

**L&T Finance Holdings and Apis Partners announce equity investment of up to US\$ 110 million by Apis Growth Fund II<sup>1</sup> into L&T IDF, a leading infrastructure refinancing firm in India**

- Apis Growth Fund II (the “Fund”), a private equity fund managed by Apis Partners LLP (“Apis”), has entered into a binding agreement to acquire a minority stake in L&T Infra Debt Fund Ltd. (“L&T IDF”), a specialised re-financier of operating infrastructure projects in India with a loan book of ~Rs. 8,000 crore<sup>2</sup> and 0%<sup>2</sup> non-performing assets since inception
- L&T IDF is a subsidiary of L&T Finance Holdings Ltd. (“LTFH”), part of the Larsen & Toubro Group, one of the largest Indian multi-national engineering and infrastructure conglomerates, with businesses spanning engineering, construction, electrical and electronics manufacturing, IT and financial services
- Apis Growth Fund II’s investment will support the growth of L&T IDF’s loan book across a number of infrastructure subsectors in India such as renewable energy, roads, power transmission, airports and ports
- Apis Partners LLP is a Private Equity asset manager that supports growth stage financial services businesses in Asia and Africa; Apis Growth Fund II investors include leading institutional investors, developmental financial institutions, global banks and insurance companies, sovereign wealth funds, family offices and HNWI’s across Europe, North America, Asia, Africa and Latin America

**Mumbai, India, 25 April 2019** - L&T IDF, a subsidiary of LTFH, has entered into a commitment for up to 25.1%<sup>1</sup> minority equity investment from Apis Growth Fund II, a private equity fund managed by Apis Partners LLP. Out of the total investment amount, 70% is in the form of growth capital for L&T IDF and 30% is for purchase of shares from existing shareholders (subsidiaries of LTFH). The Fund’s investment into L&T IDF will support the growth of its loan book focused on infrastructure projects in India, strengthen its capital structure, and further its technology and digitisation strategy. This long-term partnership will support the Company in accessing low cost international sources of funds which will be utilised to refinance operational infrastructure projects in India.

L&T IDF is a leading Infrastructure Debt Fund Non-Banking Financial Company (IDF-NBFC) in India. It provides long-term refinancing to private sector and PPP (public private partnership) infrastructure projects across multiple high-growth infrastructure sub-sectors including alternative energy projects, such as solar and wind, and highways, that have each completed at least 1 year of satisfactory commercial operations. IDF-NBFCs are a class of financial institutions that were created by the Government of India as a potential solution to the typical challenges in infrastructure financing faced by banks (such as asset liability mismatches and group concentration limits) and to also facilitate investment from pension and insurance funds into infrastructure projects.

L&T IDF, a AAA rated<sup>3</sup> company since inception, has a loan book of ~Rs. 8,000 crore<sup>2</sup> across 94 projects, with ~50% of the portfolio guaranteed by a government authority. The Company has had 0%<sup>2</sup> non-performing assets (NPAs) since inception. The Fund’s investment will support the growth of the Company’s loan book for current and new infrastructure sub-segments across all clients the Company serves (domestic developers, foreign developers, and private equity players engaged in infrastructure).

**Mr. Dinanath Dubhashi, Managing Director & Chief Executive Officer, L&T Finance Holdings Ltd.** said “Our IDF business has built significant strengths in core areas of renewable energy, road and transmission financing, resulting in a high quality loan book and consistent returns. This partnership with Apis is a reflection of the value creation that the Indian infrastructure financing space offers to investors looking for sustainable returns in the long term. Apis’ extensive experience in financial services will further strengthen our integration with global financial markets, as we continue on the path of robust growth.”

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<sup>1</sup> Including co-investments

<sup>2</sup> As per latest stock exchange disclosure on 31st December, 2018

<sup>3</sup> Rated by (i) CRISIL, An S&P Global Company ([link](#) to rating & disclaimer), (ii) CARE ([link](#) to rating & disclaimer), and (iii) ICRA, A Moody’s Investors Service Company ([link](#) to rating & disclaimer)

**Mr. Shiva Rajaraman, Chief Executive, L&T Infra Debt Fund Ltd.** said “The India infrastructure market offers significant growth opportunities for specialised re-financiers such as ourselves. Through this long term partnership with Apis and the continued support from our promoter shareholders, our IDF platform is well-positioned to tap into these opportunities, as well as maintain leadership position in key areas of the infrastructure refinancing space. Our experienced team of professionals look forward to an exciting journey ahead to create value for all our stakeholders.”

**Mr. Udayan Goyal, Co-founder and Managing Partner, Apis Partners LLP** said “We are excited to partner with L&T IDF’s experienced team. The Company has an exceptional track record in refinancing high potential infrastructure projects and raising funds at competitive fixed rates in tenors of up to 20 years, whilst maintaining perfect asset quality. We look forward to helping the team to expand its presence in international capital markets and to create further efficiencies through digitisation and the use of technology across its operations.”

**Mr. Matteo Stefanel, Co-founder and Managing Partner, Apis Partners LLP** said “With India projected to be the fastest growing infrastructure market over the next five years, we are delighted for the Fund to invest in L&T IDF. The Fund’s investment will support the Company in its mission of facilitating infrastructure growth, a critical factor for the development of industry, agriculture and trade in emerging markets. The Company’s mission is fully aligned to Apis’ own objective of assisting in the deepening of the financial sector as a necessary ingredient for the promotion of economic development in growth markets.”

#### **About L&T Infra Debt Fund Ltd.:**

L&T IDF ([www.ltfs.com/companies/lt-infra-debt.html](http://www.ltfs.com/companies/lt-infra-debt.html)) is classified as an Infrastructure Debt Fund – Non-Banking Financial Company (“IDF-NBFC”), regulated by the Reserve Bank of India (“RBI”). The company has established leadership positions in the core areas of renewable energy and road financing and has raised long term funds of up to 20-year tenors through domestic bond markets from pension and insurance funds at competitive rates. L&T IDF is backed by a strong corporate governance framework, well established credit and risk management processes, an experienced management team and a board consisting of independent directors of impeccable credentials. The Company has provided financing solutions to 92 infrastructure projects as of 30th September 2018. L&T IDF benefits greatly from being part of L&T Financial Services, *inter alia* India’s leading financier of renewable energy projects and the Larsen & Toubro group, one of India’s largest engineering and construction conglomerates.

#### **About Apis Partners LLP:**

Apis Partners LLP ([www.apis.pe](http://www.apis.pe)) is a private equity asset manager that supports growth stage financial services and financial infrastructure businesses in Africa and Asia by providing them with catalytic growth equity capital. Apis’ team is comprised of over 27 professionals with specialised expertise in financial services and technology in growth markets. Apis is highly conscious of the developmental impact that the provision of growth capital for financial services in growth markets can achieve, and as such, financial inclusion is a core tenet of Apis Partners LLP’s approach and investment mandate. Apis Partners LLP is authorised and regulated by the U.K. Financial Conduct Authority (auth. n. 628289).

#### **About L&T Finance Holdings Ltd.:**

LTFH ([www.ltfs.com](http://www.ltfs.com)) is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Infra Debt Fund Limited, L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI<sup>4</sup>. LTFH is promoted by Larsen & Toubro Ltd. (“L&T”) ([www.larsentoubro.com](http://www.larsentoubro.com)), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

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<sup>4</sup> Systemically Important Core Investment Company, a classification of Non-Banking Financial Company (NBFC) by RBI

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