L&T Finance Ltd (erstwhile Family Credit Ltd)

December 07, 2017

Ratings

Instruments	Amount (Rs. crore)	Ratings[1]	Rating Action
Commercial Paper Issue (IPO Financing)	-	-	**Withdrawn**

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the commercial paper issue (IPO Financing) for Rs. 9,000 crore in full of L&T Finance Ltd. (erstwhile Family Credit Ltd) with immediate effect, as the company has repaid the aforementioned Commercial Paper Issue (IPO Financing) in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of Ratings]

About L&T Finance Holdings Ltd. (parent company)

L&TFHL (erstwhile L&T Capital Holdings Ltd.) is RBI registered Non-Banking Finance Company - Core Investment Company (NBFC – CIC) and holding company for the financial entities of the L&T group. The board and senior management of L&TFHL has representation from the senior management of L&T. The company came up with an Initial Public Offer (IPO) during FY12 and as on September 30, 2017, L&T held 64.21% equity stake in L&TFHL. The group has three key business segments, namely rural finance (comprising farm equipment, two wheeler and microloans), housing finance (comprising home loans, LAP and real estate finance) and wholesale lending (comprising infra finance and structured corporate loans). As on September 30, 2017, consolidated lending portfolio of L&TFHL stood at Rs.72,348 crore.

About the Company

L&T Finance Ltd. (erstwhile Family Credit Ltd) was originally incorporated as Apeejay Finance Group Ltd. in 1993. In September, 2006, Societe Generale Consumer Finance (SGCF), a division of SocieteGenerale Group, France, acquired 45% stake in the company and gradually increased its stake to 100% by October 2007. Subsequently, the company's name was changed to Family Credit Limited. In December 2012, L&T Finance Holding Limited (LTFHL) (rated CARE AA+; Positive); the flagship holding company for the financial services of the L&T Group acquired 100% shareholding in FCL. During March'17, L&TFHL has completed amalgamation of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited. The amalgamated entity is renamed as L&T Finance Limited.

[1] *Complete definition of the rating assigned are available at www.careratings.com and other CARE publications.*

As on September 30, 2017, L&T Finance Ltd had a combined loan portfolio of Rs.30,302 crore; mainly comprising rural finance (34.64% of loan portfolio), wholesale finance (43.66% of loan portfolio), housing finance (14.07% of loan portfolio), other defocused products (7.63% of loan portfolio).

L&TFHL (Consolidated)

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total income	7,471	8,572
PAT(after share of profit and minority interest)	857	1,042
Overall Gearing (times)	7.79	8.55
Total Assets (adjusted for Intangible assets and Deferred Tax assets)	63,392	71,759
Net NPA (%)	2.05^	2.89&
ROTA (%) (PAT/Average Total Assets)	1.48	1.54

^150 DPD, &120 DPD; A: Audited

L&T Finance Ltd (erstwhile Family Credit Ltd)

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total income	NM	4,145
PAT	NM	16
Overall Gearing (times)	NM	7.16
Total Assets (adjusted for Intangible assets and Deferred Tax assets)	NM	32,982
Net NPA (%)	NM	4.02
ROTA (%) (PAT/Average Total Assets)	NM	NM

NM: Not meaningful; A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure I- Instrument Details

Name of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the issue (Rs.Cr)	Rating assigned with Outlook
Commercial paper (IPO Financing)	-	-	-	-	Withdrawn

Annexure II- Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Debentures-Non Convertible Debentures	LT	300.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14)
2.	Commercial Paper	ST	18500.00	CARE A1+	1)CARE A1+ (09-Oct-17) 2)CARE A1+ (07-Jul-17) 3)CARE A1+ (17-Apr-17)	1)CARE A1+ (21-Mar-17) 2)CARE A1+ (30-Dec-16) 3)CARE A1+ (04-Nov-16) 4)CARE A1+ (30-Jun-16)	1)CARE A1+ (17-Nov-15) 2)CARE A1+ (22-Jul-15)	1)CARE A1+ (27-Aug-14)
3.	Borrowings-Secured Long Term Borrowings	LT	2300.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14) 2)CARE AA (30-Jun-14)
4.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14)
5.	Debentures-Non Convertible Debentures	LT	300.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14)

					(17-Apr-17)			
6.	Debt-Subordinate Debt	LT	50.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14) 2)CARE AA (30-Jun-14)
7.	Debentures-Non Convertible Debentures	LT	400.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14) 2)CARE AA (30-Jun-14)
8.	Debentures-Non Convertible Debentures	LT	350.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (27-Aug-14) 2)CARE AA (01-Jul-14)
9.	Debentures-Non Convertible Debentures	LT	750.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (22-Jan-15)
10.	Debt-Subordinate Debt	LT	75.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)	1)CARE AA+ (17-Nov-15)	1)CARE AA+ (22-Jan-15)
11.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16) 3)CARE AA+ (06-Apr-16)	-	-
12.	Debt-Perpetual Debt	LT	100.00	CARE AA; Positive	1)CARE AA; Positive (09-Oct-17) 2)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (30-Dec-16) 2)CARE AA (04-Nov-16) 3)CARE AA (06-Apr-16)	-	-
13.	Debentures-Non Convertible Debentures	LT	4400.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)	-	-
14.	Debt-Subordinate Debt	LT	350.00	CARE AA+; Positive	1)CARE AA+;	1)CARE AA+; Stable	-	-

					Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	(21-Mar-17)		
15.	Debentures-Non Convertible Debentures	LT	600.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)	-	-
16.	Debt-Perpetual Debt	LT	250.00	CARE AA; Positive	1)CARE AA; Positive (09-Oct-17) 2)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (21-Mar-17)	-	-
17.	Fund-based - LT-Term Loan	LT	11650.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	-	-	-
18.	Debt-Perpetual Debt	LT	150.00	CARE AA; Positive	1)CARE AA; Positive (09-Oct-17) 2)CARE AA; Stable (17-Apr-17)	-	-	-
19.	Fund-based - LT-Term Loan	LT	350.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	-	-	-
20.	Debt-Subordinate Debt	LT	625.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	-	-	-
21.	Debentures-Non Convertible Debentures	LT	3625.00	CARE AA+; Positive	1)CARE AA+; Positive (09-Oct-17) 2)CARE AA+; Stable (17-Apr-17)	-	-	-
22.	Commercial Paper-Commercial Paper (IPO Financing)	ST	0.00	Withdrawn	1)CARE A1+ (09-Oct-17)	-	-	-
23.	Debentures-Market Linked Debentures	LT	500.00	CARE PP-MLD AA+; Positive	1)CARE PP-MLD AA+; Positive (05-Dec-17)	-	-	-

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