHL group has been focusing on increasing the granularity in the loan book with increased share of retail business in portfolio mix (45% as on June 30, 2021, as compared with 36% as on March 31, 2019). LTFHL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a bearing on its earning profile.

Moderation in profitability indicators - The net interest margins (NIM[1]) moderated to 1.8% in FY2021 from 2.4% in FY2020 on account of decline in yield due to negative carry on higher levels of cash and liquid investments maintained during the year. Further, due to the wholesale nature of operations, the company's operating expenses remain low at 0.3% of average total assets in FY2021 (0.4% in FY2020); and the provisioning costs continue to be low in FY2021. Overall, the company reported adjusted[2] profit after tax (PAT) of Rs. 159 crore in FY2021 (ROA and ROE of 1.6% and 12.2% respectively) compared to Rs. 213 crore in FY2020 (ROA and ROE of 2.3% and 18.2% respectively). Subject to compliance of conditions stipulated by Central Board of Direct Taxes (CBDT), an NBFC-IDF's income is exempt from tax, which had augmented the company's profitability in the past. After conversion to NBFC-ICC, the foregoing of tax exemption will have an adverse impact on profitability profile in the near to medium term. This impact would be mitigated with the expected improvement in average cost of borrowing, given the lower incremental cost of borrowing and wider source of funding (such as bank lines) subsequent to conversion to NBFC-ICC. Nevertheless, the profitability will remain a key monitorable.

At a consolidated level, LTFHL's net interest margins (NIMs) improved marginally from 5.32% in FY2020 to 5.37% in FY2021 on account of decline in cost of funds and stable yields, and decline in operating expenses as a share of average total assets to 1.79% in FY2021 from 1.84% in FY2020. However decline in non-interest income (0.86% in FY2021 from 1.11% in FY2020) due

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[1] *Interest income net of interest expenses as a percentage of average total assets*

[2] *The Central Board of Direct Taxes (""CBDT"") vide notification dated 11th September 2020 had notified the L&T Infra Debt Fund Limited as an Infrastructure Debt Fund under section 10(47) of the Income Tax Act, 1961 for the assessment year 2018-19 and subsequent assessment years. This notification entitled the company to exemption of its total income from income tax on and from the assessment year 2018-19 onwards. The company has applied to the CBDT to give effect to the notification under section 10(47) retrospectively from the financial year 2013-14 (i.e. the year in which it received RBI registration as NBFC-IDF) on the basis that it had complied with the applicable guidelines during that period as well. However, pending approval from CBDT, a provision of ₹ 95.93 crore has been held for earlier assessment years with a corresponding charge to the Statement of Profit and Loss for the year. The company reported PAT of Rs. 63 crore in FY2021 (ROA and ROE of 0.6% and 4.8% respectively).*

to lower fee income and increase in credit costs (3.30% in FY2021 from 2.14% in FY2020) as the company created additional provision (macro prudential provisions, covid-19 provisions and enhanced ECL provisions) of Rs. 1,757 crore to handle the uncertainties arising out of the pandemic led the company to report return on assets (RoA) and adjusted return on equity (RoE) of 0.87% and 5.80%, respectively, in FY2021 as compared to 2.02% and 15.45%[1], respectively, in FY2020.

Liquidity position: Strong

The liquidity profile of LTFHL group is comfortable at a consolidated level. ALM profile, as on June 30, 2021, reflected positive cumulative mismatch across all buckets upto 1 year. As of June 30, 2021, the company had available liquidity in the form of cash and liquid investments of ~Rs. 12,073 crore, unutilised bank lines of ~Rs. 9,248 crore (including Rs. 2,000 crore credit line from L&T), providing comfortable liquidity cover over the principal debt repayments of ~Rs. 11,866 crore which are due over the next six months. Further, liquidity is supported by expected cash inflow of ~Rs. 11,518 crore from the advances (excluding interest) in the above mentioned period. LTFHL enjoys strong financial flexibility to mobilise long term funding on the back of its established track record and parentage.

The standalone liquidity profile of LTICL is comfortable on a standalone basis. ALM profile, as on June 30, 2021, reflected positive cumulative mismatch across all buckets upto 1 year. As of June 30, 2021, the company had available liquidity in the form of cash and liquid investments of ~Rs. 2,045 crore, providing comfortable liquidity cover over the principal debt repayments of Rs. 780 crore which are due over the next one year. Further, liquidity is supported by expected cash inflow of ~Rs. 485 crore from the advances in the above mentioned period.

Rating sensitivities

Positive factors – Not applicable.

Negative factors - Any significant change in the likelihood of support from the parent or a deterioration in the parent's credit profile could warrant a rating revision. Pressure on the ratings could emerge in case of an increase in the consolidated leverage on a sustained basis to over 7.5 times and/or the weakening of the asset quality leading to a deterioration in the solvency profile (Net stage 3/Net worth >20%) on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Rating approach - Implicit support from parent or group
Parent/Group Support	Ultimate parent / Investor: Larsen & Toubro Ltd. The ratings continue to draw significant strength from LTFHL's parentage, with L&T holding 63.59% equity in the company as on June 30, 2021 and the expectation that support from L&T would continue and be forthcoming as and when required. The ratings also draw comfort from the LTFHL Group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business.
Consolidation/Standalone	While arriving at the rating, ICRA has considered the consolidated performance of LTFHL and its subsidiaries carrying businesses as finance companies, given the strong operational and financial synergies between the companies. *Please refer to annexure 2*

About the company

On August 18, 2021, L&T Infra Debt Fund Limited (LTIDF) was renamed as L&T Infra Credit Limited (LTICL). L&T Infra Credit Limited is part of L&T Finance Holdings Ltd (LTFHL) group. LTFHL is a holding company with a diversified business profile in the financial services space with its wholly-owned subsidiaries operating in rural, housing and wholesale finance and asset management. L&T Infra Credit Limited was an Infrastructure Debt Fund (IDF) under non-banking finance company structure, set up in March 2013 and operating after receipt of Certificate of Incorporation from RBI in Oct 2013. Following the advice by RBI in May 2021, the company has applied for change in the NBFC registration to NBFC – ICC from –IDF-NBFC. L&T Infrastructure Finance Company Limited (LTIF), held 48.36% equity stake in the company, with the balance stake being owned by L&T Finance Holdings Limited, its parent company and L&T Finance Limited as on March 31, 2021. Consequent to the merger of LTIF and LTHF into LTF, LTFH and LTF are the shareholders of LTICL.

The total asset base has increased to Rs. 9,907 crore with a net worth of Rs. 1,336 crore as on March 31, 2021 from asset base of Rs. 9,868 crore and net worth of 1,274 crore respectively as on March 31, 2020. The company reported net profit of Rs. 63 crore (including the impact of one time non-recurring provision for tax in FY 2021) on a total income of Rs. 894 crore in FY2021 as compared with net profit of Rs. 213 crore on a total income of Rs. 903 crore in FY2020. Further, in Q1F2022 the company reported a net profit of Rs. 4 crore.

L&T Finance Holdings Limited

L&T Finance Holdings Limited (LTFHL) was originally incorporated as L&T Capital Holdings Ltd in May 2008 and its name was subsequently changed in September 2010. The company is registered as an NBFC-CIC with the RBI. It is promoted by Larsen & Toubro Limited (L&T) as the holding company of L&T Group's financial services companies.

LTFHL, through its subsidiaries, offers a diverse range of financial products and services across rural, housing and wholesale finance businesses. It also offers fund management and other non-fund based services, such as insurance and mutual fund distribution and financial advisory services (project finance and pre-bid advisory), through its subsidiaries. L&T holds a majority stake of 63.59% stake in LTFHL as on June 30, 2021.

On a consolidated basis, LTFHL reported PAT of Rs. 177 crore on total income of Rs. 3,201 crore in Q1FY2022 compared to PAT of Rs. 147 crore for Q1FY2021 on a total income base of Rs. 3,398 crore. The consolidated entity's net worth was Rs. 18,993 crore as on June 30, 2021.

Key financial indicators

L&T Infra Credit Limited (In Rs. Crore)	FY2019	FY2020	FY2021
Total Income	755	903	894
Profit after tax (PAT)	132	213	159*
Net Worth (Equity capital + Reserves & Surplus)	1,061	1,274	1,336
Total managed loan portfolio	8,201	8,796	8,470
Total assets	8,606	9,868	9,907
Return on average total assets (PAT/ATA)	1.66%	2.31%	1.61%*
Return on average net worth (PAT/Avg. net worth)	13.23%	18.24%	12.20%*
Gearing	7.1	6.7	6.3
Gross Stage 3%	0.0%	0.0%	0.0%
Net Stage 3%	0.0%	0.0%	0.0%
Net Stage 3/Net worth	0.0%	0.0%	0.0%
CRAR%	27.1%	31.2%	37.1%

Source: Company, ICRA Research; All ratios as per ICRA calculations
**Prior to deduction of one-time tax of Rs. 95.93 crore in FY2021 post CBDT notification. Net of one-time tax provision impact, PAT in FY2021 stood at Rs. 63 crore translating into RoA and RoE of 0.64% and 4.85% respectively.*

L&T Finance Holdings Limited (consolidated)	FY2019	FY2020	FY2021
Total Income	13,302	14,477	14,080
Profit after tax (PAT)	2,232	2,174*	949
Net Worth	13,449	14,692	18,773
Lending business Book	99,121	98,384	94,013
Total assets	106,055	109,545	108,972
Return on average total assets (PAT/ATA)	2.30%	2.02%*	0.87%*
Return on average net worth (PAT/Avg. net worth) #	17.91%	15.45%*	5.80%*
Consolidated gearing (times)	6.80	6.39	4.72
Gross Stage 3	5.90%	5.36%	4.97%
Net Stage 3	2.40%	2.28%	1.57%
Net Stage 3/Net worth	16.17%	14.14%	7.33%

** Prior to deduction of one-time DTA of Rs. 473.38 crore during FY2020 post transition to new tax regime. Net of one-time DTA impact, PAT during FY2020 stood at Rs. 1,700 crore translating into RoA and RoE of 1.58% and 12.08%.*
#Excluding minority interest
Source: Company, ICRA Research Amount in Rs. Crore; ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount O/s as of Jun-30-21 (Rs. crore)	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
					Sep-30-21	May-27-21 Apr-26-21	Sep-30-20	Mar-31-20 Aug-30-19 May-8-19 Apr-9-19	Sep-19-18	Aug-31-18
1	Long Term Market Linked Debenture Programme	Long Term	500	385	PP-MLD[ICRA]AAA (stable)	PP-MLD[ICRA]AAA (stable)	PP-MLD[ICRA]AAA (stable)	PP-MLD[ICRA]AAA (stable)	PP-MLD[ICRA]AAA (stable)	-
2	Non-Convertible Debenture Programme	Long Term	7,598	5,975	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)
3	Non-Convertible Debenture Programme	Long Term	407	0	[ICRA]AAA (stable); withdrawn	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)	[ICRA]AAA (stable)
4	Commercial Paper Programme	Short Term	500	0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Source: Company, ICRA Research

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term Market Linked Debenture Programme	Moderately complex
Non-Convertible Debenture Programme	Very Simple
Commercial Paper Programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: Click Here

Annexure-1: Instrument details as on June 30, 2021

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE235P07290	Non Convertible Debentures	6-May-16	8.65%	6-May-21	32	[ICRA]AAA(stable); withdrawn
INE235P07340	Non Convertible Debentures	12-May-16	8.65%	12-May-21	5	[ICRA]AAA(stable); withdrawn
INE235P07373	Non Convertible Debentures	10-Jun-16	8.70%	10-Jun-21	125	[ICRA]AAA(stable); withdrawn
INE235P07118	Non Convertible Debentures	7-Jan-16	8.55%	7-Jan-21	30	[ICRA]AAA(stable); withdrawn
INE235P07167	Non Convertible Debentures	23-Feb-16	8.70%	23-Feb-21	100	[ICRA]AAA(stable); withdrawn
INE235P07217	Non Convertible Debentures	26-Feb-16	8.70%	26-Feb-21	50	[ICRA]AAA(stable); withdrawn
INE235P07282	Non Convertible Debentures	12-Apr-16	8.70%	12-Apr-21	25	[ICRA]AAA(stable); withdrawn
INE235P07225	Non Convertible Debentures	22-Mar-16	8.75%	22-Apr-21	40	[ICRA]AAA(stable); withdrawn
INE235P07563	Non Convertible Debentures	8-Nov-16	8.05%	8-Dec-21	125	[ICRA]AAA(stable)
INE235P07589	Non Convertible Debentures	28-Nov-16	7.85%	28-Dec-21	50	[ICRA]AAA(stable)
INE235P07597	Non Convertible Debentures	29-Nov-16	7.85%	29-Dec-21	50	[ICRA]AAA(stable)
INE235P07639	Non Convertible Debentures	10-Feb-17	7.89%	10-Feb-22	36	[ICRA]AAA(stable)
INE235P07613	Non Convertible Debentures	13-Jan-17	7.95%	11-Feb-22	15	[ICRA]AAA(stable)
INE235P07621	Non Convertible Debentures	17-Jan-17	7.95%	17-Feb-22	14	[ICRA]AAA(stable)
INE235P07696	Non Convertible Debentures	11-May-17	8.00%	11-May-22	55	[ICRA]AAA(stable)
INE235P07654	Non Convertible Debentures	13-Apr-17	8.02%	13-May-22	75	[ICRA]AAA(stable)
INE235P07670	Non Convertible Debentures	24-Apr-17	8.00%	24-May-22	40	[ICRA]AAA(stable)
INE235P07712	Non Convertible Debentures	22-May-17	8.00%	1-Jun-22	25	[ICRA]AAA(stable)
INE235P07746	Non Convertible Debentures	8-Jun-17	8.01%	8-Jun-22	90	[ICRA]AAA(stable)
INE235P07761	Non Convertible Debentures	14-Jun-17	8.00%	14-Jun-22	35	[ICRA]AAA(stable)
INE235P07787	Non Convertible Debentures	16-Jun-17	8.00%	16-Jun-22	100	[ICRA]AAA(stable)
INE235P07803	Non Convertible Debentures	6-Nov-17	7.85%	7-Nov-22	210	[ICRA]AAA(stable)
INE235P07829	Non Convertible Debentures	28-Dec-17	8.15%	28-Dec-22	505	[ICRA]AAA(stable)
INE235P07126	Non Convertible Debentures	7-Jan-16	8.60%	6-Jan-23	47	[ICRA]AAA(stable)
INE235P07811	Non Convertible Debentures	21-Dec-17	8.15%	16-Jan-23	391	[ICRA]AAA(stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE235P07175	Non Convertible Debentures	23-Feb-16	8.70%	23-Feb-23	55	[ICRA]AAA(stable)
INE235P07837	Non Convertible Debentures	28-Dec-17	8.15%	10-Mar-23	185	[ICRA]AAA(stable)
INE235P07233	Non Convertible Debentures	22-Mar-16	8.75%	22-Mar-23	20	[ICRA]AAA(stable)
INE235P07308	Non Convertible Debentures	6-May-16	8.67%	5-May-23	1	[ICRA]AAA(stable)
INE235P07845	Non Convertible Debentures	30-Jan-18	8.19%	30-May-23	82	[ICRA]AAA(stable)
INE235P07845	Non Convertible Debentures	26-Feb-18	8.19%	30-May-23	58	[ICRA]AAA(stable)
INE235P07845	Non Convertible Debentures	27-Mar-18	8.19%	30-May-23	25	[ICRA]AAA(stable)
INE235P07845	Non Convertible Debentures	28-Mar-18	8.19%	30-May-23	23	[ICRA]AAA(stable)
INE235P07852	Non Convertible Debentures	9-May-18	8.45%	23-Jun-23	58	[ICRA]AAA(stable)
INE235P07860	Non Convertible Debentures	19-Jun-18	9.30%	18-Aug-23	308	[ICRA]AAA(stable)
INE235P07878	Non Convertible Debentures	26-Jun-18	9.30%	25-Aug-23	232	[ICRA]AAA(stable)
INE235P07530	Non Convertible Debentures	13-Oct-16	8.25%	13-Oct-23	75	[ICRA]AAA(stable)
INE235P07605	Non Convertible Debentures	15-Dec-16	8.05%	15-Dec-23	25	[ICRA]AAA(stable)
INE235P07936	Non Convertible Debentures	1-Feb-19	9.15%	11-Mar-24	25	[ICRA]AAA(stable)
INE235P07688	Non Convertible Debentures	4-May-17	8.08%	3-May-24	125	[ICRA]AAA(stable)
INE235P07704	Non Convertible Debentures	16-May-17	8.08%	16-May-24	40	[ICRA]AAA(stable)
INE235P07720	Non Convertible Debentures	31-May-17	8.07%	31-May-24	35	[ICRA]AAA(stable)
INE235P07753	Non Convertible Debentures	8-Jun-17	8.08%	10-Jun-24	100	[ICRA]AAA(stable)
INE235P07779	Non Convertible Debentures	14-Jun-17	8.07%	14-Jun-24	25	[ICRA]AAA(stable)
INE235P07795	Non Convertible Debentures	16-Jun-17	8.07%	14-Jun-24	50	[ICRA]AAA(stable)
INE235P07886	Non Convertible Debentures	26-Jun-18	9.30%	26-Jun-24	248	[ICRA]AAA(stable)
INE235P07894	Non Convertible Debentures	6-Jul-18	9.30%	5-Jul-24	160	[ICRA]AAA(stable)
INE235P07902	Non Convertible Debentures	23-Jul-18	9.05%	23-Jul-25	15	[ICRA]AAA(stable)
INE235P07134	Non Convertible Debentures	7-Jan-16	8.63%	7-Jan-26	153	[ICRA]AAA(stable)
INE235P07183	Non Convertible Debentures	23-Feb-16	8.73%	23-Feb-26	135	[ICRA]AAA(stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE235P07241	Non Convertible Debentures	22-Mar-16	8.75%	20-Mar-26	90	[ICRA]AAA(stable)
INE235P07274	Non Convertible Debentures	29-Mar-16	8.72%	27-Mar-26	300	[ICRA]AAA(stable)
INE235P07316	Non Convertible Debentures	6-May-16	8.67%	6-May-26	20	[ICRA]AAA(stable)
INE235P07399	Non Convertible Debentures	10-Jun-16	8.75%	10-Jun-26	10	[ICRA]AAA(stable)
INE235P07431	Non Convertible Debentures	17-Jun-16	8.80%	17-Jun-26	50	[ICRA]AAA(stable)
INE235P07456	Non Convertible Debentures	23-Jun-16	8.80%	23-Jun-26	105	[ICRA]AAA(stable)
INE235P07506	Non Convertible Debentures	3-Oct-16	8.43%	1-Oct-26	102	[ICRA]AAA(stable)
INE235P07548	Non Convertible Debentures	13-Oct-16	8.30%	13-Oct-26	75	[ICRA]AAA(stable)
INE235P07571	Non Convertible Debentures	15-Nov-16	8.15%	13-Nov-26	25	[ICRA]AAA(stable)
INE235P07951	Non Convertible Debentures	24-Sep-19	8.42%	24-Sep-29	700	[ICRA]AAA(stable)
INE235P07969	Non Convertible Debentures	25-Oct-19	8.80%	25-Oct-29	12	[ICRA]AAA(stable)
INE235P07142	Non Convertible Debentures	7-Jan-16	8.63%	7-Jan-31	15	[ICRA]AAA(stable)
INE235P07191	Non Convertible Debentures	23-Feb-16	8.73%	21-Feb-31	5	[ICRA]AAA(stable)
INE235P07514	Non Convertible Debentures	3-Oct-16	8.43%	3-Oct-31	25	[ICRA]AAA(stable)
INE235P07738	Non Convertible Debentures	31-May-17	8.20%	31-May-32	105	[ICRA]AAA(stable)
INE235P07944	Non Convertible Debentures	20-Feb-19	9.22%	20-Feb-34	20	[ICRA]AAA(stable)
INE235P07159	Non Convertible Debentures	7-Jan-16	8.63%	7-Jan-36	10	[ICRA]AAA(stable)
INE235P07209	Non Convertible Debentures	23-Feb-16	8.73%	22-Feb-36	5	[ICRA]AAA(stable)
-	Non-Convertible Debenture^	NA	NA	NA	1,803	[ICRA]AAA(stable)
INE235P07910	Long-term Market Linked Debenture	18-Sep-18	-	18-Oct-23	50	PP-MLD[ICRA]AAA (Stable)
INE235P07928	Long-term Market Linked Debenture	21-Sep-18	-	21-Nov-23	35	PP-MLD[ICRA]AAA (Stable)
INE235P07985	Long-term Market Linked Debenture	31-Jan-20	-	28-Feb-25	50	PP-MLD[ICRA]AAA (Stable)
INE235P07993	Long-term Market Linked Debenture	25-Feb-20	-	25-Mar-25	250	PP-MLD[ICRA]AAA (Stable)
-	Long-term Market Linked Debenture^	NA	NA	NA	115^	PP-MLD[ICRA]AAA (Stable)
-	Commercial Paper^	NA	NA	7-365 days	500^	[ICRA]A1+

Source: *Company; ^Yet to be placed/unutilised*

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Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
L&T Finance Holdings Limited	Holding Company	Full
L&T Finance Limited	Subsidiary	Full
L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited)	Subsidiary	Full
L&T Infra Investment Partners Advisory Private Limited	Subsidiary	Full
L&T Infra Investment Partners Trustee Private Limited	Subsidiary	Full
L&T Investment Management Limited	Subsidiary	Full
L&T Mutual Fund Trustee Limited	Subsidiary	Full
L&T Financial Consultants Limited	Subsidiary	Full
Mudit Cement Private Limited	Subsidiary	Full
L&T Infra Investment Partners	Subsidiary	Full

Source: *Annual report for FY2021*

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