

Update on Yes Bank Limited exposure (06th March, 2020)

- L&T Mutual Fund holds Rs.5 crs exposure in Basel II Tier 1 perpetual Bonds in L&T Resurgent India Bond Fund (L&T RIBF), with exposure as on 4th march at 0.28% of AUM.
- 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.
- Accordingly, valuation price of this instrument by the independent valuation agencies (Crisil and ICRA) was reduced from 100 to 47.5. Apart from the valuation change, the interest accrued but not paid on 5th march, was also reversed. Total impact on account of these measures was 0.18% on the NAV of 5th march 2020
- Subsequently, on 6th March 2020, rating agencies ICRA downgraded the security to D, based on which the independent valuation agencies marked down the security price to 0. This resulted in an impact of 0.13% on the NAV on 6th March 2020.

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

Fund name	Instrument type	NAV Impact on 05th March 2020	NAV Impact on 06th March 2020
L&T Resurgent India Bond Fund	Basel II Tier 1 perpetual Bonds	0.18%	0.13%