August 30, 2019 Revised

L&T Finance Limited (erstwhile Family Credit Limited): Ratings reaffirmed; Outlook revised to Negative

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Bank Lines programme	26,000.00	26,000.00	[ICRA]AAA (negative); reaffirmed; Outlook revised to Negative from Stable
Long-term Market Linked Debenture Programme	500.00	500.00	PP-MLD[ICRA]AAA(negative); reaffirmed; Outlook revised to Negative from Stable
Non-convertible Debenture Programme	13,500.00	13,500.00	[ICRA]AAA (negative); reaffirmed; Outlook revised to Negative from Stable
Non-convertible Debenture Programme (Public Issuance)	681.70	681.70	[ICRA]AAA (negative); reaffirmed; Outlook revised to Negative from Stable
Non-convertible Debenture Programme (Public Issuance) #	5,000.00	5,000.00	[ICRA]AAA (negative); reaffirmed; Outlook revised to Negative from Stable
Subordinated Debt Programme	1,325.00	1,325.00	[ICRA]AAA (negative); reaffirmed; Outlook revised to Negative from Stable
Perpetual Debt Programme	600.00	600.00	[ICRA]AA+ (negative); reaffirmed; Outlook revised to Negative from Stable
Commercial Paper Programme	18,500.00	18,500.00	[ICRA]A1+; reaffirmed
Total	66,106.70	66,106.70	

**Instrument details are provided in Annexure-1*

The rated limit is interchangeable with Unsecured Subordinated Redeemable Non-convertible Debenture [public issue]

Rationale

L&T Finance Holdings Limited (LTFHL) is a holding company with a diversified business profile in the financial services space. LTFHL's wholly-owned subsidiaries operate in rural, housing and wholesale finance and asset management businesses. While arriving at the rating for L&T Finance Limited (LTFL), ICRA has considered the consolidated performance of LTFHL and its finance subsidiaries (namely L&T Finance Limited (LTF), L&T Infrastructure Finance Company Limited (LTIF) & L&T Housing Finance Limited (LTHFL), collectively referred to LTFHL Group) given the strong operational and financial synergies between the companies.

The ratings continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.89% equity in the company as on June 30, 2019 and the expectation that support from L&T would continue and be forthcoming as and when required. The ratings also draw comfort from the LTFHL Group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business. The ratings take into consideration the improvement in LTFHL's business and risk profile by following rationalisation of product offerings and strengthened risk profile across businesses. Retail loans (farm equipment loan, home loans, micro loans, loans against property and two-wheeler loans) has seen increase in total book to 37% as on June 30, 2019 as compared with 30% as on March 31, 2018 with improved asset quality, portfolio diversification and market position. In wholesale businesses (Infrastructure and Real Estate), focus is on funding projects with ring-fenced structure where LTFHL also derives strength from L&T Group's expertise in these sectors. The ratings also factor in the capital funding, management, systems and infrastructure support that the company receives from LTFHL and other Group companies. ICRA expects the company to be adequately capitalised in relation to its growth plans over the medium term, supported by timely capital infusion by LTFHL.

The long-term ratings for the group factor in the ability to profitably grow the business volumes (the AUM grew by 16% in FY2019 and further to Rs. 99,904 crore as on June 30, 2019) while improving the share of retail loans in the overall mix and improved capitalisation profile of the group supported by the sizeable capital infusion of Rs. 3,000 crore in March 2018. The ratings factor in ICRA's expectations of the group to maintain prudent gearing levels going forward as well. The ratings also factor in its focus on underwriting with subsequent down-selling of assets in Infrastructure projects, which provides scope for fee-based income and is likely to support overall profitability.

These strengths are, however, partially offset by the current sectoral and environment risk of the wholesale lending *(Infrastructure finance, Real Estate sector, DCM and Structured Finance Group).* LTFHL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a bearing on its earning profile. Within the Infrastructure finance, the focus is on sectors such as renewable, transportation and transmission, which are relatively less risky. ICRA also notes the increased share of real estate book (where large part of the portfolio is under construction and hence principal moratorium; however, there is no moratorium on interest). Exposure in Real estate is project level in metro cities with focus on bigger developers spread across several projects / SPVs; which brings diversity and acts as a risk mitigant. ICRA also notes the portfolio concentration with top 20 group exposure accounting for 168% of net worth as of March 31, 2019 (down from 190% of net worth as of March 31, 2018) in wholesale book, augmenting portfolio vulnerability, however the group exposures are spread across more than 100 projects / SPVs; which brings diversity and acts as a risk mitigant. While the company has hitherto reported improvement in asset quality indicators during FY2019 and Q1FY2020, its ability to maintain the same in light of the systemic risk build-up in the real estate industry will be important from a credit perspective. ICRA has also taken note of the Group's improving profitability indicators though these are expected to remain largely at current levels in FY2019. In ICRA's opinion, LTFHL's ability to absorb higher provisioning, in addition to augmentation of capital through various avenues, would help the Group strengthen the consolidated balance sheet. Going forward, continued support from L&T, sustained financial performance, ability to run down defocussed book, reduce portfolio vulnerability and improve asset quality indicators remain key rating sensitivities.

The one notch lower rating assigned to the company's perpetual debt programme compared to the [ICRA]AAA rating for the other long-term debt programmes reflects the specific features of these instruments wherein the debt servicing is additionally linked to meeting the regulatory norms on capitalisation and reported profitability. The domestic regulatory norms for hybrid debt capital instruments include regulatory approvals from the Reserve Bank of India (RBI) for debt servicing (including principal repayments) if the company reports a loss and is not liable to service the debt if it breaches the minimum regulatory capitalisation norms.

Outlook: Negative

LTF is the Group's primary vehicle for retail financing. ICRA believes LTF will continue to benefit from being a part of LTFHL group, its demonstrated track record of scaling its operations and its ability to raise funds at competitive rates. Any change in the credit profile of L&T would impact the credit profile of LTFHL which in turn will affect LTF's rating given their close linkages. While the ratings have been reaffirmed, the outlook on the long-term rating has been revised to Negative because of the increased systemic risks wholesale sector. Furthermore, given the slowdown in the economy and current challenges in the industry growth, there could be pressure on the asset quality indicators and earning profile. The outlook may be revised to Stable if the risks in the current market environment subside or the company is able to demonstrate continued performance trajectory and further improve the granularity of the book while maintaining a healthy asset quality and capitalisation profile. Any change on the likely support from parent could also warrant a rating change for the group.

Key rating drivers

Credit strengths

Strong parentage and strategic importance to ultimate parent; experienced management team - LTF is a wholly-owned subsidiary of LTFHL, which, in turn, is majority owned by L&T. LTFHL and its subsidiaries, while operating independently, benefit from L&T's brand name. LTF also receives capital and management support from its parent. Thus, LTF's ratings draw significant strength from L&T and LTFHL and any change in the rating of the parent and/or support from the Group could warrant a rating change. LTHFL also has a strong management team in place with considerable experience across functions.

Diversified product mix with portfolio growth supported by well-established franchise, good market knowledge and standing as part of L&T Group - LTFHL undertook a rationalisation of its product offering in FY2017 following which, certain product segments (including four-wheeler financing, commercial vehicles, construction equipment, leases, SME term loans and receivable discounting) were discontinued. Further during Q1FY2019, LTFHL has reclassified structured finance group and DCM business as defocussed book with the intention to exit these businesses after successfully exiting supply chain business during FY2019. Nonetheless, the product offering remains extensive. Also, as part of the restructuring, L&T Finance Limited and L&T FinCorp Limited were merged with Family Credit Limited with the merged entity being rechristened L&T Finance Limited. Going forward, LTF along with L&T Housing Finance, will be one of the Group's primary vehicles for retail financing. LTF's portfolio stood at Rs. 48,947 crore (as per Ind-AS) as on March 31, 2019 (Rs. 40,187 crore as on March 31, 2018) comprising of 53% loans to retail segment and 47% to wholesale segment. LTF benefits from the brand name of L&T, which it has leveraged to grow its corporate and retail portfolios while maintaining adequate profitability. Further as on June 30, 2019, LTF's portfolio stood at Rs. 49,820 crore comprising of 53% loans to retail segment and 47% to wholesale segment.

At a consolidated level, LTFHL's AUM grew by 16% Y-o-Y to Rs. 99,121 crore as on March 31, 2019 from Rs. 85,354 crore as on March 31, 2018, driven by 39% growth in retail segments during FY2019, resulting in increase in share of retail segment to 36% of loan book as on March 31, 2019 (30% as on March 31, 2018). LTFHL's AUM stood at Rs. 99,904 crore as on June 30, 2019 and comprised of 37% of the loans to retail segments (Micro loans (13%), Two-wheeler (6%) & Farm Equipment (7%) and Home Loans/LAP (11%)) and balance 63% to the wholesale segments (Real Estate Finance (15%), Infrastructure Finance (39%) and the balance towards Structured Finance Group, Debt & Capital Markets book, etc).

Adequate capitalisation levels with committed financial support from parent–LTF's capital adequacy ratio stood at 16.98% (Tier I-15.22%) as on March 31, 2019, above the 15% level stipulated by the RBI. The gearing, as on March 31, 2019, was moderate at 5.21 times. While internal capital generation is likely to be subdued in the medium term due to the amortisation of goodwill of Rs. 2,829 crore (as on March 31, 2017) over five years starting March 2017, the strategic importance of the company to the Group and the track record of capital infusion from LTFHL (equity infusion of Rs. 1,400 crore by LTFHL in Q4FY2018) to its subsidiary companies supports capitalisation. ICRA's opinion is that the capital support from the parent should remain forthcoming as and when required.

At a consolidated level, LTFHL's capitalisation remains adequately supported by its track record of raising funds (Rs. 3,000 crore in Q4FY2018 (Rs. 2000 crore from L&T and Rs. 1000 crore through QIP)) and moderate internal capital generation (return on equity of 17.9% in FY2019 compared to 13.9% in FY2018). Post capital raising in FY2018, the gearing level of the group had come down to the moderate level of 6.80 times as on March 31, 2019 (6.60 as on March 31, 2018 and 7.90 as on March 31, 2017) which has further moderated to 6.64 times as of June 30, 2019. Consolidated CRAR as on March 31, 2019 stood at 17.85% (Tier 1: 14.56%) which has further improved to 18.38% (Tier 1:15.05%) as of June 30, 2019. ICRA believes that prudent capitalisation is one the key mitigants to absorb any asset quality related shocks and expects that the company would maintain prudent capitalisation profile going forward. Nonetheless, given the strong parentage and the ability of the entity to raise capital from market, the capitalization profile of the LTFHL is expected to remain adequate. ICRA expects the support from L&T would be forthcoming as and when required.

Comfortable liquidity position supported by diversified funding mix and ability to raise funds at competitive rates - LTF has a fairly-diversified funding mix with 52% of the funding as on March 31, 2019 raised from the capital markets (NCDs, subordinated debt, perpetual debt and commercial papers) with balance being bank borrowings and others (incl. ICDs). Given its operational track record and parentage, LTF has been able to raise funding at competitive rates, which supports the overall profitability. The company also maintains a healthy liquidity profile with positive cumulative mismatches in all the buckets up to 5 years as per ALM as on March 31, 2019. The unutilised bank limits, and liquidity support from the ultimate parent L&T provides comfort over liquidity profile of the company.

Good profitability indicators; however, profitability driven by relatively riskier asset classes such as MFI, 2-wheeler - During FY2019, the company reported a PAT of Rs. 846 crore as compared to Rs. 117 crore during FY2018. The company reported return on asset (RoA) of 1.17% and return on net worth (RoNW) of 9.84% (vis-à-vis RoA of 0.29% and RoNW of 1.56% during FY2018) supported by an improvement in yield with increased retailisation of the portfolio and improved credit cost. ICRA expects improvement in the profitability indicators going forward as well, provided the company is able to maintain its credit cost.

LTFHL Group, at a consolidated level, reported a profit after tax of Rs. 2,232 crore as compared to Rs. 1,278 crore during FY2018. ICRA notes that with the implementation of the new strategy and change in product mix, the company's profitability indicators improved in FY2019 and vis-à-vis FY2018. The company reported return on assets (RoA) and adjusted return on equity (RoE) of 2.30% and 17.91%, respectively, during FY2019 as compared with 1.61% and 13.65%, respectively, during FY2018. Going forward, with the group's increased focus on retailisation, the blended yields are expected to improve, however, impact expected to be offset by the increase in cost of funds leading to stable NIMs and Fee income. Further, LTFHL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a bearing on its earning profile. LTFH group has built up macro-prudential provisions for unanticipated future event risks, which may arise in the micro loan and real estate segment (Rs.350 crore as on June 30, 2019). Factoring these macro-prudential provisions, there may not be any significant impact on profitability in such unanticipated events.

Credit challenges

Moderate asset quality indicators; high concentration in wholesale business; high systemic risk in real estate industry - LTF's asset quality indicators Stage 3 assets (as per IND-AS) and slippages, continued to showcase improvement during FY2019 even after migration to stricter assets quality recognition norms, supported by healthy collections and continuous risk monitoring. Asset quality indicators improved with Gross and Net NPA of 3.55% and 2.13%, respectively, as on March 31, 2019, compared to Gross and Net NPA of 6.07% and 2.81%, respectively, as on March 31, 2018. Given that a large part of the incremental business is coming from relatively risker asset classes such as micro loans, two-wheelers and real estate finance and while so far, the asset quality has been holding in these segments, the delinquencies could remain volatile. During the year there had been some rise in delinquencies in the micro-loan portfolio of the company in certain regions, however the company has adequately provided for the same and thus the overall impact on asset quality indicators was limited. The ability of the group to manage the asset quality through cycles would be a key monitorable.

At a consolidated group level, on account of transition to IND AS during FY2019, standard stressed assets had been included as part of Stage 3 over and above the Non-Performing Assets. This had resulted in Gross and Net Stage 3 Assets of 8.71% and 3.34% respectively as on March 31, 2018 (under Ind AS) as compared to Gross and Net NPA of 4.80% and 2.34% respectively as on March 31, 2018. The asset quality has improved during FY2019 and Q1FY2020 with Gross and Net Stage 3 at 5.90%/2.40% and 5.72%/2.48% respectively, supported by healthy collections and controlled slippages.

In Infrastructure finance, incremental exposure is in sectors such as renewable, transportation and transmission, which are relatively less risky though, the full benefit of this would only be visible over the medium term. The top 20 group exposures accounted for 168% of net worth as on March 31, 2019 (which has reduced from 190% as on March 31, 2018), indicates high concentration towards group exposures, which may augment portfolio vulnerability. However, these group exposures are spread across >100 projects/SPV in ring fenced structures; which brings diversity and acts as a risk mitigant for the concentration. Furthermore, high systemic risk in the real estate industry, may lead to higher credit costs over the medium term. At the same time, while the delinquencies could remain volatile in some of the retail portfolios, the macroprudential provisions built by the group could limit the impact on the profitability. Overall, the Group's ability to profitably grow business volumes while improving the asset quality would have a bearing on its overall financial profile and would be a key monitorable.

Relatively higher share of wholesale exposures at group level; albeit gradually declining. Group in process of reducing the exposures under corporate/structured loan segment - At a consolidated level, LTFHL's lending book stood at Rs. 99,121 crore as on March 31, 2019 (compared to Rs. 85,354 crore as on March 31, 2018). Share of loans to retail segments has increased to 36% from 30% on annual basis primarily driven by growth in Rural and Housing segment. Nonetheless, a significant share of 64% of portfolio comprises of wholesale segments. During Q1FY20 the company has reclassified structured finance group and DCM business under defocused book, expected to be run down by the end of FY2021. Further, LTFHL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a bearing on its earning profile.

Liquidity Position:

The liquidity profile of the group is comfortable at a consolidated level. The liquidity profile of LTFHL is comfortable at a consolidated level. As on June 30, 2019 on a consolidated basis, cumulative outflows over the next six months stood at Rs. 20,249 crore, while collections expected from loan assets' inflows were about Rs. 12,040 crore. The company had cash and liquid investments of Rs. 4,856 crore, unutilized bank lines of Rs. 6,278 crore as on June 30, 2019 which it can use to meet the funding gaps. The liquidity is also supported by the Rs. 2,000 crore credit line from L&T. LTFHL enjoys strong financial flexibility to mobilise long term funding on the back of its established track record and parentage.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating
Parent/Group Support	Ultimate parent / Investor: Larsen & Toubro Ltd. The assigned rating derives significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.89% (as on June 30, 2018) equity in the company, and LTFH group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business. ICRA expects timely capital and liquidity support to be forthcoming from L&T, if required.
Consolidation / Standalone	While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of LTFHL and its subsidiaries carrying businesses as finance companies, given the strong operational and financial synergies between the companies.

About the company:

L&T Finance Limited

L&T Finance Limited (LTF), was originally incorporated as Apeejay Finance Group Ltd in 1993. In December 2012, L&T Finance Holdings Limited (LTFHL) acquired 100% equity in the entity, following which its name was changed to Family Credit Limited. In FY2017, as a part of LTFHL's business restructuring, L&T Finance Limited and L&T FinCorp Limited (both entities now dissolved) were merged with Family Credit Limited and the combined entity was rechristened L&T Finance Limited.

For FY2019, LTF reported PAT of Rs. 846 crore on an asset base of Rs. 55,837 crore. As on March 31, 2019, the company had a total loan book of Rs. 48,947 crore, with the micro loans portfolio accounting for 26%, wholesale finance for 24%, real estate finance for 22%, farm equipment for 15%, two-wheelers for 12%, LAP 0.7% and other retail products for the balance. Further, during Q1FY2020, LTF reported a PAT of Rs. 102 crore. As on June 30, 2019, LTF's portfolio stood at Rs. 49,820 crore comprising of 53% loans to retail segment and balance 47% to wholesale segment.

L&T Finance Holdings Limited

L&T Finance Holdings Limited (LTFHL) was originally incorporated as L&T Capital Holdings Ltd in May 2008 and its name was subsequently changed in September 2010. The company is registered as an NBFC-CIC with the RBI. It is promoted by Larsen & Toubro Limited (L&T) as the holding company of L&T Group's financial services companies. LTFHL has three wholly-owned subsidiaries, namely, L&T Infrastructure Finance Company Limited, L&T Finance Limited and L&T Housing Finance Limited, which undertake the Group's lending operations. L&T Infra Debt Fund, an NBFC-IDF, was incorporated in 2013, with LTFHL and its subsidiaries together holding a 100% stake in the company.

LTFHL, through its subsidiaries, offers a diverse range of financial products and services across rural, housing and wholesale finance businesses. It also offers fund management and other non-fund based services, such as insurance and mutual fund distribution and financial advisory services (project finance and pre-bid advisory), through its subsidiaries. Following an initial public offering in July 2011, L&T's shareholding in LTFHL declined to 82.64% from 99.99% earlier. Following some open market transactions, L&T's shareholding reduced, currently L&T continue to holds a majority stake of 63.91% stake in LTFHL as on March 31, 2019.

On a consolidated basis, for FY2019, LTFHL reported PAT of Rs. 2,232 crore on an asset base of Rs. 1,06,055 crore compared to PAT of Rs. 1,278 crore for FY2018, on a total asset base of Rs. 87,777 crore. The consolidated entity's net worth was Rs. 13,449 crore as on March 31, 2019.

Larsen & Toubro Limited

Larsen & Toubro Limited (L&T, rated [ICRA]AAA(Stable)) is a leading engineering and construction company in India with a global presence. Headquartered in Mumbai, it has interests in infrastructure, power, metallurgical & material handling, heavy engineering, shipbuilding, electrical & automation, machinery and industrial products, and realty. Apart from India, it has a significant presence in the Middle East. Through its subsidiaries, associate companies and joint ventures, the Group is engaged in the hydrocarbon business, IT services, financial services, and infrastructure development ventures. For FY2019, L&T reported a consolidated PAT of Rs. 10,217 crore on a total asset base of Rs. 279,134 crore as on March 31, 2019.

Key financial indicators for L&T Finance Limited (Standalone)

	FY2018	FY2019
Total Income	5,071	7,383
Profit after tax (PAT)	117	846
Net Worth	8,287	8,900
Total portfolio	40,187	48,947
Total assets	44,175	55,837
Return on managed assets (PAT/AMA)	0.29%	1.17%
Return on average net worth (PAT/Avg. net worth)	1.56%	9.84%
Gearing	4.28	5.21
Gross NPA%	6.07%	3.55%
Net NPA%	2.81%	2.13%
Net NPA/Net worth %	12.85%	11.26%
CRAR%	17.92%	16.98%

AMA –Average managed asset
PY figures for FY2018 calculation as per Ind-AS as on April 1, 2017
Amount in Rs. Crore; ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years									
		Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Aug 2019	FY2020	FY2019							FY2018	FY2017
						Apr 2019	Feb 2019	Jan 2019	Sep 2018	Aug 2018	Jul 2018	Jun 2018		Mar 18	Mar 17
1	Bank Lines Programme	Long Term	26,000	22,854.75	[ICRA]AAA (negative)	[ICRA]AAA (stable)	-	-	-	-	-	-		-	-
2	Secured Redeemable Non-convertible Debenture [public issue]#	Long Term	5000	2,500	[ICRA]AAA (Negative)	[ICRA]AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-		-	-
3	Long Term Market Linked Debenture Programme	Long Term	500	0	PP-MLD [ICRA]AAA (Negative)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	PP-MLD [ICRA]AAA (Stable)	-	-	-		-	-
4	Non-convertible Debenture Programme	Long Term	13,500	6,290	[ICRA]AAA (negative)	[ICRA]AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AA+ (stable)	[ICRA] AA+ (stable)		[ICRA] AA+ (stable)	[ICRA] AA+ (Stable)
5	Subordinated Debt Programme	Long Term	1,325	765.00	[ICRA]AAA (negative)	[ICRA]AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA(stable)	[ICRA] AA+ (stable)	[ICRA] AA+ (stable)		[ICRA] AA+ (stable)	[ICRA] AA+ (Stable)
6	Perpetual Debt Programme	Long Term	600	250.00	[ICRA]AA+ (negative)	[ICRA]AA+ (stable)	[ICRA] AA+	[ICRA] AA+	[ICRA] AA+	[ICRA] AA	[ICRA] AA	[ICRA] AA		[ICRA] AA	[ICRA] AA

							(stable)	(stable)	(stable)	+(stable)	(stable)	(stable)	(stable)	(Stable)
7	NCD Programme (public issuance)	Long Term	681.70	457.33	[ICRA]AAA (negative)	[ICRA]AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA (stable)	[ICRA] AAA(stabl e)	[ICRA] AA+ (stable)	[ICRA] AA+ (stable)	[ICRA] AA+ (stable)	[ICRA] AA+ (Stable)
8	CP Programme	Short Term	18,500	10,090.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	-

[#] *The rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue]*

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate (In %)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE523E07BS2	Non-Convertible Debenture	20-May-15	8.87%	20-May-20	26	[ICRA]AAA (negative)
INE523E07DI9		13-Apr-16	8.68%	12-Sep-19	75	[ICRA]AAA (negative)
INE523E07DJ7		13-Apr-16	8.68%	30-Sep-19	4	[ICRA]AAA (negative)
INE759E07830		13-Jun-16	8.80%	11-Jun-21	10	[ICRA]AAA (negative)
INE027E07345		5-Aug-16	8.65%	5-Aug-19	5	[ICRA]AAA (negative)
INE759E07871		8-Sep-16	8.31%	6-Sep-19	50	[ICRA]AAA (negative)
INE759E07889		12-Sep-16	8.31%	12-Sep-19	200	[ICRA]AAA (negative)
INE523E07DW0		19-Jan-17	7.83%	20-Jan-20	150	[ICRA]AAA (negative)
INE027E07386		29-Mar-17	7.90%	29-Apr-20	100	[ICRA]AAA (negative)
INE027E07394		31-Mar-17	8.07%	29-May-20	300	[ICRA]AAA (negative)
INE027E07410		10-Apr-17	7.80%	8-May-20	100	[ICRA]AAA (negative)
INE027E07436		25-May-17	7.85%	25-May-20	25	[ICRA]AAA (negative)
INE027E07543		8-Aug-17	7.71%	8-Aug-22	465	[ICRA]AAA (negative)
INE027E07550		6-Oct-17	7.70%	6-Oct-22	310	[ICRA]AAA (negative)
INE027E07576		17-Oct-17	7.68%	18-Dec-20	150	[ICRA]AAA (negative)
INE027E07584		24-Nov-17	7.85%	11-Dec-20	305	[ICRA]AAA (negative)
INE027E07592		4-Dec-17	7.90%	4-Dec-20	750	[ICRA]AAA (negative)
INE027E07600		6-Dec-17	7.84%	6-Jan-21	215	[ICRA]AAA (negative)
INE027E07618		12-Dec-17	7.95%	12-Dec-22	85	[ICRA]AAA (negative)
INE027E07626		29-Dec-17	8.00%	27-Nov-20	100	[ICRA]AAA (negative)
INE027E07766		5-Dec-18	9.36%	20-Dec-19	1200	[ICRA]AAA (negative)
INE027E07774		4-Jan-19	9.00%	4-Jan-24	800	[ICRA]AAA (negative)
INE027E07AP2		28-May-19	8.80%	28-May-26	850	[ICRA]AAA (negative)
INE027E07AQ0		31-Jul-19	8.55%	31-Jul-26	15	[ICRA]AAA (negative)
INE523E07DE8*		13-Apr-16	8.69%	12-Mar-19	170	[ICRA]AAA (negative)
INE027E07402*		10-Apr-17	7.71%	10-Apr-19	150	[ICRA]AAA (negative)
INE523E07DF5*		13-Apr-16	8.70%	12-Apr-19	10	[ICRA]AAA (negative)
INE523E07DC2*		29-Mar-16	8.90%	29-Apr-19	185	[ICRA]AAA (negative)
INE523E07DG3*		13-Apr-16	8.69%	31-May-19	25	[ICRA]AAA (negative)
INE523E07DH1*		13-Apr-16	8.69%	13-Jun-19	275	[ICRA]AAA (negative)
INE523E07DN9*		14-Jun-16	8.72%	14-Jun-19	50	[ICRA]AAA (negative)
INE523E07DO7*		29-Jun-16	8.72%	28-Jun-19	130	[ICRA]AAA (negative)
INE523E07DP4*		29-Jun-16	8.71%	22-Jul-19	2.5	[ICRA]AAA (negative)
INE759E07822*		13-Jun-16	8.80%	11-Jun-21	10	[ICRA]AAA (negative)
-		NA	NA	NA	6202.5^	[ICRA]AAA (negative)
INE523E07459	Retail Debentures (Public Issue)	9/17/2009	10.24%	9/17/2019	457.3	[ICRA]AAA (negative)
-		NA	NA	NA	224.7^	[ICRA]AAA (negative)
INE027E07881	Secured Redeemable Non-convertible Debenture [public issue]	3/13/2019	0.09	4/13/2022	176.9	[ICRA]AAA (negative)
INE027E07899		3/13/2019	0.091	4/13/2022	688.4	[ICRA]AAA (negative)
INE027E07907		3/13/2019	0.09	4/13/2022	5.1	[ICRA]AAA (negative)
INE027E07915		3/13/2019	0.091	4/13/2022	80.4	[ICRA]AAA (negative)
INE027E07923		3/13/2019	0.091	3/13/2024	30.3	[ICRA]AAA (negative)

INE027E07931		3/13/2019	0.0925	3/13/2024	235.6	[ICRA]AAA (negative)
INE027E07949		3/13/2019	0.0875	3/13/2024	1.8	[ICRA]AAA (negative)
INE027E07956		3/13/2019	0.0889	3/13/2024	60.1	[ICRA]AAA (negative)
INE027E07964		3/13/2019	0.092	3/13/2029	8.0	[ICRA]AAA (negative)
INE027E07972		3/13/2019	0.0935	3/13/2029	110.9	[ICRA]AAA (negative)
INE027E07980		3/13/2019	0.0884	3/13/2029	0.7	[ICRA]AAA (negative)
INE027E07998		3/13/2019	0.0898	3/13/2029	101.7	[ICRA]AAA (negative)
INE027E07AA4		4/15/2019	0.087	4/15/2022	110.9	[ICRA]AAA (negative)
INE027E07AB2		4/15/2019	0.089	4/15/2022	188.2	[ICRA]AAA (negative)
INE027E07AC0		4/15/2019	0.087082	4/15/2022	3.5	[ICRA]AAA (negative)
INE027E07AD8		4/15/2019	0.089086	4/15/2022	16.1	[ICRA]AAA (negative)
INE027E07AE6		4/15/2019	0.088	4/15/2024	72.9	[ICRA]AAA (negative)
INE027E07AF3		4/15/2019	0.09	4/15/2024	186.0	[ICRA]AAA (negative)
INE027E07AG1		4/15/2019	0.0848	4/15/2024	1.6	[ICRA]AAA (negative)
INE027E07AH9		4/15/2019	0.0866	4/15/2024	21.9	[ICRA]AAA (negative)
INE027E07AI7		4/15/2019	0.088101	4/15/2024	0.2	[ICRA]AAA (negative)
INE027E07AJ5		4/15/2019	0.090104	4/15/2024	18.3	[ICRA]AAA (negative)
INE027E07AK3		4/15/2019	0.0885	4/15/2027	10.5	[ICRA]AAA (negative)
INE027E07AL1		4/15/2019	0.0905	4/15/2027	352.0	[ICRA]AAA (negative)
INE027E07AM9		4/15/2019	0.0852	4/15/2027	0.5	[ICRA]AAA (negative)
INE027E07AN7		4/15/2019	0.087	4/15/2027	17.5	[ICRA]AAA (negative)
-		NA	NA	NA	2,500.0^	[ICRA]AAA (negative)
INE027E08079	Perpetual Debt	3/30/2016	10.10%	3/30/2026	50	[ICRA]AA+ (negative)
INE523E08NG0		12/30/2011	11.50%	12/30/2021	200	[ICRA]AA+ (negative)
-		NA	NA	NA	350.00^	[ICRA]AA+ (negative)
INE523E08NH8	Subordinated Debt	21-Dec-12	9.80%	21-Dec-22	275	[ICRA]AAA (negative)
INE523E08NI6		27-Mar-14	10.35%	27-Mar-24	50	[ICRA]AAA (negative)
INE027E08053		9-Feb-16	9.35%	9-Feb-26	18	[ICRA]AAA (negative)
INE027E08061		4-Mar-16	9.48%	4-Mar-26	50	[ICRA]AAA (negative)
INE759E08044		23-Mar-16	9.30%	23-Mar-26	100	[ICRA]AAA (negative)
INE027E08020		27-Mar-14	10.90%	27-Mar-24	50	[ICRA]AAA (negative)
INE759E08028		30-Mar-15	9.95%	28-Mar-25	50	[ICRA]AAA (negative)
INE027E08038		30-Jun-14	10.40%	28-Jun-24	40	[ICRA]AAA (negative)
INE759E08036		9-Sep-15	9.25%	9-Sep-25	100	[ICRA]AAA (negative)
INE027E08046		30-Jan-16	9.35%	29-Jan-26	32	[ICRA]AAA (negative)
-		NA	NA	NA	560.00^	[ICRA]AAA (negative)
-	Commercial Paper	NA	NA	7-365 days	18,500.00	[ICRA]A1+
-	Long Term Market Linked Debenture Programme	NA	NA	NA	500.00^	PP-MLD[ICRA]AAA (Negative)
-	Bank Lines Programme	NA	NA	NA	26,000	[ICRA]AAA (negative)

^Yet to be placed
**Redeemed; To be withdrawn later*
Source: L&T Finance Limited

Annexure-2: List of entities considered for consolidated analysis:

L&T Finance Holdings Limited
L&T Finance Limited
L&T Housing Finance Limited
L&T Infra Debt Limited
L&T Infrastructure Finance Company Limited

Corrigendum:

In Annexure 1 instrument details rectified to Negative from Stable.
In summary of rating action table outlook rectified to Negative from Stable.

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