October 07, 2025

Larsen & Toubro Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	16,500.00	16,500.00	[ICRA]A1+; Outstanding
Total	**16,500.00**	**16,500.00**	

**Instrument details are provided in Annexure I*

Rationale

Material event

On September 26, 2025, Larsen & Toubro Limited (L&T) informed the Bombay Stock Exchange and the National Stock Exchange that an in-principal understanding between the company and the Government of Telangana (GoT) had been reached, where GoT will take over L&T Metro Rail (Hyderabad) Limited (LTMRHL) by acquiring the L&T's equity stake by the end of the current fiscal year. As per the stock exchange release, the state government agreed to acquire L&T's stake for a consideration of Rs. 2,000 crore as one-time settlement and to take on the project debt, which stood at ~Rs. 13,000 crore.

Impact of material event

ICRA notes the abovementioned event and views it favourably since LTMHRL's viability was adversely affected by lower-than-expected ridership and delayed fee hikes, which resulted in L&T providing funding support in the past. ICRA notes that post the stake transfer in LTMHRL to GoT, there will be reduction in L&T's funding commitment towards its operational subsidiaries in transportation infrastructure as well as a substantial decline in contingent liabilities (L&T has guaranteed Rs. 8,616 crore of LTMHRL's debt).

Till the transaction gets completed, the support philosophy of L&T Limited for various facilities availed by LTMHRL will continue to remain in place. During the interim period, L&T will remain as the sponsor/majority owner of the project and will support L&T Hyderabad Metro's needs as per the respective facility's documentation, for any operational shortfalls and debt servicing requirement.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators: Click here.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Construction Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has fully consolidated L&T's subsidiaries except L&T Financial Holdings Ltd and its subsidiaries. ICRA has factored in the need-based capital support towards the subsidiaries that are involved in financial services business—L&T Finance Limited and its subsidiaries. However, the financials of these entities are not consolidated into L&T's financials for credit assessment. Similarly, for all the associates/joint ventures, ICRA has followed the equity

	method of consolidation. The list of all the subsidiaries/associates/JVs that are consolidated under the abovementioned approach to arrive at the L&T's rating is given in Annexure II.

About the company

L&T is a leading engineering and construction company in India with a nationwide as well as international presence. It has interests in infrastructure, power, metallurgical and material handling, heavy engineering, shipbuilding, machinery and industrial products, and realty. Apart from India, it has significant presence in the Middle East. Through its subsidiaries, associate companies and JVs, the Group is involved in the hydrocarbon business, IT and financial services, along with infrastructure development ventures.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)				Chronology of rating history for the past 3 years					
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	16,500.00	29-May-2025	[ICRA]A1+	30-MAY-2024	[ICRA]A1+	23-JUN-2023	[ICRA]A1+	24-JUN-2022	[ICRA]A1+
			07-Oct-2025	[ICRA]A1+						
NCD	Long Term	-	-	-	-	-	23-JUN-2023	[ICRA]AAA (Stable); reaffirmed and withdrawn	24-JUN-2022	[ICRA]AAA (Stable)
NCD	Long Term	-	-	-	-	-	-	-	24-JUN-2022	[ICRA]AAA (Stable); reaffirmed and withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE018A14LQ0	Commercial paper	Sep-17-2025	5.92%	Nov-28-2025	500	[ICRA]A1+
INE018A14LR8	Commercial paper	Sep-26-2025	5.85%	Dec-26-2025	775	[ICRA]A1+
Yet to be placed	Commercial Paper	-	-	-	15,225	[ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Hi-Tech Rock Products and Aggregates Limited	100.00%	Full Consolidation
L&T Geostructure Private Limited	100.00%	Full Consolidation
L&T Infrastructure Engineering Limited[a]	-	Full Consolidation
LTIMindtree Limited	68.64%	Full Consolidation
Lymbyc Solutions Private Limited[b]	-	Full Consolidation
Powerup Cloud Technologies Private Limited[b]	-	Full Consolidation
Cuelogic Technologies Private Limited[b]	-	Full Consolidation
L&T Technology Services Limited	73.74%	Full Consolidation
L&T Thales Technology Services Private Limited	54.57%	Full Consolidation
Graphene Semiconductor Services Private Limited[c]	-	Full Consolidation
Seastar Labs Private Limited[c]	-	Full Consolidation
Esencia Technologies India Private Limited[c]	-	Full Consolidation
L&T Network Services Private Limited	100.00%	Full Consolidation
L&T Semiconductor Technologies Limited[d]	100.00%	Full Consolidation
L&T Finance Limited (formerly known as L&T Finance Holdings Limited)	65.86	Full Consolidation
L&T Finance Limited[e]	-	Full Consolidation
L&T Infra Credit Limited[e]	-	Full Consolidation
L&T Infra Investment Partners Advisory Private Limited	65.86	Full Consolidation
L&T Infra Investment Partners Trustee Private Limited	65.86	Full Consolidation
L&T Mutual Fund Trustee Limited[e]		
L&T Financial Consultants Limited	65.86	Full Consolidation
L&T Energy Hydrocarbon Engineering Limited	100.00%	Full Consolidation
L&T Offshore Private Limited (formerly known as L&T Sapura Offshore Private Limited)[f]	100.00%	Full Consolidation
Mudit Cement Private Limited[g]	-	Full Consolidation
L&T Infra Investment Partners	36.17%	Full Consolidation
L&T Metro Rail (Hyderabad) Limited	100.00%	Full Consolidation
L&T Arunachal Hydropower Limited	-	Full Consolidation
L&T Himachal Hydropower Limited	100.00%	Full Consolidation
L&T Power Development Limited	100.00%	Full Consolidation
Nabha Power Limited	100.00%	Full Consolidation
Chennai Vision Developers Private Limited	100.00%	Full Consolidation
Elevated Avenue Realty LLP (formerly known as L&T Avenue Realty LLP)	100.00%	Full Consolidation
L&T Parel Project Private Limited	100.00%	Full Consolidation
L&T Westend Project LLP	100.00%	Full Consolidation
Think Tower Developers Private Limited[j]	100.00%	Full Consolidation
L&T Seawoods Limited	100.00%	Full Consolidation
L&T Innovation Campus (Chennai) Limited[k]	-	Full Consolidation
L&T Realty Developers Limited	100.00%	Full Consolidation
Prime Techpark (Chennai) Private Limited	100.00%	Full Consolidation
Avenue Techpark (Bangalore) Private Limited[l]	100.00%	Full Consolidation
Bangalore Spectrum Techpark Private Limited[m]	100.00%	Full Consolidation
Bangalore Galaxy Techpark Private Limited[n]	100.00%	Full Consolidation
Chennai Nova Techpark Private Limited[o]	100.00%	Full Consolidation
Business Park (Powai) Private Limited[p]	100.00%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Millennium Techpark (Chennai) Private Limited[q]	100.00%	Full Consolidation
Bangalore Fortune Techpark Private Limited[r]	100.00%	Full Consolidation
Corporate Park (Powai) Private Limited[r]	100.00%	Full Consolidation
LH Residential Housing Private Limited (formerly known as LH Residential Housing Limited) [s]	100.00%	Full Consolidation
LH Uttarayan Premium Realty Private Limited[t]	100.00%	Full Consolidation
L&T Construction Equipment Limited	100.00%	Full Consolidation
L&T Valves Limited	100.00%	Full Consolidation
L&T Energy Green Tech Limited (formerly known as L&T Power Limited)[u]	100.00%	Full Consolidation
L&T Electrolysers Limited[v]	100.00%	Full Consolidation
Bhilai Power Supply Company Limited	99.90%	Full Consolidation
Kesun Iron and Steel Company Private Limited[w]	-	Full Consolidation
L&T Aviation Services Private Limited	100.00%	Full Consolidation
L&T Capital Company Limited	100.00%	Full Consolidation
Larsen & Toubro (Oman) LLC	65.00%	Full Consolidation
Larsen & Toubro Qatar LLC [1]	49.00%	Full Consolidation
Larsen & Toubro Saudi Arabia LLC	100.00%	Full Consolidation
Larsen and Toubro T&D SA Proprietary Limited	72.50%	Full Consolidation
Larsen & Toubro Heavy Engineering LLC	70.00%	Full Consolidation
L&T Modular Fabrication Yard LLC	70.00%	Full Consolidation
Larsen Toubro Arabia LLC	75.00%	Full Consolidation
L&T Hydrocarbon Saudi Company	100.00%	Full Consolidation
Larsen & Toubro Kuwait Construction General Contracting Co. W.L.L.	49.00%	Full Consolidation
PT Larsen & Toubro Hydrocarbon Engineering Indonesia[2]	-	Full Consolidation
Larsen & Toubro Electromech LLC	70.00%	Full Consolidation
LTIMindtree Information Technology Services (Shanghai) Co, Ltd. (formerly known as L&T Information Technology Services (Shanghai) Co., Ltd.)	68.64%	Full Consolidation
LTIMindtree Financial Services Technologies Inc.	68.64%	Full Consolidation
LTIMindtree Canada Limited	68.64%	Full Consolidation
LTIMindtree LLC	68.64%	Full Consolidation
LTIMindtree South Africa (Pty) Limited	47.77%	Full Consolidation
LTIMindtree GmbH	68.64%	Full Consolidation
LTIMindtree Spain SL (formerly known as L&T Information Technology Spain SL)	68.64%	Full Consolidation
LTIMindtree Norge AS	68.64%	Full Consolidation
LTIMindtree, S. De RL. De. C.V	68.64%	Full Consolidation
LTIMindtree S.A. (formerly known as Syncordis S.A.)	68.64%	Full Consolidation
Syncordis France SARL	68.64%	Full Consolidation
Syncordis Limited	68.64%	Full Consolidation
LTIMindtree PSF S.A. (formerly known as Syncordis PSF S.A.)	68.64%	Full Consolidation
Nielsen+Partner Unternehmensberater GmbH	68.64%	Full Consolidation
LTIMindtree Swizerland AG (formerly known as Nielsen+Partner Unternehmensberater AG)	68.64%	Full Consolidation
Nielsen+Partner Pte Ltd	68.64%	Full Consolidation
LTIMindtree (Thailand) Limited (formerly known as Nielsen&Partner Company Limited)	68.64%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Nielsen&Partner Pty Ltd	68.64%	Full Consolidation
LTIMindtree UK Limited	68.64%	Full Consolidation
LTIMindtree Middle East FZ-LLC	68.64%	Full Consolidation
LTIMindtree USA Inc. (formerly known as Lymbyc Solutions Inc.)	68.64%	Full Consolidation
Cuelogic Technologies Inc.[3]	-	Full Consolidation
L&T Technology Services LLC	73.74%	Full Consolidation
L&T Technology Services Pte. Ltd.	73.74%	Full Consolidation
Graphene Solutions SDN. BHD.	73.74%	Full Consolidation
Graphene Solutions Taiwan Limited	73.74%	Full Consolidation
L&T Technology Services (Shanghai) Co. Ltd	73.74%	Full Consolidation
L&T Technology Services (Canada) Ltd	73.74%	Full Consolidation
Orchestra Technology, Inc. [4]	-	Full Consolidation
L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością[5]	73.74%	Full Consolidation
Mindtree Software (Shanghai) Co. Limited [6]	-	Full Consolidation
Larsen & Toubro (East Asia) Sdn.Bhd.	30.00%	Full Consolidation
PT Larsen and Toubro	100.00%	Full Consolidation
Larsen & Toubro International FZE	100.00%	Full Consolidation
L&T Global Holdings Limited	100.00%	Full Consolidation
L&T Valves Arabia Manufacturing LLC	100.00%	Full Consolidation
L&T Valves USA LLC [1]	100.00%	Full Consolidation
Larsen & Toubro Qatar & HBK Contracting Co. WLL	50.00%	Equity Method
L&T Camp Facilities LLC	49.00%	Equity Method
Magtorq Private Limited	42.85%	Equity Method
Magtorq Engineering Solutions Private Limited	39.28%	Equity Method
Gujarat Leather Industries Limited [1]	50.00%	Equity Method
L&T - MHI Power Boilers Private Limited	51.00%	Equity Method
L&T - MHI Power Turbine Generators Private Limited	51.00%	Equity Method
L&T Howden Private Limited	50.10%	Equity Method
L&T-Sargent & Lundy Limited	50.00 %	Equity Method
L&T Special Steels and Heavy Forgings Private Limited	74.00 %	Equity Method
L&T MBDA Missile Systems Limited	51.00 %	Equity Method
L&T Sapura Offshore Private Limited[f]	-	Equity Method
L&T Sapura Shipping Private Limited	60.00 %	Equity Method
L&T Hydrocarbon Caspian LLC[7]	-	Equity Method
L&T Infrastructure Development Projects Limited[8]	51.00 %	Equity Method
Rewin Infrastructure Limited [8]	51.00 %	Equity Method
L&T Chennai-Tada Tollway Limited[8]	51.00 %	Equity Method
L&T Rajkot-Vadinar Tollway Limited[8]	51.00 %	Equity Method
L&T Deccan Tollways Limited[8]	51.00 %	Equity Method
L&T Samakhiali Gandhidham Tollway Limited[8]	51.00%	Equity Method
Kudgi Transmission Limited[8]	51.00 %	Equity Method
L&T Sambalpur-Rourkela Tollway limited[8]	51.00 %	Equity Method
Panipat Elevated Corridor Limited[8]	51.00 %	Equity Method
Vadodara Bharuch Tollway Limited[8]	51.00 %	Equity Method
L&T Transportation Infrastructure Limited[8]	51.00 %	Equity Method

Company Name	Ownership	Consolidation Approach
L&T Interstate Road Corridor Limited[8]	51.00 %	Equity Method
Ahmedabad - Maliya Tollway Limited[8]	51.00 %	Equity Method
PNG Tollway Limited[8]	37.74 %	Equity Method
Watrak Infrastructure Private Limited[8]	51.00 %	Equity Method
Raykal Aluminium Company Private Limited	75.50 %	Equity Method
Indiran Engineering Projects and Systems Kish PJSC	50.00 %	Equity Method
GH4India Private Limited[9]	33.33 %	Equity Method
Hydrocarbon Arabia Limited Company[10]	60.00 %	Equity Method
L&T Infrastructure Engineering Limited and LEA Associates South Asia Private Limited JV LLP[(a)]	-	Equity Method
Desbuild L&T Joint Venture	49.00%	Equity Method
Larsen and Toubro Limited-Shapoorji Pallonji & Co. Ltd. Joint Venture	50.00%	Equity Method
Al Balagh Trading & Contracting Co W.L.L- L&T Joint Venture	80.00%	Equity Method
L&T-AM Tapovan Joint Venture	65.00%	Equity Method
HCC-L&T Purulia Joint Venture	43.00%	Equity Method
International Metro Civil Contractors Joint Venture	26.00%	Equity Method
Metro Tunneling Group	26.00%	Equity Method
L&T-Hochtief Seabird Joint Venture	90.00%	Equity Method
Metro Tunneling Chennai-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	75.00%	Equity Method
Metro Tunneling Delhi-L&T Shanghai Urban Construction (Group) Corporation Joint Venture	60.00%	Equity Method
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture CC27 Delhi	68.00%	Equity Method
Aktor-Larsen & Toubro-Yapi Merkezi-STFA-Al Jaber Engineering Joint Venture	22.00%	Equity Method
Civil Works Joint Venture	29.00%	Equity Method
L&T-Shanghai Urban Construction (Group) Corporation Joint Venture	51.00%	Equity Method
DAEWOO and L&T Joint Venture	50.00%	Equity Method
L&T-STEC JV MUMBAI	65.00%	Equity Method
L&T-ISDPL (JV)	100.00%	Equity Method
L&T-IHI Consortium	100.00%	Equity Method
Larsen and Toubro Limited-Scomi Engineering BHD Consortium-Residual Joint Works Joint Venture	60.00%	Equity Method
Larsen and Toubro Limited-Scomi Engineering BHD Consortium-O&M Joint Venture	50.00%	Equity Method
L&T- Inabensa Consortium	100.00%	Equity Method
L&T-Delma Mafraq Joint Venture	100.00%	Equity Method
L&T-AL-Sraiya LRDP 6 Joint Venture	75.00%	Equity Method
Larsen & Toubro Limited & NCC Limited Joint Venture	55.00%	Equity Method
Besix - Larsen & Toubro Joint Venture	50.00%	Equity Method
Larsen & Toubro Ltd - Passavant Energy & Environment JV	50.00%	Equity Method
LNT-Shriram EPC Tanzania UJV	90.00%	Equity Method
LTH Milcom Private Limited	56.67%	Equity Method
L&T - Tecton JV	60.00%	Equity Method
L&T - Powerchina JV	55.00%	Equity Method
L&T - PCIPL JV	99.00%	Equity Method
Bauer- L&T Geo Joint Venture	50.00%	Equity Method

Company Name	Ownership	Consolidation Approach
Larsen Toubro Arabia LLC - Subsea Seven Saudi Company Ltd.	50.00%	Equity Method
L&T Infrastructure Engineering - LEA Associates South Asia JV [a]	-	Equity Method
L&T Infra Engineering JV United Consultancy [a]	-	Equity Method

Source: Company Data; [a] Divested w.e.f January 3, 2024 [b] Merged with LTIMindtree Limited w.e.f April 1, 2023 [c] Merged with L&T Technology Services Limited w.e.f April 1, 2022 [d] Incorporated on November 29, 2023 [e] Merged with L&T Finance Holdings Limited w.e.f April 1, 2023 and post-merger the resultant entity is renamed as L&T Finance Limited [f] Reclassified as subsidiary w.e.f December 27, 2023 and post-reclassification the company is renamed as L&T Offshore Private Limited [g] Divested w.e.f September 26, 2023 [h] One equity share (the Golden Share) is held by the Government of Telangana in pursuance of the Shareholders' Agreement [i] Struck off from register of companies w.e.f July 21, 2023 [j] Divested w.e.f April 17, 2023 [k] Merged with L&T Seawoods Limited on April 1, 2023 [l] Incorporated on April 10, 2023 [m] Incorporated on April 12, 2023 [n] Incorporated on April 13, 2023 [o] Incorporated on April 17, 2023 [p] Incorporated on April 20, 2023 [q] Incorporated on April 30, 2023 [r] Incorporated on May 01, 2023 [s] Incorporated on July 31, 2023 [t] Incorporated on February 17, 2024 [u] During the year balance stake is purchased and entity became a wholly-owned subsidiary [v] Incorporated on June 27, 2023 [w] Struck off from register of companies w.e.f August 08, 2023; [1] Under liquidation [2] Liquidated w.e.f July 10, 2023 [3] Liquidated w.e.f. April 26, 2023 [4] Merged with L&T Technology Services LLC w.e.f February 1, 2024 [5] Incorporated on October 30, 2023 [6] Liquidated w.e.f. August 26, 2023 [7] Liquidated w.e.f September 25, 2023 [8] Divested w.e.f April 10, 2024 [9] Incorporated on August 25, 2023 [10] Incorporated on June 19, 2023

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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.

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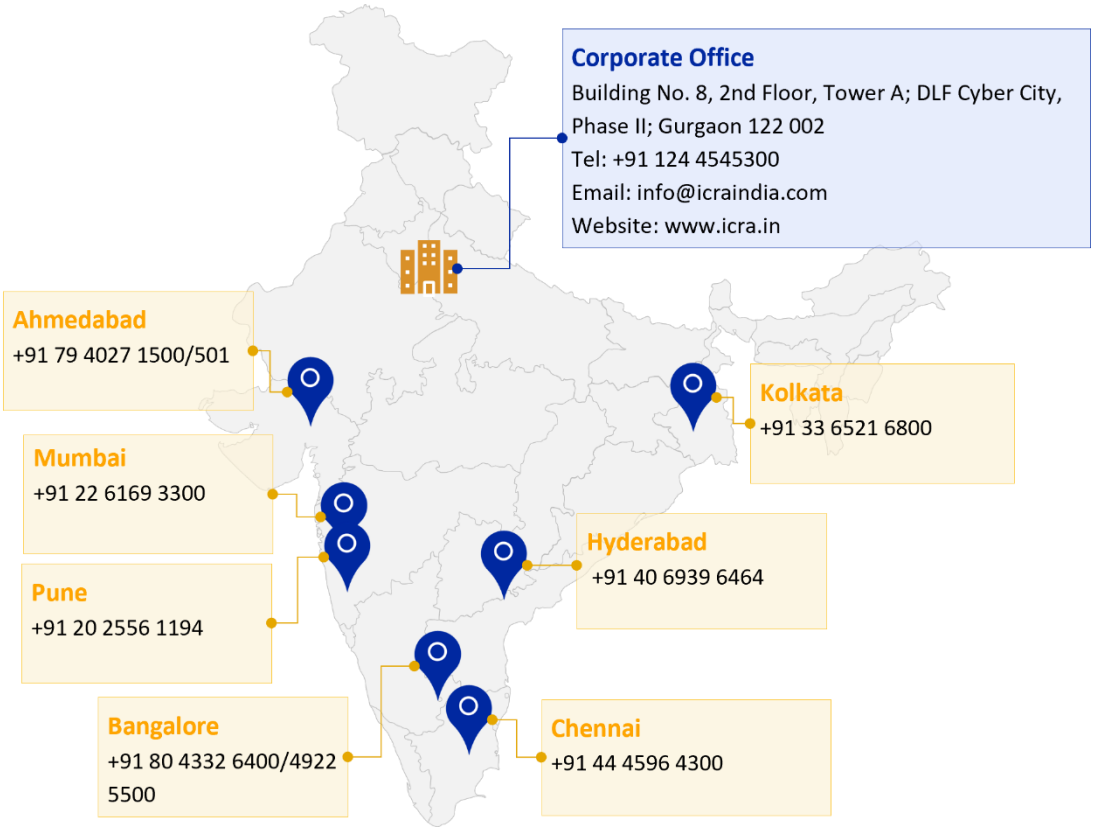

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