

L&T Finance Holdings Limited January 23, 2023

Credit Update

L&T Finance Holdings Limited (CARE AAA; Stable/A1+) (hereafter referred to as LTFHL) vide its press release dated Jan 13, 2023, has intimated the stock exchange that the Board of directors of LTFHL has approved the amalgamation of L&T Finance Limited ("LTF"), L&T Infra Credit Limited ("LTICL) and L&T Mutual Fund Trustee Limited ("LTMFTL"), wholly owned subsidiaries (held directly or indirectly) of LTFHL (Amalgamated Company) (LTF, LTICL and LTMFTL are collectively referred to as "Amalgamating Companies") with the Amalgamated Company, by way of merger by absorption pursuant to a scheme of arrangement under the provisions of Sections 230 - 232 read with Section 52 of the Companies Act, 2013, and other applicable regulatory requirements.

The merger is subject to regulatory approvals (including approval from the Reserve Bank of India [RBI], the Securities and Exchange Board of India [SEBI], Stock exchanges, and the National Company Law Tribunal [NCLT] and requisite approvals of the shareholders and/or creditors of the Company, if so, directed by the NCLT.

CARE takes cognizance of the above developments and does not expect any change in the credit profiles of the companies by virtue of all the amalgamated entities being directly or indirectly wholly owned subsidiaries of LTFHL and having operational, business, and managerial linkages by way of common promoter, risk management policies, treasury functions, and other common ecosystem. Further, LTFHL, being the holding company for the financial services business of the L&T group, CARE Ratings has taken a consolidated approach for arriving at the rating.

Analytical Approach

LTFHL, is the holding company for the financial services business of the L&T group, which owns (directly and indirectly) 100% in all of its lending subsidiaries. CARE Ratings has taken a consolidated approach for arriving at the rating given high business, operational and management linkages. CARE Ratings has also factored in the linkages with L&T Limited, which is the ultimate parent entity.

Please refer to the following link for the previous press release that captures key rating factors and rating sensitivities: [Click here](#)

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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