

August 8, 2023^(Revised)

L&T Finance Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme	13,907.65	13,907.65	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture programme	1,955.5	0	[ICRA]AAA (Stable); reaffirmed and withdrawn
Non-convertible debenture programme (infra bonds)	327.31	327.31	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture programme (Public Issuance) #	8,730.43	8,730.43	[ICRA]AAA (Stable); reaffirmed
Subordinate debt	5,150.00	5,150.00	[ICRA]AAA (Stable); reaffirmed
Subordinate debt	275.00	0	[ICRA]AAA (Stable); reaffirmed and withdrawn
Long-term market linked debenture programme	1,950.00	1,950.00	PP-MLD [ICRA]AAA (Stable); reaffirmed
Long-term market linked debenture programme	50.00	0	PP-MLD [ICRA]AAA (Stable); reaffirmed and withdrawn
Perpetual debt	900.00	900.00	[ICRA]AA+ (Stable); reaffirmed
Long term – fund based/non-fund based	37,300.00	37,300.00	[ICRA]AAA (Stable); reaffirmed
Commercial Paper	26,000.00	26,000.00	[ICRA]A1+; reaffirmed
Total	96,545.89	94,265.39	

*Instrument details are provided in Annexure I; Withdrawal at request of company since instruments have matured and fully repaid

The rated limit is interchangeable with unsecured subordinated redeemable non-convertible debenture [public issue]; Includes public issue of secured redeemable non-convertible debenture for Rs. 5,000 crore

Rationale

While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of L&T Finance Holdings Limited (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 Retail Finance (Rural Business Finance, Farmer Finance Urban Finance and SME Finance) and Wholesale Finance.

The ratings for LTFHL group favourably factor in the improved granularity of the group's loan book with increased share of retail loans in the portfolio mix (82% as on June 30, 2023, as compared with 54% as on June 30, 2022) in line with the long-term strategy (Lakshya 2026) of the group to increase the overall retail share to >80%. This increase in share of retail loan book is driven by 34% YoY growth in retail portfolio and 65% YoY decline in wholesale portfolio during the period (June 30, 2022 to June 30, 2023). The ratings continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA(Stable)/[ICRA]A1+) holding 66.1% equity in the company as on June 30, 2023 and the expectation that support from L&T in the form of capital, liquidity support and management oversight, would continue going forward as and when needed. In the past, L&T has demonstrated support to the group in the form of equity capital infusion, with latest being capital infusion of ~Rs. 1,900 crore (out of total rights issue of Rs. 3,000 crore) in FY2021.

ICRA also notes the improvement in the asset quality indicators for the group, with reported net stage 3 (consolidated) of 1.2% as on June 30, 2023 from 1.9% as on June 30, 2022 owing to improved collections across asset classes and some reduction on account of sale of delinquent wholesale accounts to asset reconstruction companies (ARCs). In addition to the stage 3 provision cover of 71%, the group also maintains a provision cover of 72% on stage 2 retail assets (2.0% of retail book) as on June 30, 2023 and created a one-time provision of Rs. 2,687 crore in Q3 FY2023, which is expected to mitigate the impact on incremental profitability. The ratings also factor in the comfortable capitalization profile, strong liquidity profile of the group supported by a diversified borrowing mix and good financial flexibility owing to the parentage.

The strengths are, however, partially offset by the modest, albeit improving asset quality and moderate profitability over the past few years due to the presence of the group in relatively riskier lending segments. The profitability profile for the group is expected to improve over the medium term supported by increasing share of higher yielding retail assets in the portfolio mix and sell-down/rundown of the wholesale portfolio. The return on assets (RoA) in the retail segment stood at 3.1% in Q1 FY2024 (2.5% in FY23); which is in line with the company's Lakshya RoA target of 2.8%-3%. While ICRA does not expect significant asset quality challenges from the infrastructure portfolio given that the portfolio majorly comprises of sectors such as renewable, roads and transmission and ~90% of the portfolio is operational, however there could be some credit costs on the real estate portfolio and investments in security receipts. Nevertheless, the group has good pre-provision profitability (4.4% in FY2023) on a consolidated basis and thus can make additional provisions, if required. ICRA takes note of the company's market share and track record of sustainable business performance in retail loan products such as Farm Finance, Two-wheeler and Rural Business Finance, which constitutes majority proportion of retail book. Incrementally, the ability of the company to manage the asset quality in the relatively higher yielding newer unsecured products needs to be seen in the medium to long-term. Also, sustained financial performance and ability to reduce portfolio vulnerability remain key rating monitorable.

In January 2023, the Board of Directors of LTFHL had approved scheme for amalgamation of its subsidiaries by way of merger of its subsidiary lending entities - L&T Finance Ltd. and L&T Infra Credit Ltd. with the holding company. In March 2023, the RBI approved the scheme. The scheme remains subject to various other statutory and regulatory approvals. The proposed scheme is unlikely to impact the credit profile of the company, as while arriving at the ratings, ICRA has considered the consolidated performance of LTFHL and its subsidiaries.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to L&T Group - LTFHL is majority owned by L&T. L&T foresees LTFHL as an integral part of L&T Group's long-term strategy. LTFHL and its subsidiaries, while operating independently, benefit from the brand name of L&T. The parent's demonstrated support in the form of capital (equity capital infusion of ~Rs. 1,900 crore in FY2021 and earlier Rs. 2,000 crore in FY2018), management and technical support, presence of liquidity lines, strengthens LTFHL group's credit profile. ICRA believes that L&T will continue to maintain linkages, management oversight & control and majority shareholding on an ongoing basis. L&T's senior representatives participate in LTFHL group's credit committee, risk management committee and asset-liability management committee. Furthermore, the CEO & MD of L&T Group is the chairman of LTFHL, which ensures adequate supervision of LTFHL group's performance. Also, LTFHL group's access to L&T Group could support in resolution in wholesale accounts especially in the real estate portfolio. Thus, LTFHL's ratings continue to draw strength from L&T and any change in the rating of the parent and/or support from the parent company would be a key rating sensitivity.

Diversified portfolio mix with increasing share of retail loans - At a consolidated level, LTFHL's lending book moderated to Rs. 78,566 crore as on June 30, 2023 from Rs. 88,078 crore as on June 30, 2022 (Rs. 80,893 crore as on March 31, 2023) with the decline largely been on account of run-down of the wholesale books while retail book grew by 34% over the past 12 months. As on June 30, 2023, 82% (Rs. 64,274 crore) of LTFHL's portfolio comprised of loans to retail segments (Rural Business Finance (25%), Farmer Finance (17%), Two-wheeler (12%), Home Loans/LAP (18%) and Consumer Loans (8%), SME and acquired portfolio (3%)) while the balance 18% comprised loans to the wholesale segments (Real Estate Finance (5%),

Infrastructure Finance (13%) and defocused book (0.3%)). Among the retail segment, the consumer loan product, which was started in Q3FY20, stood at Rs. 5,995 crore as on June 30, 2023 (Rs. 3,027 crore as on June 30, 2022), mainly driven by the extensive use of digitalization and cross selling to the existing customer base. Going forward, the retail book is expected to grow at a ~25% (CAGR) over the medium term while wholesale loans would continue to degrow. This is in line with the “Lakshya 2026” strategic plan targeted to maintain the retail assets proportion of >80% in medium to long-term. The growth in the retail segment could also be driven by enhancing the digital presence (e.g. PLANET App.) and leveraging data analytics.

Comfortable capitalisation levels with demonstrated financial support from parent - At the consolidated level, LTFHL’s capitalisation is comfortable supported by its track record of raising funds, degrowth of loan book and positive internal capital generation. Degrowth of book in FY2023 and Q1FY2024 resulted in improvement in gearing to 3.9 times as on March 31, 2023 and further to 3.4 times as June 30, 2023 (4.3 times as on March 31, 2022). Consolidated CRAR remained comfortable at 25.75% (Tier 1: 23.42%) on June 30, 2023. ICRA believes that prudent capitalisation is one of the key mitigants to absorb any asset quality related shocks and expects that the company would maintain prudent capitalisation profile going forward. While given the portfolio growth plans, going forward the gearing is expected to increase gradually. 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 comfortable. ICRA expects the support from L&T would be forthcoming as and when required.

Good financial flexibility and diversified borrowing mix - The group enjoys good financial flexibility in raising funds at competitive rates, with the strong brand name of L&T and its track record of raising funds from banks and capital markets. 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, 2023, bank borrowings constituted for 53% of total borrowings with balance being NCDs (40%), CP (4%), and others (3%). ICRA takes comfort from the company’s liquidity buffers, as well as a prudent practice of maintaining adequate unutilized bank facilities and cash flow from its short-term assets. The liquidity profile is also supported by the good financial flexibility of the LTFHL Group and the Rs. 1,000 crore revolving line of credit from L&T as a standby liquidity arrangement.

Credit challenges

Modest asset quality indicators, albeit improving - The asset quality indicators for the group improved over the past year to consolidated Gross and Net Stage 3 at 4.0% and 1.2%, respectively as on June 30, 2023 (4.7% and 1.5% as on March 31, 2023) from 4.1% and 1.9% respectively as on June 30, 2022 on account of controlled slippages, recoveries and write-offs in retail segments and sale of delinquent/vulnerable wholesale accounts to ARCs. The retail segments Gross and Net Stage 3 were at 3.2% and 0.7% as on June 30, 2023 improved from 3.6% and 0.9% respectively as on June 30, 2022. From a credit cost perspective, the investment in security receipts (Rs. 6,321 crore as on March 31, 2023) could require some incremental provisions. In infrastructure finance, majority of book comprises of operational renewable energy projects which face relatively low cash flow risk. In addition to the stage 3 provision cover of 71%, the group also maintains a provision cover of 72% on stage 2 retail assets (2.0% of retail book) as on June 30, 2023 and creation a one-time provision of Rs. 2,687 crore in Q3 FY2023 which is expected to mitigate the impact on incremental profitability. LTHL group under its “Lakshya 2026” strategy plans to extensively make use of digitization in all the functional areas of sourcing, underwriting, disbursement, servicing and collections. Overall, the Group’s ability to profitably grow business volumes while improving the asset quality would have a bearing on its overall financial profile and would be a key monitorable. The profitability in the retail segment has however seen an improvement; the RoA in the retail segment stood at 3.1% in Q1 FY2024 (2.5% in FY23); which is in line with the company’s Lakshya RoA target of 2.8%-3%.

Presence in relatively riskier lending segments, albeit gradually declining share of wholesale exposures – The overall portfolio vulnerability remains high for the group in some key business segments. In the Rural Business Finance and Two-wheeler segments customer profile is primarily from relatively weaker socio-economic background. Nonetheless, ICRA takes note of LTFHL group’s long-term presence and sustained business performance in the retail loan products including Two-wheeler and Rural Business Finance. Further, seasoning on the recently launched unsecured consumer loans business is yet

to be seen. While, the real estate sector’s asset quality continues to be a key monitorable. LTFHL group increased the granularity of the loan book with increased share of retail business in portfolio mix (82% as on June 30, 2023 from 54% as on June 30, 2022). LTFHL’s ability to manage recoveries or mitigate losses through while arresting fresh slippages and thus keeping a check on the credit costs will have a bearing on its earning profile.

Liquidity position: Strong

The liquidity profile of LTFHL group is strong at a consolidated level. On a consolidated basis ALM profile, as on June 30, 2023, reflected positive cumulative mismatch across all buckets upto 1 year. As of June 30, 2023, the company had available liquidity in the form of cash and liquid investments of ~Rs. 12,018 crore, unutilised bank lines of ~Rs. 8,942 crore (including credit line from L&T), providing comfortable liquidity cover over the debt repayments (principal + interest) of Rs. 25,931 crore which are due over the next one year. Further, liquidity is supported by expected cash inflow of ~Rs. 41,064 crore from the advances 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.

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 a significant increase in the consolidated leverage on a sustained basis 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 Policy on withdrawal of Credit Ratings Rating Approach - Consolidation
Parent/Group support	Ultimate parent / Investor: Larsen & Toubro Ltd. The ratings continue to draw significant strength from LTFHL’s parentage, with L&T holding 66.1% equity in the company as on June 30, 2023 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. <i>Please refer to annexure 2</i>

About the company

L&T Finance Limited (LTF) was originally incorporated as Apeejay Finance Group Ltd in 1993. In December 2012, L&T Finance Holdings Limited (LTFHL) acquired 100% equity in the company, following which its name was changed to Family Credit Limited. In FY2017, as a part of LTFHL’s business restructuring, L&T Finance Limited and L&T FinCorp Limited (both entities now dissolved) were merged with Family Credit Limited and the combined entity was rechristened L&T Finance Limited. Further, L&T Housing Finance Limited, and L&T Infrastructure Finance Company Limited merged with LTF in April 2021.

In January 2023, the Board of Directors of LTFHL had approved scheme for amalgamation of its subsidiaries by way of merger of its subsidiary lending entities – LTF and LTICL with the holding company. In March 2023, the RBI approved the scheme. The scheme remains subject to various other statutory and regulatory approvals.

The company reported a net loss of Rs. 505 crore in FY2023 compared to PAT of Rs. 808 crore in FY2022 due to one-time provision of Rs. 2,450 crore on reclassification of wholesale loan asset portfolio previously measured at “Amortised cost” to “Fair value through profit & loss” as on October 1, 2022.

LTF reported a profit after tax (PAT) of Rs. 438 crore on total income of Rs. 3,191 crore for Q1 FY2024 compared with a PAT of Rs. 214 crore on total income of Rs. 2,963 crore for Q1 FY2023.

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 business finance, urban finance (housing, two-wheeler and consumer loans), farmer finance, SME and wholesale finance businesses. L&T holds a majority stake of 66.1% stake in LTFHL as on June 30, 2023.

On a consolidated basis, LTFHL reported a profit after tax (PAT) of Rs. 1,536 crore on an asset base of Rs. 1,06,362 crore for the year FY2023 as compared with a PAT of Rs. 1,049 crore on an asset base of Rs. 1,06,902 crore for FY2022. For Q1FY2024, the group reported a PAT of Rs. 531 crore. The consolidated entity’s net worth was Rs. 22,072 crore as on June 30, 2023.

In January 2023, the Board of Directors of LTFHL had approved scheme for amalgamation of its subsidiaries by way of merger of its subsidiary lending entities - L&T Finance Ltd. and L&T Infra Credit Ltd. with the holding company. In March 2023, the RBI approved the scheme. The scheme remains subject to various other statutory and regulatory approvals.

Key financial indicators

L&T Finance Limited (Rs. crore) (standalone)	FY2021	FY2022	FY2023
	Audited	Audited	Audited
Total income	12,693	11,445	12,596
Profit after tax (PAT)	1	808	(505)
Net worth	15,621	16,491	18,015
Total portfolio	83,995	81,799	76,442
Total assets	96,209	96,172	99,674
Return on total assets (PAT/ATA)	0.0%	0.8%	NM
Return on average net worth (PAT/Avg. net worth)	0.0%	5.0%	NM
Gearing (times)	5.1	4.7	4.4
Gross stage 3	5.5%	4.0%	5.0%
Net stage 3	1.7%	2.1%	1.6%
Net stage 3/Net worth	8.8%	10.2%	6.5%

Source: Company, ICRA Research; All ratios as per ICRA’s calculations

L&T Finance Holdings Limited (consolidated)	FY2021	FY2022	FY2023
	Audited	Audited	Audited
Total Income	14,080	12,324	13,302
Profit after tax (PAT)	949	1,049	1,536
Net Worth	18,773	19,948	21,528
Lending business Book	94,013	88,341	80,893
Total assets	108,972	106,902	106,362
Return on average total assets (PAT/ATA)	0.9%	1.0%	1.4%
Return on average net worth (PAT/Avg. net worth) #	5.8%	5.5%	7.8%

L&T Finance Holdings Limited (consolidated)	FY2021	FY2022	FY2023
	Audited	Audited	Audited
Consolidated gearing (times)	4.7	4.3	3.9
Gross Stage 3	5.0%	4.1%	4.7%
Net Stage 3	1.6%	2.0%	1.5%
Net Stage 3/Net worth	7.3%	8.4%	5.5%

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	Type	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years				
		Amount Rated (Rs. crore)	Amount O/s as of Jun-30-23 (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	
				Aug-8-23	Oct-21-22 Sep-12-22	Aug-19-22 Aug-8-22	Aug-24-21 Aug-09-21	Apr-26-21	
1	Non-convertible Debenture Programme	Long Term	13,907.65	5,500	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)
2	Non-convertible Debenture Programme	Long Term	1,955.5	0	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)
3	NCD (infrastructure bonds)	Long Term	327.31	0	[ICRA]AAA(Stable)	[ICRA]AAA(Stable)	[ICRA]AAA(Stable)	[ICRA]AAA(Stable)	[ICRA]AAA(Negative)
4	Commercial Paper Programme	Short Term	26,000.00	3,440	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Long-term Fund Based/Non-fund Based Bank Lines Programme	Long Term	37,300	10,698.44	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	
6	Long term - Unallocated Bank Lines Programme	Long Term	0.00	0	-	-	-	[ICRA]AAA (Stable)	
7	Long term – Fund-based Term Loan	Long Term	0.00	0	-	-	-	-	[ICRA]AAA (Negative)
8	Long-term Market Linked Debenture Programme	Long Term	1,950.00	1,423	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Negative)
9	Long-term Market Linked Debenture Programme	Long Term	50.00	0	PP-MLD[ICRA]AAA (Stable); withdrawn	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Negative)
10	Non-convertible Debenture Programme (public issuance)#	Long Term	8,730.43	1,230	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)
11	Subordinated Debt Programme	Long Term	5,150.00	2,022	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)
12	Subordinated Debt Programme	Long Term	275.00	0	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)
13	Perpetual Debt Programme	Long Term	900.00	395	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Negative)

Source: Company, ICRA Research

The rated limit is interchangeable with unsecured subordinated redeemable non-convertible debenture [public issue]; Includes public issue of secured redeemable non-convertible debenture for Rs. 5,000 crore

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
Non-convertible debenture programme (infra bonds)	Simple
Non-convertible debenture programme (public issuance)	Simple
Long-term market linked debenture programme	Moderately Complex
Subordinated debt	Simple
Perpetual debt	Moderately Complex
Bank lines programme	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 I: Instrument details (As on June 30, 2023)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE027E07BQ8	Long-term Market Linked Debenture Programme	8-Sep-21	Gsec Linked	8-Sep-23	30	PP-MLD[ICRA]AAA (Stable)
INE027E07BZ9	Long-term Market Linked Debenture Programme	27-Jul-22	Gsec Linked	27-Aug-24	204	PP-MLD[ICRA]AAA (Stable)
INE027E07BZ9	Long-term Market Linked Debenture Programme	8-Aug-22	Gsec Linked	27-Aug-24	72	PP-MLD[ICRA]AAA (Stable)
INE027E07BZ9	Long-term Market Linked Debenture Programme	19-Aug-22	Gsec Linked	27-Aug-24	119	PP-MLD[ICRA]AAA (Stable)
INE027E07CC6	Long-term Market Linked Debenture Programme	9-Nov-22	Gsec Linked	10-Nov-25	171	PP-MLD[ICRA]AAA (Stable)
INE027E07CE2	Long-term Market Linked Debenture Programme	24-Nov-22	Gsec Linked	27-Dec-24	159.5	PP-MLD[ICRA]AAA (Stable)
INE027E07CE2	Long-term Market Linked Debenture Programme	7-Dec-22	Gsec Linked	27-Dec-24	104	PP-MLD[ICRA]AAA (Stable)
INE027E07CF9	Long-term Market Linked Debenture Programme	7-Dec-22	Gsec Linked	10-Feb-26	300	PP-MLD[ICRA]AAA (Stable)
INE027E07CG7	Long-term Market Linked Debenture Programme	20-Dec-22	Gsec Linked	20-Jun-25	171	PP-MLD[ICRA]AAA (Stable)
INE027E07CI3	Long-term Market Linked Debenture Programme	6-Jan-23	Gsec Linked	21-Mar-25	72	PP-MLD[ICRA]AAA (Stable)
INE027E07CF9	Long-term Market Linked Debenture Programme	24-Jan-23	Gsec Linked	10-Feb-26	20	PP-MLD[ICRA]AAA (Stable)
INE691I07240	Non-convertible Debenture	18-Oct-11	9.70%	18-Oct-28	500	[ICRA]AAA (Stable)
INE691I07AL5	Non-convertible Debenture	19-May-15	8.84%	19-May-25	44.5	[ICRA]AAA (Stable)
INE476M07578	Non-convertible Debenture	26-May-15	8.90%	26-May-25	30	[ICRA]AAA (Stable)
INE691I07AR2	Non-convertible Debenture	26-May-15	8.85%	26-May-25	20	[ICRA]AAA (Stable)
INE476M07636	Non-convertible Debenture	5-Jun-15	8.90%	5-Jun-25	25	[ICRA]AAA (Stable)
INE691I07AX0	Non-convertible Debenture	5-Jun-15	8.84%	5-Jun-25	50	[ICRA]AAA (Stable)
INE476M07719	Non-convertible Debenture	17-Jul-15	8.95%	17-Jul-25	10	[ICRA]AAA (Stable)
INE691I07CM9	Non-convertible Debenture	8-Feb-16	8.75%	6-Feb-26	52	[ICRA]AAA (Stable)
INE476M07925	Non-convertible Debenture	20-Apr-16	8.65%	20-Apr-26	5	[ICRA]AAA (Stable)
INE476M07AD0	Non-convertible Debenture	22-Jul-16	8.70%	21-Jul-23	16	[ICRA]AAA (Stable)
INE476M07AS8	Non-convertible Debenture	25-Oct-16	7.90%	23-Oct-26	10	[ICRA]AAA (Stable)
INE691I07DW6	Non-convertible Debenture	16-Nov-16	7.95%	16-Nov-26	47	[ICRA]AAA (Stable)
INE691I07DZ9	Non-convertible Debenture	29-Jun-17	7.59%	18-Nov-24	667	[ICRA]AAA (Stable)
INE027E07774	Non-convertible Debenture	4-Jan-19	9.00%	4-Jan-24	800	[ICRA]AAA (Stable)
INE476M07BS6	Non-convertible Debenture	11-Jan-19	8.90%	11-Jan-24	27	[ICRA]AAA (Stable)
INE027E07AP2	Non-convertible Debenture	28-May-19	8.80%	28-May-26	850	[ICRA]AAA (Stable)
INE027E07AQ0	Non-convertible Debenture	31-Jul-19	8.55%	31-Jul-26	15	[ICRA]AAA (Stable)
INE027E07790	Non-convertible Debenture	3-Dec-21	9.00%	9-Feb-24	50	[ICRA]AAA (Stable)
INE027E07BV8	Non-convertible Debenture	1-Feb-22	6.45%	26-Sep-25	565	[ICRA]AAA (Stable)
INE027E07BW6	Non-convertible Debenture	1-Jul-22	7.55%	1-Jul-24	175	[ICRA]AAA (Stable)
INE027E07CB8	Non-convertible Debenture	19-Oct-22	7.95%	31-Oct-25	500	[ICRA]AAA (Stable)
INE027E07CD4	Non-convertible Debenture	17-Nov-22	7.88%	11-Mar-25	65	[ICRA]AAA (Stable)
INE027E07CK9	Non-convertible Debenture	14-Feb-23	8.05%	14-Feb-33	275	[ICRA]AAA (Stable)
INE027E07CL7	Non-convertible Debenture	1-Mar-23	8.15%	1-Mar-28	200	[ICRA]AAA (Stable)
INE027E07CL7	Non-convertible Debenture	1-Mar-23	8.15%	1-Mar-28	142.5	[ICRA]AAA (Stable)
INE027E07CM5	Non-convertible Debenture	31-Mar-23	8.33%	30-Mar-26	150	[ICRA]AAA (Stable)
INE027E07CL7	Non-convertible Debenture	31-Mar-23	8.15%	1-Mar-28	280	[ICRA]AAA (Stable)
INE027E07923	Non-convertible Debenture (public issuance)	13-Mar-19	9.10%	13-Mar-24	30.32	[ICRA]AAA (Stable)
INE027E07931	Non-convertible Debenture (public issuance)	13-Mar-19	9.25%	13-Mar-24	235.62	[ICRA]AAA (Stable)
INE027E07949	Non-convertible Debenture (public issuance)	13-Mar-19	8.75%	13-Mar-24	1.76	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE027E07956	Non-convertible Debenture (public issuance)	13-Mar-19	8.89%	13-Mar-24	60.07	[ICRA]AAA (Stable)
INE027E07964	Non-convertible Debenture (public issuance)	13-Mar-19	9.20%	13-Mar-29	8.01	[ICRA]AAA (Stable)
INE027E07972	Non-convertible Debenture (public issuance)	13-Mar-19	9.35%	13-Mar-29	110.92	[ICRA]AAA (Stable)
INE027E07980	Non-convertible Debenture (public issuance)	13-Mar-19	8.84%	13-Mar-29	0.7	[ICRA]AAA (Stable)
INE027E07998	Non-convertible Debenture (public issuance)	13-Mar-19	8.98%	13-Mar-29	101.75	[ICRA]AAA (Stable)
INE027E07AE6	Non-convertible Debenture (public issuance)	15-Apr-19	8.80%	15-Apr-24	72.85	[ICRA]AAA (Stable)
INE027E07AF3	Non-convertible Debenture (public issuance)	15-Apr-19	9.00%	15-Apr-24	185.97	[ICRA]AAA (Stable)
INE027E07AG1	Non-convertible Debenture (public issuance)	15-Apr-19	8.48%	15-Apr-24	1.55	[ICRA]AAA (Stable)
INE027E07AH9	Non-convertible Debenture (public issuance)	15-Apr-19	8.66%	15-Apr-24	21.9	[ICRA]AAA (Stable)
INE027E07A17	Non-convertible Debenture (public issuance)	15-Apr-19	8.81%	15-Apr-24	0.23	[ICRA]AAA (Stable)
INE027E07AJ5	Non-convertible Debenture (public issuance)	15-Apr-19	9.01%	15-Apr-24	18.34	[ICRA]AAA (Stable)
INE027E07AK3	Non-convertible Debenture (public issuance)	15-Apr-19	8.85%	15-Apr-27	10.52	[ICRA]AAA (Stable)
INE027E07AL1	Non-convertible Debenture (public issuance)	15-Apr-19	9.05%	15-Apr-27	351.99	[ICRA]AAA (Stable)
INE027E07AM9	Non-convertible Debenture (public issuance)	15-Apr-19	8.52%	15-Apr-27	0.45	[ICRA]AAA (Stable)
INE027E07AN7	Non-convertible Debenture (public issuance)	15-Apr-19	8.70%	15-Apr-27	17.48	[ICRA]AAA (Stable)
INE691I08255	Perpetual Debt	29-Jan-14	10.35%	29-Jan-24	50	[ICRA]AA+ (Stable)
INE691I08404	Perpetual Debt	27-Aug-15	9.90%	27-Aug-25	150	[ICRA]AA+ (Stable)
INE691I08420	Perpetual Debt	18-Mar-16	9.50%	18-Mar-26	50	[ICRA]AA+ (Stable)
INE027E08079	Perpetual Debt	30-Mar-16	10.10%	30-Mar-26	50	[ICRA]AA+ (Stable)
INE476M08055	Perpetual Debt	30-Mar-16	9.90%	30-Mar-26	50	[ICRA]AA+ (Stable)
INE691I08438	Perpetual Debt	30-Mar-16	9.50%	30-Mar-26	30	[ICRA]AA+ (Stable)
INE476M08063	Perpetual Debt	3-Jun-16	9.60%	3-Jun-26	15	[ICRA]AA+ (Stable)
INE691I08263	Subordinated Debt	30-Jan-14	9.73%	31-Jan-24	5	[ICRA]AAA (Stable)
INE691I08263	Subordinated Debt	31-Jan-14	9.73%	31-Jan-24	20	[ICRA]AAA (Stable)
INE691I08271	Subordinated Debt	8-Feb-14	9.73%	9-Feb-24	5	[ICRA]AAA (Stable)
INE691I08271	Subordinated Debt	10-Feb-14	9.73%	9-Feb-24	15	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	12-Feb-14	9.73%	16-Feb-24	2	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	13-Feb-14	9.73%	16-Feb-24	11	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	14-Feb-14	9.73%	16-Feb-24	2	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	18-Feb-14	9.73%	16-Feb-24	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	28-Feb-14	9.73%	14-Mar-24	0.3	[ICRA]AAA (Stable)
INE691I08305	Subordinated Debt	4-Mar-14	9.73%	4-Mar-24	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	6-Mar-14	9.73%	14-Mar-24	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	7-Mar-14	9.73%	14-Mar-24	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	10-Mar-14	9.73%	14-Mar-24	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	11-Mar-14	9.73%	14-Mar-24	3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	12-Mar-14	9.73%	14-Mar-24	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	14-Mar-14	9.73%	14-Mar-24	20.8	[ICRA]AAA (Stable)
INE523E08NI6	Subordinated Debt	27-Mar-14	10.35%	27-Mar-24	50	[ICRA]AAA (Stable)
INE027E08020	Subordinated Debt	27-Mar-14	10.90%	27-Mar-24	50	[ICRA]AAA (Stable)
INE759E08028	Subordinated Debt	30-Mar-14	9.95%	28-Mar-25	50	[ICRA]AAA (Stable)
INE027E08038	Subordinated Debt	30-Jun-14	10.40%	28-Jun-24	40	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE691I08313	Subordinated Debt	13-Nov-14	9.10%	13-Nov-24	100	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	15-Jan-15	8.75%	17-Jan-25	13.1	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	16-Jan-15	8.75%	17-Jan-25	20	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	19-Jan-15	8.75%	17-Jan-25	91.9	[ICRA]AAA (Stable)
INE476M08014	Subordinated Debt	29-Jan-15	9.35%	29-Jan-25	100	[ICRA]AAA (Stable)
INE691I08339	Subordinated Debt	18-Feb-15	8.75%	18-Feb-25	225	[ICRA]AAA (Stable)
INE691I08347	Subordinated Debt	16-Apr-15	8.90%	17-Apr-25	44	[ICRA]AAA (Stable)
INE691I08347	Subordinated Debt	17-Apr-15	8.90%	17-Apr-25	56	[ICRA]AAA (Stable)
INE691I08354	Subordinated Debt	21-Apr-15	8.90%	21-Apr-25	79.5	[ICRA]AAA (Stable)
INE691I08362	Subordinated Debt	22-Apr-15	8.90%	22-Apr-25	45	[ICRA]AAA (Stable)
INE691I08370	Subordinated Debt	29-Apr-15	8.90%	29-Apr-25	75	[ICRA]AAA (Stable)
INE691I08388	Subordinated Debt	15-May-15	8.90%	15-May-25	43	[ICRA]AAA (Stable)
INE691I08396	Subordinated Debt	3-Jun-15	8.87%	3-Jun-25	60	[ICRA]AAA (Stable)
INE476M08030	Subordinated Debt	14-Jul-15	9.32%	14-Jul-25	14	[ICRA]AAA (Stable)
INE476M08048	Subordinated Debt	24-Jul-15	9.30%	24-Jul-25	50	[ICRA]AAA (Stable)
INE759E08036	Subordinated Debt	9-Sep-15	9.25%	9-Sep-25	100	[ICRA]AAA (Stable)
INE691I08412	Subordinated Debt	15-Sep-15	8.90%	15-Sep-25	20	[ICRA]AAA (Stable)
INE027E08046	Subordinated Debt	30-Jan-16	9.35%	29-Jan-26	32	[ICRA]AAA (Stable)
INE027E08053	Subordinated Debt	9-Feb-16	9.35%	9-Feb-26	18	[ICRA]AAA (Stable)
INE027E08061	Subordinated Debt	4-Mar-16	9.48%	4-Mar-26	50	[ICRA]AAA (Stable)
INE759E08044	Subordinated Debt	23-Mar-16	9.30%	23-Mar-26	100	[ICRA]AAA (Stable)
INE691I08446	Subordinated Debt	21-Jul-16	8.78%	21-Jul-26	80	[ICRA]AAA (Stable)
INE691I08453	Subordinated Debt	9-Aug-16	8.65%	8-Aug-31	25	[ICRA]AAA (Stable)
INE691I08461	Subordinated Debt	12-Aug-16	8.63%	12-Aug-31	25	[ICRA]AAA (Stable)
INE691I08479	Subordinated Debt	7-Sep-16	8.55%	5-Sep-31	20	[ICRA]AAA (Stable)
INE691I08487	Subordinated Debt	4-Jan-17	8.05%	4-Jan-27	125	[ICRA]AAA (Stable)
INE691I08495	Subordinated Debt	30-Jan-17	8.05%	29-Jan-27	15	[ICRA]AAA (Stable)
INE691I08511	Subordinated Debt	14-Jul-17	7.80%	13-Jul-29	60	[ICRA]AAA (Stable)
INE691I08529	Subordinated Debt	31-Oct-18	9.10%	31-Oct-28	45	[ICRA]AAA (Stable)
INE027E14NE5	Commercial Paper	8-Jul-22	-	5-Jul-23	50	[ICRA]A1+
INE027E14NF2	Commercial Paper	15-Jul-22	-	14-Jul-23	75	[ICRA]A1+
INE027E14NV9	Commercial Paper	29-Nov-22	-	28-Nov-23	75	[ICRA]A1+
INE027E14NV9	Commercial Paper	29-Nov-22	-	28-Nov-23	50	[ICRA]A1+
INE027E14NW7	Commercial Paper	1-Dec-22	-	30-Nov-23	50	[ICRA]A1+
INE027E14NY3	Commercial Paper	5-Dec-22	-	4-Dec-23	25	[ICRA]A1+
INE027E14NY3	Commercial Paper	6-Dec-22	-	4-Dec-23	150	[ICRA]A1+
INE027E14NZ0	Commercial Paper	20-Dec-22	-	19-Dec-23	255	[ICRA]A1+
INE027E14NZ0	Commercial Paper	22-Dec-22	-	19-Dec-23	25	[ICRA]A1+
INE027E14NZ0	Commercial Paper	29-Dec-22	-	19-Dec-23	25	[ICRA]A1+
INE027E14NZ0	Commercial Paper	30-Dec-22	-	19-Dec-23	425	[ICRA]A1+
INE027E14OD5	Commercial Paper	14-Mar-23	-	12-Mar-24	250	[ICRA]A1+
INE027E14OE3	Commercial Paper	17-Mar-23	-	14-Mar-24	200	[ICRA]A1+
INE027E14OF0	Commercial Paper	20-Mar-23	-	18-Mar-24	150	[ICRA]A1+
INE027E14OH6	Commercial Paper	25-Apr-23	-	23-Apr-24	155	[ICRA]A1+
INE027E14OI4	Commercial Paper	4-May-23	-	2-May-24	50	[ICRA]A1+
INE027E14OJ2	Commercial Paper	1-Jun-23	-	30-May-24	300	[ICRA]A1+
INE027E14OL8	Commercial Paper	9-Jun-23	-	7-Jun-24	50	[ICRA]A1+
INE027E14OM6	Commercial Paper	15-Jun-23	-	7-Aug-23	1000	[ICRA]A1+
INE027E14ON4	Commercial Paper	19-Jun-23	-	14-Jun-24	50	[ICRA]A1+
INE027E14OL8	Commercial Paper	21-Jun-23	-	7-Jun-24	30	[ICRA]A1+
NA	Commercial Paper^	NA	NA	NA	22,560	[ICRA]A1+
NA	Non-convertible Debenture^	NA	NA	NA	8,336.65	[ICRA]AAA (Stable)
NA	Long-term Market Linked Debenture Programme^	NA	NA	NA	527.5	PP-MLD[ICRA]AAA (Stable)
NA	Non convertible Debenture (infra bonds)^	NA	NA	NA	327.31	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Perpetual Debt [^]	NA	NA	NA	505	[ICRA]AA+ (Stable)
NA	Subordinated Debt [^]	NA	NA	NA	3,128.50	[ICRA]AAA (Stable)
NA	Non-convertible Debenture (public issuance) [^]	NA	NA	NA	7,500	[ICRA]AAA (Stable)
NA	Long-term Fund Based/Non-fund Based Bank Lines Programme	2018	NA	2026	10,698.44	[ICRA]AAA (Stable)
NA	Long-term Fund Based/Non-fund Based Bank Lines Programme [^]	NA	NA	NA	26,601.56	[ICRA]AAA (Stable)
INE027E07BR6	Long-term Market Linked Debenture Programme	15-Sep-21	G-SEC Linked	15-Mar-23	50	PP-MLD[ICRA]AAA (Stable); withdrawn
INE691I07BS8	Non-convertible Debenture	7-Aug-15	8.82%	5-Aug-22	10	[ICRA]AAA (Stable); withdrawn
INE027E07543	Non-convertible Debenture	8-Aug-17	7.71%	8-Aug-22	465	[ICRA]AAA (Stable); withdrawn
INE691I07EC6	Non-convertible Debenture	25-Jul-17	7.80%	16-Aug-22	205	[ICRA]AAA (Stable); withdrawn
INE691I07ED4	Non-convertible Debenture	30-Aug-17	7.65%	30-Aug-22	50	[ICRA]AAA (Stable); withdrawn
INE476M07BI7	Non-convertible Debenture	29-Sep-17	7.65%	29-Sep-22	200	[ICRA]AAA (Stable); withdrawn
INE027E07550	Non-convertible Debenture	6-Oct-17	7.70%	6-Oct-22	310	[ICRA]AAA (Stable); withdrawn
INE476M07800	Non-convertible Debenture	20-Oct-15	8.65%	20-Oct-22	32.5	[ICRA]AAA (Stable); withdrawn
INE691I07CH9	Non-convertible Debenture	13-Nov-15	8.60%	11-Nov-22	18	[ICRA]AAA (Stable); withdrawn
INE027E07618	Non-convertible Debenture	12-Dec-17	7.95%	12-Dec-22	85	[ICRA]AAA (Stable); withdrawn
INE691I07356	Non-convertible Debenture	11-Jan-13	9.00%	11-Jan-23	450	[ICRA]AAA (Stable); withdrawn
INE691I07CN7	Non-convertible Debenture	16-Mar-16	8.80%	16-Mar-23	10	[ICRA]AAA (Stable); withdrawn
INE691I07398	Non-convertible Debenture	29-May-13	8.35%	29-May-23	110	[ICRA]AAA (Stable); withdrawn
INE476M07AA6	Non-convertible Debenture	1-Jul-16	8.75%	30-Jun-23	10	[ICRA]AAA (Stable); withdrawn
INE523E08NH8	Subordinated Debt	21-Dec-12	9.80%	21-Dec-22	275	[ICRA]AAA (Stable); withdrawn

Source: Company; [^]Yet to be placed/unutilised

[Please click here to view details of lender-wise facilities rated by ICRA.](#)

Annexure II: 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	Subsidiary	Full
L&T Infra Investment Partners Advisory Private Limited	Subsidiary	Full
L&T Infra Investment Partners Trustee Private Limited	Subsidiary	Full
L&T Infra Investment Partners	Subsidiary	Full
L&T Mutual Fund Trustee Limited	Subsidiary	Full
L&T Financial Consultants Limited	Subsidiary	Full
Mudit Cement Private Limited	Subsidiary	Full

*Source: Financial Results Q1FY24; *For LTFHL*

Corrigendum

Updated the link for “Rating Approach-Consolidation” in the analytical approach section on page 4 on the document dated August 8, 2023.

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

Manushree Saggur

+91 124 4545 316

manushrees@icraindia.com

Sandeep Sharma

+91 22 6114 3419

sandeep.sharma@icraindia.com

Rajat Kher

+91 124 4545 833

rajat.kher@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91-11-23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.