

Update on Yes Bank Limited exposure (07th Dec, 2020)

- L&T Mutual Fund holds Rs.5 cr exposure (face value) in Basel II Tier 1 perpetual Bonds in L&T Resurgent India Bond Fund (L&T RIBF).
- The instrument had a call option exercise and interest payment date on 5th March 2020. The bank did not make the interest payment, nor did it exercise the call on 5th March 2020.
- Subsequently, on 6th March 2020, all the rating agencies downgraded the security to D, based on which the independent valuation agencies (CRISIL and ICRA) marked down the security price to 0.
- On 7th Dec 2020, Brickworks had upgraded the security to BB+ while the other rating agencies had already upgraded to BB+ few weeks ago. Based on this, the independent valuation agencies marked up the security price to Rs. 75 in-line with AMFI guidelines.
- Total impact (positive) on account of this change in valuation is 0.51% of NAV on 7th Dec 2020

We continue to monitor the situation closely, with regard to the developments at Yes Bank Limited.

Fund name	Instrument type	NAV Impact on 07th Dec 2020
L&T Resurgent India Bond Fund	Basel II Tier 1 perpetual Bonds	0.51%