

December 13, 2023

L&T Infra Credit Limited (erstwhile L&T Infra Debt Fund Limited): Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. Crore)	Rating Action
Long term – Fund based/non-fund based	5,000	0	[ICRA]AAA (Stable); withdrawn
Long-term market linked debenture programme	1,500	0	PP-MLD[ICRA]AAA (Stable); withdrawn
Commercial paper	2,000	0	[ICRA]A1+; withdrawn
Non-convertible debenture programme	5,228	0	[ICRA]AAA (Stable); withdrawn
Total	13,728	0	

*Instrument details are provided in Annexure I; Withdrawal at request of company, to be transferred to L&T Finance Holdings Limited
For commercial paper, withdrawal at request of company; no amount outstanding against rated amounts

Rationale

In January 2023, the respective Board of Directors of L&T Finance Holdings Limited (LTFH), L&T Finance Limited (LTF), L&T Infra Credit Limited (LTICL) and L&T Mutual Fund Trustee Limited (LTMFTL) approved scheme for amalgamation of its subsidiaries by way of merger of LTF, LTICL and LTMFTL with LTFH. The scheme of amalgamation has been approved by requisite NCLT branches and the scheme of amalgamation by way of merger by absorption of LTF, LTICL and LTMFTL with LTFH is effective from December 4, 2023.

As part of the scheme of amalgamation, LTICL has been merged with LTFH and the debt instruments of LTICL have been transferred to LTFH and in line with ICRA's Policy on Withdrawal of Credit Ratings, the ratings assigned for various debt programmes of LTICL stand withdrawn.

The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

On August 18, 2021, L&T Infra Debt Fund Limited (LTIDF) was renamed L&T Infra Credit Limited (LTICL). LTICL is a part of the L&T Finance Holdings Limited (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. LTICL was an infrastructure debt fund (IDF) under the non-banking financial company structure. It was set up in March 2013 and was operating after the receipt of the Certificate of Incorporation from the Reserve Bank of India (RBI) in October 2013. Following the RBI's advice in May 2021, the company had applied for a change in its NBFC registration to NBFC-investment and credit company (NBFC-ICC) from IDF-NBFC. On June 27, 2022, the RBI approved and issued a fresh Certificate of Registration to LTICL (erstwhile LTIDF) on its conversion to an NBFC-ICC from an NBFC-IDF. L&T Finance Limited held a 76.64% equity stake

in the company, with LTFHL, its parent company, holding the balance 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 – 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. On December 04, 2023, LTFH announced the successful completion of the merger of its subsidiaries, LTF, LTICL and LTMFTL with itself.

The company reported a net loss of Rs. 147 crore in FY2023 compared to PAT of Rs. 4 crore in FY2022 due to one-time provision of Rs. 237 crore on reclassification of wholesale loan asset portfolio previously measured at “Amortised cost” to “Fair value through profit & loss” as on October 1, 2022.

LTICL reported a profit after tax (PAT) of Rs. 62 crore on total income of Rs. 300 crore in H1 FY2024 compared with a net loss of Rs. 9 crore on total income of Rs. 331 crore for H1 FY2023.

L&T Finance Holdings Limited

L&T Finance Holdings Limited (LTFH) 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 with the RBI.

LTFH is subsidiary of L&T and is listed under the National Stock Exchange and Bombay Stock Exchange. On December 04, 2023, LTFH has announced the successful completion of the merger with its subsidiaries LTF, LTICL and LTMFTL. The merger will lead to creation of a simplified ‘Single Lending Entity’; thus, housing all lending businesses under one operating NBFC. The Company would comply with the guidelines as applicable to NBFC-ICCs effective from December 4, 2023 and requisite applications are being filed for the necessary registrations.

LTFH 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 66.0% stake in LTFH as on September 30, 2023.

On a consolidated basis, LTFH 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 H1FY2024, the LTFH reported a PAT of Rs. 1,125 crore. The consolidated entity’s net worth was Rs. 22,185 crore as on September 30, 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)					Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount O/s as of Nov-30-23 (Rs. crore)*	Date & Rating in FY 2024		Date & Rating in FY 2023		Date & Rating in FY2022	Date & Rating in FY2021
					Dec-13-23	Aug-8-23	Aug-19-22	Aug-8-22	Sep-30-21 May-27-21 Apr-26-21	Sep-30-20
1	Long term – Fund based/non-fund based	Long term	5,000	50.00	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)			
2	Long-term market linked debenture programme	Long term	1,500	300.00	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 (stable)	PP-MLD[ICRA]AAA (stable)
3	Non-convertible debenture programme	Long term	5,228	2,809.95	[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	2,000	0	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Source: Company, ICRA Research; * to be transferred to L&T Finance Holdings Limited

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
Long-term market linked debenture programme	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 November 30, 2023)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE235P07860	Non-convertible Debentures	19-Jun-18	9.30%	18-Aug-23	308	[ICRA]AAA(stable); withdrawn
INE235P07878	Non-convertible Debentures	26-Jun-18	9.30%	25-Aug-23	232.2	[ICRA]AAA(stable); withdrawn
INE235P07530	Non-convertible Debentures	13-Oct-16	8.25%	13-Oct-23	75	[ICRA]AAA(stable); withdrawn
INE235P07605	Non-convertible Debentures	15-Dec-16	8.05%	15-Dec-23	25	[ICRA]AAA(stable); withdrawn
INE235P07936	Non-convertible Debentures	1-Feb-19	9.15%	11-Mar-24	25	[ICRA]AAA(stable); withdrawn
INE235P07688	Non-convertible Debentures	4-May-17	8.08%	3-May-24	125	[ICRA]AAA(stable); withdrawn
INE235P07704	Non-convertible Debentures	16-May-17	8.08%	16-May-24	40	[ICRA]AAA(stable); withdrawn
INE235P07720	Non-convertible Debentures	31-May-17	8.07%	31-May-24	35	[ICRA]AAA(stable); withdrawn
INE235P07753	Non-convertible Debentures	8-Jun-17	8.08%	10-Jun-24	100	[ICRA]AAA(stable); withdrawn
INE235P07779	Non-convertible Debentures	14-Jun-17	8.07%	14-Jun-24	25	[ICRA]AAA(stable); withdrawn
INE235P07795	Non-convertible Debentures	16-Jun-17	8.07%	14-Jun-24	50	[ICRA]AAA(stable); withdrawn
INE235P07886	Non-convertible Debentures	26-Jun-18	9.30%	26-Jun-24	247.7	[ICRA]AAA(stable); withdrawn
INE235P07894	Non-convertible Debentures	6-Jul-18	9.30%	5-Jul-24	160	[ICRA]AAA(stable); withdrawn
INE235P07902	Non-convertible Debentures	23-Jul-18	9.05%	23-Jul-25	15	[ICRA]AAA(stable); withdrawn
INE235P07134	Non-convertible Debentures	7-Jan-16	8.63%	7-Jan-26	153	[ICRA]AAA(stable); withdrawn
INE235P07183	Non-convertible Debentures	23-Feb-16	8.73%	23-Feb-26	135	[ICRA]AAA(stable); withdrawn
INE235P07241	Non-convertible Debentures	22-Mar-16	8.75%	20-Mar-26	90	[ICRA]AAA(stable); withdrawn
INE235P07274	Non-convertible Debentures	29-Mar-16	8.72%	27-Mar-26	300	[ICRA]AAA(stable); withdrawn
INE235P07316	Non-convertible Debentures	6-May-16	8.67%	6-May-26	20	[ICRA]AAA(stable); withdrawn
INE235P07399	Non-convertible Debentures	10-Jun-16	8.75%	10-Jun-26	10	[ICRA]AAA(stable); withdrawn
INE235P07431	Non-convertible Debentures	17-Jun-16	8.80%	17-Jun-26	50	[ICRA]AAA(stable); withdrawn
INE235P07456	Non-convertible Debentures	23-Jun-16	8.80%	23-Jun-26	105	[ICRA]AAA(stable); withdrawn
INE235P07506	Non-convertible Debentures	3-Oct-16	8.43%	1-Oct-26	102.25	[ICRA]AAA(stable); withdrawn
INE235P07548	Non-convertible Debentures	13-Oct-16	8.30%	13-Oct-26	75	[ICRA]AAA(stable); withdrawn
INE235P07571	Non-convertible Debentures	15-Nov-16	8.15%	13-Nov-26	25	[ICRA]AAA(stable); withdrawn
INE235P07951	Non-convertible Debentures	24-Sep-19	8.42%	24-Sep-29	700	[ICRA]AAA(stable); withdrawn
INE235P07969	Non-convertible Debentures	25-Oct-19	8.80%	25-Oct-29	12	[ICRA]AAA(stable); withdrawn
INE235P07142	Non-convertible Debentures	7-Jan-16	8.63%	7-Jan-31	15	[ICRA]AAA(stable); withdrawn

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE235P07191	Non-convertible Debentures	23-Feb-16	8.73%	21-Feb-31	5	[ICRA]AAA(stable); withdrawn
INE235P07514	Non-convertible Debentures	3-Oct-16	8.43%	3-Oct-31	25	[ICRA]AAA(stable); withdrawn
INE235P07738	Non-convertible Debentures	31-May-17	8.20%	31-May-32	105	[ICRA]AAA(stable); withdrawn
INE235P07944	Non-convertible Debentures	20-Feb-19	9.22%	20-Feb-34	20	[ICRA]AAA(stable); withdrawn
INE235P07159	Non-convertible Debentures	7-Jan-16	8.63%	7-Jan-36	10	[ICRA]AAA(stable); withdrawn
INE235P07209	Non-convertible Debentures	23-Feb-16	8.73%	22-Feb-36	5	[ICRA]AAA(stable); withdrawn
INE235P07985	Long-term Market Linked Debenture	31-Jan-20	G-SEC Linked	28-Feb-25	50	PP-MLD[ICRA]AAA (Stable); withdrawn
INE235P07993	Long-term Market Linked Debenture	25-Feb-20	G-SEC Linked	25-Mar-25	250	PP-MLD[ICRA]AAA (Stable); withdrawn
INE235P07910	Long-term Market Linked Debenture	18-Sep-18	G-SEC Linked	18-Oct-23	50	PP-MLD[ICRA]AAA (Stable); withdrawn
INE235P07928	Long-term Market Linked Debenture	21-Sep-18	G-SEC Linked	21-Nov-23	35	PP-MLD[ICRA]AAA (Stable); withdrawn
NA	Non-convertible Debentures^	NA	NA	NA	1,802.85	[ICRA]AAA(stable); withdrawn
NA	Long-term Market Linked Debenture^	NA	NA	NA	1,115	PP-MLD[ICRA]AAA (Stable); withdrawn
NA	Commercial Paper^	NA	NA	7-365 days	2,000	[ICRA]A1+; withdrawn
NA	Long-term Fund Based/Non-fund	2023	NA	2026	50	[ICRA]AAA (Stable); withdrawn
NA	Long-term Fund Based/Non-fund^	NA	NA	NA	4,950	[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

*Ceased to exist from date December 04, 2023

Source: Financial Results; *For LTFHL

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