

### **Update on Yes Bank Limited exposure (30<sup>th</sup> Dec, 2020)**

- L&T Mutual Fund held 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 Mar 2020. The bank did not make the interest payment, nor did it exercise the call on 5th Mar 2020.
- Subsequently, on 6th Mar 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 2nd Dec 2020, Yes Bank disclosed that it has received approval from Reserve Bank of India to exercise call option and to pay interest with stepped up coupon for the period from 6th March 2020 till date of redemption i.e. 30th Dec 2020.
- 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.
- On 30th Dec 2020, Yes Bank has completed payment of interest with stepped up coupon for the period from 6th March 2020 till date of redemption and full principal repayment. Total impact (positive), post this repayment, is 0.17% of NAV as shown below.

<b>Fund name</b>	<b>Instrument type</b>	<b>NAV Impact on 30<sup>th</sup> Dec 2020</b>
L&T Resurgent India Bond Fund	Basel II Tier 1 perpetual Bonds	0.17%

- With this full redemption, L&T RIBF's exposure to Yes Bank Limited's instruments stands at Nil.