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# L&T Fin set to enhance borrowings, tap ECBs

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With the impending rate-easing cycle, L&T Finance plans to enhance short-term borrowings via commercial papers (CPs) by up to 15 per cent from the current 5 per cent and also tap external commercial borrowings (ECBs).

It plans to increase securitisation of part of existing loans to get money at competitive rates. At present, securitisation forms a small portion (₹400 crore) of the resource mobilisation, Sachinn Joshi, chief financial officer (CFO), L&T Finance, told *Business Standard*.

There is strong demand for priority sector loans (PSL) from foreign banks.

As the interest rate scenario starts

turning downwards — perhaps in the second half of the financial year — it opens up avenues. Joshi said whatever increase in short-term rates seen earlier is changing and they have actually come down in the last 10 days.

Any incremental requirement of funds can be raised through this route (short-term funds).

But the market is going to remain volatile. “We will try to keep raising through CPs to take advantage of the low rates,” the CFO said. He said the company

enhanced the borrowings for PSL. It comes at a concessional rate (about 1-1.5 per cent benefit). The expanding portfolio of tractor finance and micro loans has helped raise funds on this (PSL) route.

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