

26.03.2021

PRESS RELEASE

Regarding

L & T Infra Debt Fund Limited

Catalyst Trusteeship Ltd. (**Catalyst**) is acting as debenture trustee in respect of non-convertible debentures issued by L & T Infra Debt Fund Limited (**LTIDF**) under various issues from time to time.

LTIDF has informed that as per regulatory norms, an IDF NBFC can be “sponsored” only by an Infrastructure Finance Company or a bank. Accordingly, LTIDF has been sponsored by L&T Infrastructure Finance Company Ltd. (**LTIFC**) with 48.36% of its shares. Further, LTIFC is in the process of being merged with L&T Finance Ltd. Post the merger, LTIFC would not be an Infrastructure Finance Company and therefore, not be an eligible “sponsor” of LTIDF. Catalyst is further informed that LTIDF is in discussions with the regulator on alternative plans to (a) ensure that L&T IDF would continue to be in compliance with regulatory norms in the context of eligible “sponsor” and / or (b) maintain the company’s status.

It is further informed that LTIDF has sent communications to all debenture holders appraising of the performance of the Company and also of the status of sponsorship. A copy of the letter dated 22nd March, 2021 is placed below for information of debenture holders. This Press Release is also sent to all debenture holders at their email IDs appearing on latest BENPOS.



22 March, 2021

To
The Bondholder of L&T Infra Debt Fund Limited (L&T IDF)

Dear Sir/Madam,

Sub: Reg. your existing investment in non-convertible debentures issued by L&T IDF

At the outset, we would like to thank you for having supported L&T IDF's business growth over the last few years.

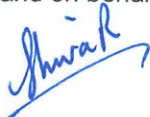
L&T IDF, an Infrastructure Debt Fund Non-Banking Finance Company (IDF NBFC) duly registered with the regulator, has exhibited an excellent performance over the years with significant asset size (~Rs.10,000 cr), market leadership in focus sectors, robust asset quality (0% GS3/ NPA), capital adequacy significantly higher than regulatory requirements (35% as against 15%), leverage significantly lower than permitted by rating agencies, well-matched ALMs in every bucket for at least 18 months and a standalone AAA rating for all its debt instruments since inception. The company continues to benefit from the strong parentage of the L&T Group, maintains highest standards of corporate governance.

We are happy to inform you that despite the market uncertainties and difficulties due to COVID 19, our project assets (i.e., borrowers) have largely recovered to performance levels higher than pre-COVID levels. L&T IDF continues to maintain robust asset quality and adequate liquid funds to meet all requirements.

You may recall that regulatory norms require an IDF NBFC to be "sponsored" only by an Infrastructure Finance Company (IFC) or a bank. Accordingly, L&T IDF has been held 48.36% by L&T Infrastructure Finance Company Limited (LTIFC, categorized by RBI as "sponsor"), 28.28% by L&T Finance Limited (LTF) and 23.36% by L&T Finance Holdings Limited (LTFH) since inception. LTIFC is in the process of being merged with LTF, subject to applicable regulatory formalities. Post the merger, the merged entity would not be an IFC and therefore not be an eligible "sponsor" of an IDF NBFC. Given this, L&T IDF is in discussions with the regulator on alternative plans to ensure that L&T IDF would continue to be in compliance with regulatory norms in the context of eligible "sponsor" and/ or maintain the company's status.

We reiterate that we will keep bondholders informed of all material developments in this matter and take all such actions as may be required to protect the interest of bondholders. In case of any clarifications, please contact us.

Yours faithfully,
For and on behalf of **L&T Infra Debt Fund Limited**



Authorized Signatory

Copy to: Debenture Trustee, Catalyst Trustee Limited

L&T Infra Debt Fund Limited

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