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## L&T Fin may resume retail bond issuance

Firm stepping up borrowing through commercial paper to make the most of soft interest rates



**L&T Finance CFO Sachinn Joshi said the fundraising through retail bond offering was likely to be ₹400-500 crore in each quarter**

**ABHIJIT LELE**  
Mumbai, 17 July

As part of diversification in raising resources, L&T Finance Ltd (LTF) is looking to resume retail bond issuance in the second half of the current financial year. The fundraising through retail bond offering is likely to be ₹400-500 crore in each quarter depending on market conditions and requirements, according to Sachinn Joshi, chief financial officer, LTF.

Joshi told *Business Standard* that there was already retailisation of loan side (over 95 per cent of credit), and the company would also like to raise funds from the retail segment for broad-basing of the resource pool. The share of retail bonds was just 1 per cent at the end of June 2024, according to

analyst presentation.

The company had issued retail bonds prior to the Covid pandemic to raise over ₹3,000 crore, Joshi said.

Referring to short-term instruments, he said the company is stepping up borrowing through commercial paper (CP), the money market instrument, to take advantage of the prevalent soft interest rates. At present, CP forms 8 per cent of total borrowing and it could go up to 11-12 per cent, he added.

Its weighted average cost of borrowing (WACB) funds moved up to 7.85 per cent in Q1FY25 from 7.77 per cent in Q1FY24. The cost of funding moved up gradually to 7.79 per cent in Q2FY24, 7.81 per cent in Q3FY24 and 7.82 per cent in Q4FY24, the analyst presentation showed.

Joshi said the diversified liability mix has been able to contain increase in quarterly WACB at 3 basis points quarter-on-quarter (Q-o-Q) to 7.85 per cent in Q1FY25.

Its net interest margin (NIM) plus fees and other income improved by 144 basis points to 11.08 per cent in Q1FY25 from 9.64 per cent in Q1FY24. However, it moderated from 11.25 per cent in Q4FY24. Going forward, NIM plus fees are expected to be about 11 per cent, he said.

Turning to international fund-raise, Joshi said LTF would draw down from sanctioned lines for external commercial borrowings. It is also preparing for raising money from multilateral institutions and global funds in environmental, social and governance (ESG) space.

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[https://www.business-standard.com/companies/news/l-t-finance-planning-to-resume-retail-bond-issuance-in-h2fy25-cfo-joshi-124071700871\\_1.html](https://www.business-standard.com/companies/news/l-t-finance-planning-to-resume-retail-bond-issuance-in-h2fy25-cfo-joshi-124071700871_1.html)

As a part of diversification of raising resources, L&T Finance Ltd (LTF) is looking to resume retail bond issuances in the second half of the current financial year. The fundraising through retail bond offering is likely to be in the region of Rs 400-500 crore in each quarter depending on market conditions and requirements, according to Sachinn Joshi, chief financial officer, LTF.

Joshi told Business Standard that there is already retailisation of loan side (over 95 per cent of credit), and the company will also like to raise funds from the retail segment for broad-basing of resource pool. The share of retail bonds was just 1 per cent at the end of June 2024, according to analyst presentation.

The company had issued retail bonds prior to the Covid pandemic to raise over Rs 3,000 crore, Joshi said.

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Sachinn Joshi, Chief Financial Officer, LTF

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