

Srei Infrastructure Finance Limited

March 01, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10,772.71	CARE D	Reaffirmed
Short Term Bank Facilities	345.00	CARE D	Reaffirmed
Bonds	20.22	CARE D	Reaffirmed
Long Term Long Term Instruments	239.15	CARE D	Reaffirmed
Long Term Long Term Instruments	223.37	CARE D	Reaffirmed
Long Term Long Term Instruments	131.99	CARE D	Reaffirmed
Non Convertible Debentures	40.40	CARE D	Reaffirmed
Non Convertible Debentures	6.50	CARE D	Reaffirmed
Non Convertible Debentures	49.00	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities/instruments of Srei Infrastructure Finance Limited (SIFL) factor in delays in debt servicing by the company. The Board of SIFL and its subsidiary, Srei Equipment Finance Limited (SEFL) was superseded by the Reserve Bank of India (RBI) on October 04, 2021 and appointed an Administrator to act as management and carry out the functions for both the companies. RBI also initiated Corporate Insolvency Resolution Process (CIRP) against both the companies before Hon'ble National Company Law Tribunal (NCLT) which admitted the case vide order dated October 08, 2021.

The Administrator had filed applications for consolidated resolution process and Hon'ble NCLT approved the consolidation of the corporate insolvency of both the companies. The Consolidated Committee of Creditors (CoC) took on record three resolution plans received in which National Asset Reconstruction Company Limited (NARCL) has emerged as the successful bidder. The resolution plan of NARCL approved by CoC was filed before Adjudicating Authority on February 18, 2023 for its approval and the same was approved by Hon'ble NCLT vide its order dated August 11, 2023. The NCLT also approved slump exchange undertaken between the SIFL and SEFL from effective date September 22, 2023, according to the Business Transfer Agreement dated August 16, 2019.

An Implementation and Monitoring Committee (IMC) has been setup with the Administrator as its Chairman to undertake the implementation of the resolution plan with effective date September 22, 2023. The company, on instructions of the IMC, has taken necessary steps including making payments, to various stakeholders and issuing of instruments to financial creditors in terms of the approved Resolution Plan in December 2023. IMC, vide its resolution dated December 19, 2023, has declared that December 31, 2023 would be the closing date of balance sheet for the purpose of audit and its handover to NARCL. The handover of the closing date balance sheet along with other necessary requirement including noting of the Reconstitution of the Board shall be done by the IMC at a later date and post completion of the handover activities by the IMC to Successful Resolution Applicant (SRA), it will be dissolved.

CARE Ratings Limited (CARE Ratings) has taken note of the same and would review the ratings and take necessary action once it receives the requisite documentation.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors – Factors that could lead to positive rating action/upgrade:

- Track record of timely debt servicing
- Improving financial risk profile

Negative factors – Factors that could lead to negative rating action/downgrade: Not Applicable

Analytical approach:

Consolidated

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Detailed description of the key rating drivers:

Key weaknesses

Delays in servicing of debt obligations: There were delays in repayment of instruments, the latest being in the month of December 2023.

Significant losses reported in FY23 and Q1FY24: SIFL reported net loss of ₹11,109 crore in FY23 and ₹70 crore in Q1FY24. The net worth continues to remain negative.

Liquidity: Poor

There were delays in repayment and both SEFL and SIFL are under resolution process.

Applicable criteria

[Definition of Default](#)

[Financial Ratios - Financial Sector](#)

[Investment Holding Companies](#)

[Consolidation](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macro-economicIndicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Investment company

SIFL, a three-decade old Kolkata-based non-banking finance company (NBFC), was engaged in leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure-related projects. Pursuant to forming a 50:50 joint venture (JV) with BNP Paribas Lease Group (BPLG), SIFL divested a major part of its equipment financing and leasing business to SEFL. Post divestment, SIFL was engaged in project financing and infrastructure project advisory. In June 2016, SIFL acquired the 50% stake of BPLG in SEFL, resulting in SEFL becoming a 100% subsidiary of SIFL and BPLG acquiring 5% stake of SIFL against its shareholding in SEFL. The lending business, interest earning business and lease business of SIFL were transferred to SEFL from October 1, 2019, pursuant to a slump exchange transaction.

Brief Consolidated Financials (₹ crore)	FY22 (A)	FY23 (A)	Q1FY24 (UA)
Total Income	2,999	1,507	190
PAT	-2,545	-11,109	-70
Total assets	27,116	33,419	NA
Net Stage III (%)*	61.88	91.80	92.06
ROTA (%)	NM	NM	NM

A: Audited; UA: Unaudited; NA: Not available, NM: Not meaningful; Note: 'the above results are latest financial results available'

* Based on published figures

Status of non-cooperation with previous CRA: Brickwork Ratings has conducted the review on the basis of best available information and has continued its rating as "Non-cooperating" vide its Press Release dated June 01, 2023.

Any other information: Not applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date*	Size of the Issue (₹ crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	-	345.00	CARE D
Fund-based - LT-Cash Credit	-	-	-	-	8685.00	CARE D
Term Loan-Long Term	-	-	-	Dec-24	2087.71	CARE D
Debentures-Non Convertible Debentures	INE872A07PQ5	29-Oct-11	11.90%	29-Oct-21	30.00	CARE D
Debentures-Non Convertible Debentures	INE872A07PL6	09-Sep-11	11.90%	09-Sep-21	10.00	CARE D
Debentures-Non Convertible Debentures	INE872A07RC1	24-Jan-13	11.50%	24-Jan-23	0.40	CARE D
Debentures-Non Convertible Debentures	INE872A07QD1	08-Jun-12	11.40%	08-Jun-22	0.70	CARE D
Debentures-Non Convertible Debentures	INE872A07QM2	31-Jul-12	11.40%	31-Jul-22	1.30	CARE D
Debentures-Non Convertible Debentures	INE872A07SD7	29-Nov-13	11.10%	29-Nov-23	4.50	CARE D
Debentures-Non Convertible Debentures	INE872A07QS9	05-Oct-12	11.35%	05-Oct-22	20.00	CARE D
Debentures-Non Convertible Debentures	INE872A07TE3	10-Jun-14	11.40%	10-Jun-24	10.00	CARE D
Debentures-Non Convertible Debentures	INE872A07TP9	09-Dec-14	10.05%	09-Dec-24	19.00	CARE D
Bond	INE872A07PV5	22-Mar-12	8.90%	22-Mar-22	2.86	CARE D
Bond	INE872A07PY9	22-Mar-12	8.90%	22-Mar-22	7.69	CARE D
Bond	INE872A07PZ6	22-Mar-12	9.15%	22-Mar-27	2.16	CARE D
Bond	INE872A07QA7	22-Mar-12	9.15%	22-Mar-27	7.51	CARE D
Debt – Subordinate debt	INE872A08BX9	23-Dec-11	11.90%	23-Dec-21	69.05	CARE D
Debt – Subordinate debt	INE872A08BZ4	11-Jan-12	11.90%	11-Jan-22	66.00	CARE D
Debt – Subordinate debt	INE872A08CA5	12-Jan-12	11.90%	12-Jan-22	84.10	CARE D
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	20.00	CARE D
Debt – Subordinate debt	INE872A08CB3	30-Mar-12	11.40%	30-Mar-22	100.00	CARE D
Debt – Subordinate debt	INE872A08CD9	01-Jun-12	11.50%	01-Jun-22	11.30	CARE D
Debt – Subordinate debt	INE872A08CF4	31-Jul-12	11.50%	31-Jul-22	12.06	CARE D
Debt – Subordinate debt	INE872A08CO6	16-Jan-13	11.70%	16-Jan-23	2.50	CARE D
Debt – Subordinate debt	INE872A08CP3	16-Jan-13	11.85%	16-Jan-23	70.00	CARE D
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	27.51	CARE D
Debt – Subordinate debt	INE872A08CH0	28-Sep-12	11.70%	28-Sep-22	28.90	CARE D
Debt – Subordinate debt	INE872A08CJ6	18-Oct-12	11.70%	18-Oct-22	10.60	CARE D
Debt – Subordinate debt	INE872A08CL2	31-Oct-12	11.70%	31-Oct-22	4.90	CARE D
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	13.19	CARE D
Debt – Subordinate debt	INE872A08CT5	28-Jan-13	11.80%	28-Jan-23	7.00	CARE D
Debt – Subordinate debt	INE872A08CW9	01-Mar-13	11.25%	01-Mar-23	17.50	CARE D
Debt – Subordinate debt	INE872A08CY5	28-Mar-13	11.25%	28-Mar-23	16.50	CARE D
Debt – Subordinate debt	INE872A08DB1	29-Jun-13	10.75%	29-Jun-23	10.40	CARE D
Debt – Subordinate debt	INE872A08DH8	17-Jul-13	10.75%	17-Jul-23	23.00	CARE D

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fixed Deposit	-	-	-				
2	Non-fund-based - ST-BG/LC	ST	345.00	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE A4+ (CW with Negative Implications) (14-Dec-20) 3)CARE A2 (CW with Developing Implications) (09-Nov-20) 4)CARE A2 (CW with Developing Implications) (07-May-20)
3	Fund-based - LT-Cash Credit	LT	8685.00	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE BB+ (CW with Negative Implications) (14-Dec-20) 3)CARE BBB+ (CW with Developing Implications) (09-Nov-20) 4)CARE BBB+ (CW with Developing Implications) (07-May-20)

4	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	-	-	1)Withdrawn (30-Apr-20)
5	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	-	-	1)Withdrawn (14-Dec-20) 2)CARE BBB (CW with Developing Implications) (09-Nov-20) 3)CARE BBB (CW with Developing Implications) (07-May-20)
6	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	-	-	1)Withdrawn (30-Apr-20)
7	Debentures-Non Convertible Debentures	LT	40.40	CARE D	-	1)CARE D (02-Mar- 23)	1)CARE D (03-Mar- 22)	1)CARE D (06-Mar-21) 2)CARE BB+ (CW with Negative Implications) (14-Dec-20) 3)CARE BBB+ (CW with Developing Implications) (09-Nov-20) 4)CARE BBB+ (CW with Developing Implications) (07-May-20)
8	Debt-Subordinate Debt	LT	239.15	CARE D	-	1)CARE D (02-Mar- 23)	1)CARE D (03-Mar- 22)	1)CARE D (06-Mar-21) 2)CARE BB (CW with Negative Implications) (14-Dec-20) 3)CARE BBB (CW with Developing Implications) (09-Nov-20)

								4)CARE BBB (CW with Developing Implications) (07-May-20)
9	Debt-Subordinate Debt	LT	223.37	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE BB (CW with Negative Implications) (14-Dec-20) 3)CARE BBB (CW with Developing Implications) (09-Nov-20) 4)CARE BBB (CW with Developing Implications) (07-May-20)
10	Bonds	LT	20.22	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE BB+ (CW with Negative Implications) (14-Dec-20) 3)CARE BBB+ (CW with Developing Implications) (09-Nov-20) 4)CARE BBB+ (CW with Developing Implications) (07-May-20)
11	Debentures-Non Convertible Debentures	LT	6.50	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE BB+ (CW with Negative Implications) (14-Dec-20)

								<p>3)CARE BBB+ (CW with Developing Implications) (09-Nov-20)</p> <p>4)CARE BBB+ (CW with Developing Implications) (07-May-20)</p>
12	Term Loan-Long Term	LT	2087.71	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	<p>1)CARE D (06-Mar-21)</p> <p>2)CARE BB+ (CW with Negative Implications) (14-Dec-20)</p> <p>3)CARE BBB+ (CW with Developing Implications) (09-Nov-20)</p> <p>4)CARE BBB+ (CW with Developing Implications) (07-May-20)</p>
13	Debt-Subordinate Debt	LT	131.99	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	<p>1)CARE D (06-Mar-21)</p> <p>2)CARE BB (CW with Negative Implications) (14-Dec-20)</p> <p>3)CARE BBB (CW with Developing Implications) (09-Nov-20)</p> <p>4)CARE BBB (CW with Developing Implications) (07-May-20)</p>

14	Debentures-Non Convertible Debentures	LT	49.00	CARE D	-	1)CARE D (02-Mar-23)	1)CARE D (03-Mar-22)	1)CARE D (06-Mar-21) 2)CARE BB+ (CW with Negative Implications) (14-Dec-20) 3)CARE BBB+ (CW with Developing Implications) (09-Nov-20) 4)CARE BBB+ (CW with Developing Implications) (07-May-20)
15	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-May-20)
16	Bonds-Secured Redeemable Bonds	-	-	-	-	-	-	
17	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-May-20)
18	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-May-20)
19	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (30-Apr-20)
20	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (30-Apr-20)
21	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-May-20)
22	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (14-Dec-20) 2)CARE BBB+ (CW with Developing Implications) (09-Nov-20) 3)CARE BBB+ (CW with

								Developing Implications) (07-May-20)
--	--	--	--	--	--	--	--	---

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Debt-Subordinate Debt	Complex
4	Fund-based - LT-Cash Credit	Simple
5	Non-fund-based - ST-BG/LC	Simple
6	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of all entities Consolidated

Consolidated considering the operational and financial linkages with subsidiaries. List of companies being consolidated is as under:

Subsidiaries/Associates	% holding (as on June 30, 2023)
Srei Equipment Finance Ltd.	100.00%
Srei Capital Markets Ltd	100.00%
Srei Asset Leasing Limited (formerly Srei Finance Limited)	100.00%
Controlla Electrotech Pvt Ltd	100.00%
Srei Mutual Fund Asset Management Pvt Ltd	100.00%
Srei Mutual Fund Trust Pvt Ltd	100.00%
Srei Insurance Broking Private Limited	100.00%
Bengal Srei Infrastructure Development Ltd	51.00%
Srei Mutual Fund Trust	100.00%

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Sudhakar Prakasam Director CARE Ratings Limited Phone: +91-044-2850 1003 E-mail: p.sudhakar@careedge.in</p> <p>Aditya R Acharekar Associate Director CARE Ratings Limited Phone: +91-22-6754 3528 E-mail: aditya.acharekar@careedge.in</p> <p>Ravi Nayak Assistant Director CARE Ratings Limited E-mail: ravi.nayak@careedge.in</p>
---	---

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**