

August 19, 2022<sup>(Revised)</sup>

## L&T Finance Limited: PP-MLD [ICRA]AAA (Stable) assigned

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term market linked debenture programme	-	1,500.00	PP-MLD[ICRA]AAA (Stable); assigned
Non-convertible debenture programme	15,863.15	15,863.15	[ICRA]AAA (Stable); outstanding
Non-convertible debenture programme (infra bonds)	327.31	327.31	[ICRA]AAA (Stable); outstanding
Non-convertible debenture programme (Public Issuance) <sup>#</sup>	3,730.43	3,730.43	[ICRA]AAA (Stable); outstanding
Subordinated debt	5,425.00	5,425.00	[ICRA]AAA (Stable); outstanding
Long-term market linked debenture programme	500.00	500.00	PP-MLD[ICRA]AAA (Stable); outstanding
Perpetual debt	900.00	900.00	[ICRA]AA+ (Stable); outstanding
Long term – Fund based/non-fund based	37,300.00	37,300.00	[ICRA]AAA (Stable); outstanding
Commercial paper	26,000.00	26,000.00	[ICRA]A1+; outstanding
<b>Total</b>	<b>90,045.89</b>	<b>91,545.89</b>	

\*Instrument details are provided in Annexure I

<sup>#</sup> The rated limit is interchangeable with unsecured subordinated redeemable non-convertible debenture [public issue]

### Rationale

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 (including L&T Finance Limited; LTF) operate in the rural, housing and wholesale finance and asset management businesses. While arriving at the ratings for LTF, ICRA has considered the consolidated performance of LTFHL and its finance subsidiaries (collectively referred to as the LTFHL Group), given the strong operational and financial synergies between the companies.

The ratings for the LTFHL Group continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA(Stable)/[ICRA]A1+) holding an equity stake of 66.2% in the company as on June 30, 2022, and the expectation that L&T will keep providing capital, liquidity support and management oversight, going forward. L&T has previously demonstrated support to the Group in the form of capital infusion, with the latest being a capital infusion of ~Rs. 1,900 crore (out of the total rights issue of Rs. 3,000 crore) in FY2021.

The ratings also factor in the Group's adequate capitalisation profile, comfortable liquidity profile supported by the diversified borrowing mix and good financial flexibility owing to the parentage. The ratings also favourably factor in the improved granularity of the Group's loan book with the increased share of retail loans in the portfolio mix (54% as on June 30, 2022 compared with 43% as on March 31, 2021), driven by its long-term strategy of increasing the overall retail share to more than 80% by FY2026.

ICRA also notes the improvement in the Group's asset quality indicators, with reported gross stage 3 (GS3; consolidated) of 4.08% as on June 30, 2022 compared with 6.67% as on June 30, 2021, owing to improved collections across assets classes and some reduction on account of the sale of delinquent accounts to asset reconstruction companies (ARCs). Further, the Group

had an overall standard restructured book of Rs. 2,019 crore as on June 30, 2022. As it maintains management overlay provisions of ~Rs. 1,450 crore, the incremental impact on the profitability may be limited even if there are significant slippages from the restructured loan book.

The strengths are partially offset by the Group's moderate profitability, its presence in relatively riskier lending segments and the portfolio vulnerability arising out of the wholesale book especially real estate lending. ICRA, however, notes that the group plans to rundown the real estate book gradually over the medium term and infrastructure financing would also be done on a selective basis using an asset-light model. While ICRA does not expect significant asset quality challenges from the infrastructure portfolio given that the focus is on sectors such as renewable, roads and transmission, ~80% of the portfolio is operational and there have been limited slippages in the book originated since 2012. There could be some credit costs from the real estate portfolio.

Nevertheless, the Group has good pre-provision profitability (~4% in FY2022) on a consolidated basis and can thus make additional provisions, if required. Incrementally, the company's ability to manage the asset quality in the retail segments, especially the relatively higher yielding unsecured product segments, would be a key monitorable. Also, continued support from L&T, sustained financial performance and the ability to reduce portfolio vulnerability remain key rating monitorable.

## Key rating drivers and their description

### Credit strengths

**Strong parentage and strategic importance to L&T Group** - L&T (rated [ICRA]AAA (Stable), which holds a majority stake in LTFHL, considers LTFHL as a critical and integral part of the 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 (latest equity capital infusion of ~Rs. 1,900 crore in FY2021; Rs. 2,000 crore infused in FY2018), management and technical support, and the presence of liquidity lines, strengthen the LTFHL Group's credit profile.

While the change in the LTFHL group's long-term strategy towards retail segments could lead to a reduction in the operational synergies between LTFHL and L&T, ICRA believes that L&T will continue to maintain linkages, management oversight and control, and majority shareholding on an ongoing basis. Also, the LTFHL Group's access to other L&T Group companies could provide support in stress resolution, especially in the real estate portfolio. Thus, LTFHL's ratings continue to draw strength from L&T and any change in the ratings 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 the consolidated level, LTFHL's lending book moderated to Rs. 88,078 crore as on June 30, 2022 from Rs. 88,341 crore as on March 31, 2022 (Rs. 94,013 crore as on March 31, 2021) with the decline largely being on account of the rundown of the wholesale book while retail loans continued to grow. As on June 30, 2022, 54% of LTFHL's portfolio comprised loans to the retail segments {rural business loans (16%), farm equipment (13%), two-wheeler (9%), home loans/loan against property (LAP; 13%) and consumer loans (3%)} while the balance (46%) comprised loans to the wholesale segments {real estate finance (11%), infrastructure finance (34%) and defocused book (1%)}. Going forward, the retail book is expected to grow at a higher pace while wholesale loans would continue to degrow.

L&T Finance Limited (LTF) added some new allied products to the existing product suite of the retail segment and it launched the new small and medium-sized enterprise (SME) finance business in FY022. With the 'Lakshya 2026' strategic plan, LTF targets to increase the proportion of retail assets to 80% in the medium to long term, which is currently at 54% (June 30, 2022). Also, the retail portfolio reported the highest-ever quarterly disbursement and increased by 19% year-on-year (YoY) to Rs. 47,794 crore as on June 30, 2022. Within the retail segment, the consumer loan product, which was started in Q3 FY2020, stood at Rs. 3,027 crore as on June 30, 2022 (Rs. 780 crore as on June 30, 2021), mainly driven by the extensive use of digitalisation.

**Comfortable capitalisation levels with demonstrated financial support from parent** – At the consolidated level, LTFHL's capitalisation remains adequately supported by its track record of raising funds and good internal capital generation. The muted business growth in FY2022 and the equity capital raise of Rs. 3,000 crore through the rights issue in Q4 FY2021 resulted

in an improvement in the gearing to 4.3 times as on March 31, 2022 and further to 4.1 times as June 30, 2022 (4.7 times as on March 31, 2021). The consolidated capital-to-risk weighted assets ratio (CRAR) remained stable at 23.12% (Tier 1: 19.98%) on June 30, 2022.

ICRA believes that prudent capitalisation is one the key mitigants for absorbing any asset quality related shocks and expects that the company would maintain a prudent capitalisation profile, going forward. Nonetheless, given the strong parentage and its demonstrated ability to raise capital from market, LTFHL's capitalisation profile is expected to remain adequate. ICRA expects support from L&T to 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 Group's funding profile is fairly diversified with a mix of non-convertible debentures, bank borrowings, and commercial paper. As on June 30, 2022, the overall market borrowings stood at ~53% of the total borrowings with bank borrowings accounting for the balance. At the same time, the proportion of commercial papers in the overall funding mix remained low at 8% as on June 30, 2022. ICRA takes comfort from the company's liquidity buffers, cash flow from its short-term assets and its policy of maintaining adequate unutilised bank facilities as liquidity backup. The liquidity profile is also supported by the good financial flexibility of the Group and the Rs. 1,800-crore revolving line of credit from L&T as a standby liquidity arrangement.

### Credit challenges

**Moderate, albeit improving, asset quality indicators** – The Group's asset quality indicators improved further in FY2022 with the consolidated gross and net stage 3 at 4.1% and 1.9%, respectively, as on June 30, 2022 compared with 6.7% and 2.3%, respectively, as on June 30, 2021. This was on account of controlled slippages, recoveries and write-offs in the retail segments and the improvement in the asset quality indicators in the infrastructure financing business. Furthermore, LTF had a one-time restructured (OTR) book of Rs. 2,019 crore outstanding as on June 30, 2022. From a credit cost perspective, the investment in security receipts (Rs. 4,886 crore as on March 31, 2022) could have some bearing on the earnings profile owing to incremental provisioning requirements, as and when required.

ICRA notes that the Group has maintained additional/macro-prudential provisions (over and above expected credit loss (ECL) on GS3 and standard assets provisions) of Rs. 1,450 crore as on June 30, 2022 for unanticipated future event risks. Given that some of the business segments are currently under moratorium, these provisions are expected to mitigate the impact on the profitability, going forward, to some extent. Overall, the profitability remained moderate in FY2021 and FY2022 on account of the high credit costs incurred over the past two years. Under its 'Lakshya 2026' strategy, LTF plans to make extensive use of digitisation in all the functional areas of sourcing, underwriting, disbursement, and collections. As per LTF's management, the focus on digitisation will help in the better servicing of customers and maintaining good credit quality. Overall, the Group's ability to grow the business volumes profitably while improving the asset quality would have a bearing on its overall financial profile and would be a key monitorable.

**Presence in relatively riskier lending segments, though share of wholesale exposures is declining gradually** – The overall portfolio vulnerability remains high for the Group in some of the key business segments. The microloans and two-wheeler segments are likely to remain vulnerable, given the rising inflation and interest rates, as the livelihood and cash flows of the underlying borrowers (customers are primarily from relatively weaker socio-economic backgrounds) have been somewhat impacted. Nonetheless, the collection performance, post the onset of the Covid-19 pandemic, has improved for both these business segments. Also, the real estate sector continues to witness some stress; therefore, the asset quality in this segment is a key monitorable. While the company has large ticket size exposures in Infrastructure finance, the focus is on sectors such as renewable, roads and transmission, which face relatively lower cash flow risk. Nevertheless, the Group's sell-down strategy provides room for disbursements in the infrastructure financing segment without any increase in capital allocation to the segment.

The LTFHL Group has been focusing on increasing the granularity in the loan book with a higher share of the retail business in the portfolio mix (54% as on June 30, 2022 compared with 43% as on March 31, 2021). 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 earnings profile.

### Liquidity position: Strong

LTFHL's liquidity profile is comfortable at the standalone as well as consolidated level. On a consolidated basis, the Asset and Liability Management (ALM) profile, as on June 30, 2022, reflected positive cumulative mismatches across all buckets up to 1 year. As of June 30, 2022, the company had available liquidity in the form of cash and liquid investments of ~Rs. 7,770 crore and unutilised bank lines of ~Rs. 4,168 crore (including Rs. 1,800-crore credit line from L&T as on June 30, 2022), providing comfortable liquidity cover over the principal debt repayments of Rs. 29,342 crore, which are due over the next one year. Further, the liquidity is supported by the expected principal cash inflow of ~Rs. 31,737 crore from advances during 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 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	<a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies</a> <a href="#">Impact of Parent or Group Support on an Issuer's Credit Rating</a> <a href="#">Rating approach - Consolidation</a>
Parent/Group support	Ultimate parent/Investor: Larsen & Toubro Ltd. The ratings continue to draw significant strength from LTFHL's parentage, with L&T holding 66.23% in the company as on June 30, 2022, and the expectation that support from L&T would continue 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 the L&T Group's financial services business.
Consolidation/Standalone	While arriving at the ratings, ICRA has considered the consolidated performance of LTFHL and its subsidiaries carrying on business as finance companies, given the strong operational and financial synergies between the companies. Please refer to Annexure II.

### 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.

As on June 30, 2022, the company had a total portfolio of Rs. 80,711 crore. While 59% of the loans were to the retail book {rural (32%), urban finance (13%), home loans (11%) and LAP (3%)}, the balance (41%) comprised the wholesale segment

{infrastructure finance (28%), real estate (12%) and defocused (1%)}. LTF's net worth stood at Rs. 16,064 crore as on June 30, 2022.

LTF reported a profit after tax (PAT) of Rs. 214 crore on total income of Rs. 2,963 crore for Q1 FY2023 compared with a PAT of Rs. 100 crore on total income of Rs. 2,870 crore for Q1 FY2022.

### 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 66.2% stake in LTFHL as on June 30, 2022.

On a consolidated basis, LTFHL reported a profit after tax (PAT) of Rs. 1,049 crore on an asset base of Rs. 1,06,902 crore for the year FY2022 as compared with a PAT of Rs. 949 crore on an asset base of Rs. 1,08,972 crore for FY2021. For Q1FY2023, the group reported a PAT of Rs. 262 crore. The consolidated entity's net worth was Rs. 20,193 crore as on June 30, 2022.

### Key financial indicators

L&T Finance Limited (Rs. crore)	FY2020	FY2021	FY2022
	[prior to amalgamation]	[post amalgamation]	[post amalgamation]
Total income	8,680	12,693	11,445
Profit after tax (PAT)	366	1	808
Net worth	8,894	15,621	16,491
Total portfolio	46,453	83,995	81,799
Total assets	52,577	96,209	96,172
Return on total assets (PAT/ATA)	0.7%	0.0%	0.8%
Return on average net worth (PAT/Avg. net worth)	4.1%	0.0%	5.0%
Gearing (times)	4.9	5.1	4.8
Gross stage 3	5.5%	5.5%	4.0%
Net stage 3	2.4%	1.7%	2.1%
Net stage 3/Net worth	11.7%	8.8%	10.2%

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

FY2021 not comparable with previous years due to merger of L&T Housing Finance Ltd (LTHFL) and L&T Infrastructure Finance Company Ltd (LTIF) with LTF.

L&T Finance Holdings Limited (consolidated)	FY2020	FY2021	FY2022
Total Income	14,477	14,080	12,324
Profit after tax (PAT)	2,174*	949	1,049
Net Worth	14,692	18,773	19,948
Lending business Book	98,384	94,013	88,341
Total assets	109,545	108,972	106,902
Return on average total assets (PAT/ATA)	2.0%*	0.9%	1.0%
Return on average net worth (PAT/Avg. net worth) #	15.5%*	5.8%	5.5%
Consolidated gearing (times)	6.4	4.7	4.3
Gross Stage 3	5.4%	5.0%	3.8%
Net Stage 3	2.3%	1.6%	2.0%

L&T Finance Holdings Limited (consolidated)	FY2020	FY2021	FY2022
Net Stage 3/Net worth	14.1%	7.3%	8.4%

\* 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 (FY2023)					Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amount O/s as of Jul-31-22 (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					Aug-19-22	Aug-8-22	Aug-24-21 Aug-09-21	Apr-26-21	Sep-30-20	Mar-31-20 Aug-30-19
1	Long-term Market Linked Debenture Programme	Long Term	1,500.00	0.00	PP-MLD[ICRA]AAA (Stable)					
2	NCD (infra bonds)	Long Term	327.31	0.00	[ICRA]AAA(Stable)	[ICRA]AAA(Stable)	[ICRA]AAA(Stable)	[ICRA]AAA(Negative)		
3	Commercial Paper Programme	Short Term	26,000.00	5,475.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Long-term Fund Based/Non-fund Based Bank Lines Programme	Long Term	37,300	13,301.50	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)			
5	Long term - Unallocated Bank Lines Programme	Long Term	0.00	0.00	-	-	[ICRA]AAA (Stable)			
6	Long term – Fund-based Term Loan	Long Term	0.00	0.00	-	-	-	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)
7	Non-convertible Debenture Programme	Long Term	15,863.15	5,914.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)
8	Long-term Market Linked Debenture Programme	Long Term	500	284.00	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Stable)	PP-MLD[ICRA]AAA (Negative)	PP-MLD[ICRA]AAA (Negative)	PP-MLD[ICRA]AAA (Negative)
9	Non-convertible Debenture Programme (public issuance) <sup>#</sup>	Long Term	3,730.43	1,230.43	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)
10	Subordinated Debt Programme	Long Term	5,425.00	2,296.50	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)	[ICRA]AAA (Negative)
11	Perpetual Debt Programme	Long Term	900.00	395.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Negative)

Source: Company, ICRA Research

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debenture programme	Simple
Long-term market linked debenture programme	Moderately Complex
Subordinated debt	Simple
Perpetual debt	Simple
Bank lines 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 I: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE691I07240	Non-convertible Debenture	Oct 18, 2011	9.70%	Oct 18, 2028	500	[ICRA]AAA (Stable)
INE691I07356	Non-convertible Debenture	Jan 11, 2013	9.00%	Jan 11, 2023	450	[ICRA]AAA (Stable)
INE691I07398	Non-convertible Debenture	May 29, 2013	8.35%	May 29, 2023	110	[ICRA]AAA (Stable)
INE691I07AL5	Non-convertible Debenture	May 19, 2015	8.84%	May 19, 2025	44.5	[ICRA]AAA (Stable)
INE476M07578	Non-convertible Debenture	May 26, 2015	8.90%	May 26, 2025	30	[ICRA]AAA (Stable)
INE691I07AR2	Non-convertible Debenture	May 26, 2015	8.85%	May 26, 2025	20	[ICRA]AAA (Stable)
INE476M07636	Non-convertible Debenture	Jun 05, 2015	8.90%	Jun 05, 2025	25	[ICRA]AAA (Stable)
INE691I07AX0	Non-convertible Debenture	Jun 05, 2015	8.84%	Jun 05, 2025	50	[ICRA]AAA (Stable)
INE476M07719	Non-convertible Debenture	Jul 17, 2015	8.95%	Jul 17, 2025	10	[ICRA]AAA (Stable)
INE691I07BS8	Non-convertible Debenture *	Aug 07, 2015	8.82%	Aug 05, 2022	10	[ICRA]AAA (Stable)
INE476M07800	Non-convertible Debenture	Oct 20, 2015	8.65%	Oct 20, 2022	32.5	[ICRA]AAA (Stable)
INE691I07CH9	Non-convertible Debenture	Nov 13, 2015	8.60%	Nov 11, 2022	18	[ICRA]AAA (Stable)
INE691I07CM9	Non-convertible Debenture	Feb 08, 2016	8.75%	Feb 06, 2026	52	[ICRA]AAA (Stable)
INE691I07CN7	Non-convertible Debenture	Mar 16, 2016	8.80%	Mar 16, 2023	10	[ICRA]AAA (Stable)
INE476M07925	Non-convertible Debenture	Apr 20, 2016	8.65%	Apr 20, 2026	5	[ICRA]AAA (Stable)
INE476M07AA6	Non-convertible Debenture	Jul 01, 2016	8.75%	Jun 30, 2023	10	[ICRA]AAA (Stable)
INE476M07AD0	Non-convertible Debenture	Jul 22, 2016	8.70%	Jul 21, 2023	16	[ICRA]AAA (Stable)
INE476M07AS8	Non-convertible Debenture	Oct 25, 2016	7.90%	Oct 23, 2026	10	[ICRA]AAA (Stable)
INE691I07DW6	Non-convertible Debenture	Nov 16, 2016	7.95%	Nov 16, 2026	47	[ICRA]AAA (Stable)
INE691I07DZ9	Non-convertible Debenture	Jun 29, 2017	7.59%	Nov 18, 2024	667	[ICRA]AAA (Stable)
INE691I07EC6	Non-convertible Debenture *	Jul 25, 2017	7.80%	Aug 16, 2022	205	[ICRA]AAA (Stable)
INE027E07543	Non-convertible Debenture *	Aug 08, 2017	7.71%	Aug 08, 2022	465	[ICRA]AAA (Stable)
INE691I07ED4	Non-convertible Debenture	Aug 30, 2017	7.65%	Aug 30, 2022	50	[ICRA]AAA (Stable)
INE476M07BI7	Non-convertible Debenture	Sep 29, 2017	7.65%	Sep 29, 2022	200	[ICRA]AAA (Stable)
INE027E07550	Non-convertible Debenture	Oct 06, 2017	7.70%	Oct 06, 2022	310	[ICRA]AAA (Stable)
INE027E07618	Non-convertible Debenture	Dec 12, 2017	7.95%	Dec 12, 2022	85	[ICRA]AAA (Stable)
INE027E07774	Non-convertible Debenture	Jan 04, 2019	9.00%	Jan 04, 2024	800	[ICRA]AAA (Stable)
INE476M07BS6	Non-convertible Debenture	Jan 11, 2019	8.90%	Jan 11, 2024	27	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE027E07AP2	Non-convertible Debenture	May 28, 2019	8.80%	May 28, 2026	850	[ICRA]AAA (Stable)
INE027E07AQ0	Non-convertible Debenture	Jul 31, 2019	8.55%	Jul 31, 2026	15	[ICRA]AAA (Stable)
INE027E07790	Non-convertible Debenture	Dec 03, 2021	9.00%	Feb 09, 2024	50	[ICRA]AAA (Stable)
INE027E07BV8	Non-convertible Debenture	Feb 01, 2022	6.45%	Sep 26, 2025	565	[ICRA]AAA (Stable)
INE027E07BW6	Non-convertible Debenture	Jul 01, 2022	7.55%	Jul 01, 2024	175	[ICRA]AAA (Stable)
INE027E07923	Non-convertible Debenture (public issuance)	Mar 13, 2019	9.10%	Mar 13, 2024	30.32	[ICRA]AAA (Stable)
INE027E07931	Non-convertible Debenture (public issuance)	Mar 13, 2019	9.25%	Mar 13, 2024	235.62	[ICRA]AAA (Stable)
INE027E07949	Non-convertible Debenture (public issuance)	Mar 13, 2019	8.75%	Mar 13, 2024	1.76	[ICRA]AAA (Stable)
INE027E07956	Non-convertible Debenture (public issuance)	Mar 13, 2019	8.89%	Mar 13, 2024	60.07	[ICRA]AAA (Stable)
INE027E07964	Non-convertible Debenture (public issuance)	Mar 13, 2019	9.20%	Mar 13, 2029	8.01	[ICRA]AAA (Stable)
INE027E07972	Non-convertible Debenture (public issuance)	Mar 13, 2019	9.35%	Mar 13, 2029	110.92	[ICRA]AAA (Stable)
INE027E07980	Non-convertible Debenture (public issuance)	Mar 13, 2019	8.84%	Mar 13, 2029	0.7	[ICRA]AAA (Stable)
INE027E07998	Non-convertible Debenture (public issuance)	Mar 13, 2019	8.98%	Mar 13, 2029	101.75	[ICRA]AAA (Stable)
INE027E07AE6	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.80%	Apr 15, 2024	72.85	[ICRA]AAA (Stable)
INE027E07AF3	Non-convertible Debenture (public issuance)	Apr 15, 2019	9.00%	Apr 15, 2024	185.97	[ICRA]AAA (Stable)
INE027E07AG1	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.48%	Apr 15, 2024	1.55	[ICRA]AAA (Stable)
INE027E07AH9	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.66%	Apr 15, 2024	21.9	[ICRA]AAA (Stable)
INE027E07AI7	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.81%	Apr 15, 2024	0.23	[ICRA]AAA (Stable)
INE027E07AJ5	Non-convertible Debenture (public issuance)	Apr 15, 2019	9.01%	Apr 15, 2024	18.34	[ICRA]AAA (Stable)
INE027E07AK3	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.85%	Apr 15, 2027	10.52	[ICRA]AAA (Stable)
INE027E07AL1	Non-convertible Debenture (public issuance)	Apr 15, 2019	9.05%	Apr 15, 2027	351.99	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE027E07AM9	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.52%	Apr 15, 2027	0.45	[ICRA]AAA (Stable)
INE027E07AN7	Non-convertible Debenture (public issuance)	Apr 15, 2019	8.70%	Apr 15, 2027	17.48	[ICRA]AAA (Stable)
INE523E08NH8	Subordinated Debt	Dec 21, 2012	9.80%	Dec 21, 2022	275	[ICRA]AAA (Stable)
INE691I08263	Subordinated Debt	Jan 30, 2014	9.73%	Jan 31, 2024	5	[ICRA]AAA (Stable)
INE691I08263	Subordinated Debt	Jan 31, 2014	9.73%	Jan 31, 2024	20	[ICRA]AAA (Stable)
INE691I08271	Subordinated Debt	Feb 08, 2014	9.73%	Feb 09, 2024	5	[ICRA]AAA (Stable)
INE691I08271	Subordinated Debt	Feb 10, 2014	9.73%	Feb 09, 2024	15	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	Feb 12, 2014	9.73%	Feb 16, 2024	2	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	Feb 13, 2014	9.73%	Feb 16, 2024	11	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	Feb 14, 2014	9.73%	Feb 16, 2024	2	[ICRA]AAA (Stable)
INE691I08289	Subordinated Debt	Feb 18, 2014	9.73%	Feb 16, 2024	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Feb 28, 2014	9.73%	Mar 14, 2024	0.3	[ICRA]AAA (Stable)
INE691I08305	Subordinated Debt	Mar 04, 2014	9.73%	Mar 04, 2024	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 06, 2014	9.73%	Mar 14, 2024	5	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 07, 2014	9.73%	Mar 14, 2024	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 10, 2014	9.73%	Mar 14, 2024	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 11, 2014	9.73%	Mar 14, 2024	3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 12, 2014	9.73%	Mar 14, 2024	0.3	[ICRA]AAA (Stable)
INE691I08297	Subordinated Debt	Mar 14, 2014	9.73%	Mar 14, 2024	20.8	[ICRA]AAA (Stable)
INE523E08NI6	Subordinated Debt	Mar 27, 2014	10.35%	Mar 27, 2024	50	[ICRA]AAA (Stable)
INE027E08020	Subordinated Debt	Mar 27, 2014	10.90%	Mar 27, 2024	50	[ICRA]AAA (Stable)
INE759E08028	Subordinated Debt	Mar 30, 2014	9.95%	Mar 28, 2025	50	[ICRA]AAA (Stable)
INE027E08038	Subordinated Debt	Jun 30, 2014	10.40%	Jun 28, 2024	40	[ICRA]AAA (Stable)
INE691I08313	Subordinated Debt	Nov 13, 2014	9.10%	Nov 13, 2024	100	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	Jan 15, 2015	8.75%	Jan 17, 2025	13.1	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	Jan 16, 2015	8.75%	Jan 17, 2025	20	[ICRA]AAA (Stable)
INE691I08321	Subordinated Debt	Jan 19, 2015	8.75%	Jan 17, 2025	91.9	[ICRA]AAA (Stable)
INE476M08014	Subordinated Debt	Jan 29, 2015	9.35%	Jan 29, 2025	100	[ICRA]AAA (Stable)
INE691I08339	Subordinated Debt	Feb 18, 2015	8.75%	Feb 18, 2025	225	[ICRA]AAA (Stable)
INE691I08347	Subordinated Debt	Apr 16, 2015	8.90%	Apr 17, 2025	44	[ICRA]AAA (Stable)
INE691I08347	Subordinated Debt	Apr 17, 2015	8.90%	Apr 17, 2025	56	[ICRA]AAA (Stable)
INE691I08354	Subordinated Debt	Apr 21, 2015	8.90%	Apr 21, 2025	79.5	[ICRA]AAA (Stable)
INE691I08362	Subordinated Debt	Apr 22, 2015	8.90%	Apr 22, 2025	45	[ICRA]AAA (Stable)
INE691I08370	Subordinated Debt	Apr 29, 2015	8.90%	Apr 29, 2025	75	[ICRA]AAA (Stable)
INE691I08388	Subordinated Debt	May 15, 2015	8.90%	May 15, 2025	43	[ICRA]AAA (Stable)
INE691I08396	Subordinated Debt	Jun 03, 2015	8.87%	Jun 03, 2025	60	[ICRA]AAA (Stable)
INE476M08030	Subordinated Debt	Jul 14, 2015	9.32%	Jul 14, 2025	14	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE476M08048	Subordinated Debt	Jul 24, 2015	9.30%	Jul 24, 2025	50	[ICRA]AAA (Stable)
INE759E08036	Subordinated Debt	Sep 09, 2015	9.25%	Sep 09, 2025	100	[ICRA]AAA (Stable)
INE691I08412	Subordinated Debt	Sep 15, 2015	8.90%	Sep 15, 2025	20	[ICRA]AAA (Stable)
INE027E08046	Subordinated Debt	Jan 30, 2016	9.35%	Jan 29, 2026	32	[ICRA]AAA (Stable)
INE027E08053	Subordinated Debt	Feb 09, 2016	9.35%	Feb 09, 2026	18	[ICRA]AAA (Stable)
INE027E08061	Subordinated Debt	Mar 04, 2016	9.48%	Mar 04, 2026	50	[ICRA]AAA (Stable)
INE759E08044	Subordinated Debt	Mar 23, 2016	9.30%	Mar 23, 2026	100	[ICRA]AAA (Stable)
INE691I08446	Subordinated Debt	Jul 21, 2016	8.78%	Jul 21, 2026	80	[ICRA]AAA (Stable)
INE691I08453	Subordinated Debt	Aug 09, 2016	8.65%	Aug 08, 2031	25	[ICRA]AAA (Stable)
INE691I08461	Subordinated Debt	Aug 12, 2016	8.63%	Aug 12, 2031	25	[ICRA]AAA (Stable)
INE691I08479	Subordinated Debt	Sep 07, 2016	8.55%	Sep 05, 2031	20	[ICRA]AAA (Stable)
INE691I08487	Subordinated Debt	Jan 04, 2017	8.05%	Jan 04, 2027	125	[ICRA]AAA (Stable)
INE691I08495	Subordinated Debt	Jan 30, 2017	8.05%	Jan 29, 2027	15	[ICRA]AAA (Stable)
INE691I08511	Subordinated Debt	Jul 14, 2017	7.80%	Jul 13, 2029	60	[ICRA]AAA (Stable)
INE691I08529	Subordinated Debt	Oct 31, 2018	9.10%	Oct 31, 2028	45	[ICRA]AAA (Stable)
INE691I08255	Perpetual Debt	Jan 29, 2014	10.35%	Jan 29, 2024	50	[ICRA]AA+ (Stable)
INE691I08404	Perpetual Debt	Aug 27, 2015	9.90%	Aug 27, 2025	150	[ICRA]AA+ (Stable)
INE691I08420	Perpetual Debt	Mar 18, 2016	9.50%	Mar 18, 2026	50	[ICRA]AA+ (Stable)
INE027E08079	Perpetual Debt	Mar 30, 2016	10.10%	Mar 30, 2026	50	[ICRA]AA+ (Stable)
INE476M08055	Perpetual Debt	Mar 30, 2016	9.90%	Mar 30, 2026	50	[ICRA]AA+ (Stable)
INE691I08438	Perpetual Debt	Mar 30, 2016	9.50%	Mar 30, 2026	30	[ICRA]AA+ (Stable)
INE476M08063	Perpetual Debt	Jun 03, 2016	9.60%	Jun 03, 2026	15	[ICRA]AA+ (Stable)
INE027E07BQ8	Long-term Market Linked Debenture Programme	Sep 08, 2021	G-SEC Linked	Sep 08, 2023	30	PP-MLD[ICRA]AAA (Stable)
INE027E07BR6	Long-term Market Linked Debenture Programme	Sep 15, 2021	G-SEC Linked	Mar 15, 2023	50	PP-MLD[ICRA]AAA (Stable)
INE027E07BZ9	Long-term Market Linked Debenture Programme	Jul 27, 2022	G-SEC Linked	Aug 27, 2024	204	PP-MLD[ICRA]AAA (Stable)
INE027E14LO8	Commercial Paper	Sep 03, 2021	-	Sep 02, 2022	150	[ICRA]A1+
INE027E14LN0	Commercial Paper	Sep 06, 2021	-	Sep 05, 2022	365	[ICRA]A1+
INE027E14MD9	Commercial Paper	Jan 05, 2022	-	Dec 29, 2022	200	[ICRA]A1+
INE027E14MF4	Commercial Paper	Jan 18, 2022	-	Jan 17, 2023	250	[ICRA]A1+
INE027E14LN0	Commercial Paper	Sep 06, 2021	-	Sep 05, 2022	550	[ICRA]A1+
INE027E14MM0	Commercial Paper	Mar 07, 2022	-	Mar 06, 2023	300	[ICRA]A1+
INE027E14MN8	Commercial Paper	Mar 21, 2022	-	Mar 20, 2023	250	[ICRA]A1+
INE027E14MS7	Commercial Paper	Apr 22, 2022	-	Apr 21, 2023	160	[ICRA]A1+
INE027E14MS7	Commercial Paper	Apr 22, 2022	-	Apr 21, 2023	200	[ICRA]A1+
INE027E14MS7	Commercial Paper	Apr 22, 2022	-	Apr 21, 2023	25	[ICRA]A1+
INE027E14MU3	Commercial Paper	May 30, 2022	-	Aug 29, 2022	500	[ICRA]A1+

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE027E14LO8	Commercial Paper	Sep 03, 2021	-	Sep 02, 2022	400	[ICRA]A1+
INE027E14MY5	Commercial Paper	Jun 06, 2022	-	Jun 05, 2023	25	[ICRA]A1+
INE027E14MY5	Commercial Paper	Jun 06, 2022	-	Jun 05, 2023	25	[ICRA]A1+
INE027E14MZ2	Commercial Paper	Jun 13, 2022	-	Aug 30, 2022	175	[ICRA]A1+
INE027E14MZ2	Commercial Paper	Jun 13, 2022	-	Aug 30, 2022	325	[ICRA]A1+
INE027E14NA3	Commercial Paper	Jun 20, 2022	-	Jun 19, 2023	200	[ICRA]A1+
INE027E14NB1	Commercial Paper	Jun 24, 2022	-	Jun 23, 2023	225	[ICRA]A1+
INE027E14NB1	Commercial Paper	Jun 24, 2022	-	Jun 23, 2023	75	[ICRA]A1+
INE027E14NB1	Commercial Paper	Jun 24, 2022	-	Jun 23, 2023	225	[ICRA]A1+
INE027E14NE5	Commercial Paper	Jul 08, 2022	-	Jul 05, 2023	50	[ICRA]A1+
INE027E14NF2	Commercial Paper	Jul 15, 2022	-	Jul 14, 2023	75	[ICRA]A1+
NA	Non-convertible Debenture <sup>^</sup>	NA	NA	NA	9,949.15	[ICRA]AAA (Stable)
NA	Commercial Paper <sup>^</sup>	NA	NA	NA	21,250	[ICRA]A1+
NA	Long-term Market Linked Debenture Programme <sup>^</sup>	NA	NA	NA	216	PP-MLD[ICRA]AAA (Stable)
NA	Non convertible Debenture (infra bonds) <sup>^</sup>	NA	NA	NA	327.31	[ICRA]AAA (Stable)
NA	Non-convertible Debenture (public issuance) <sup>^</sup>	NA	NA	NA	2,500	[ICRA]AAA (Stable)
NA	Perpetual Debt <sup>^</sup>	NA	NA	NA	505	[ICRA]AA+ (Stable)
NA	Subordinated Debt <sup>^</sup>	NA	NA	NA	3,128.50	[ICRA]AAA (Stable)
NA	Long-term Market Linked Debenture Programme <sup>^</sup>	NA	NA	NA	1,500	PP-MLD[ICRA]AAA (Stable)
NA	Term Loan-1	Sep 2018	NA	Sep 2023	1,000	[ICRA]AAA (Stable)
NA	Term Loan-2	Dec 2017	NA	July 2023	1,200	[ICRA]AAA (Stable)
NA	Term Loan-3	Mar 2019	NA	Sep 2023	3,200	[ICRA]AAA (Stable)
NA	Term Loan-4	Mar 2022	NA	March 2024	150	[ICRA]AAA (Stable)
NA	Term Loan-5	Jun 2022	NA	Jun 2026	500	[ICRA]AAA (Stable)
NA	Line of Credit	Dec 2015	NA	Mar 2023	4,113	[ICRA]AAA (Stable)
NA	Cash Credit	Dec 2013	NA	Mar 2023	365	[ICRA]AAA (Stable)
NA	Working Capital	Jul 2011	NA	Sep 2023	690	[ICRA]AAA (Stable)
NA	Non-fund based	May 2016	NA	Aug 2027	260	[ICRA]AAA (Stable)
NA	Long-term Fund Based/Non-fund Based Bank Lines Programme	NA	NA	NA	25,822	[ICRA]AAA (Stable)

Source: Company; <sup>^</sup>Yet to be placed/unutilised; \*To be withdrawn later

## 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 Investment Management Limited	Subsidiary	Full
L&T Mutual Fund Trustee Limited	Subsidiary	Full
L&T Financial Consultants Limited	Subsidiary	Full
L&T Infra Investment Partners	Subsidiary	Full

Source: Annual report for FY2022; \*For LTFHL

## Corrigendum

Updated the link for “Rating Approach-Consolidation” in the analytical approach section on page 4 on the document dated August 19, 2022.

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