

Hinduja Leyland Finance Limited

March 25, 2022

Ratings

Facilities/Instruments	Amount (Rs. Crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	17,503	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Short-term Bank Facilities	200	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	17,703 (Rs. Seventeen thousand seven hundred three crore only)		
Commercial Paper	1,800	CARE A1+ (A One Plus)	Reaffirmed
Total Short-term Instruments	1,800 (Rs. One thousand eight hundred crore only)		
Non-convertible Debenture issue - XVII	150	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-convertible Debenture issue - XVIII	250 (reduced from 500)	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-convertible Debenture issue - XIX	250 (reduced from 550)	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-convertible Debenture issue - XIX	300	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Principal Protected Market-linked Debenture issue - I	100	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Principal Protected Market-linked Debenture issue - II	100	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - II	180	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - III	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - IV	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - V	175 (reduced from 200)	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - VI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - Principal Protected Market-linked Debenture	150	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Total Long-term Instruments	2,255 (Rs. Two thousand two hundred fifty-five crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities and various debt instruments of Hinduja Leyland Finance Limited (HLF) continue to factor in the experienced management team of HLF, benefits derived from being a part of the Hinduja group including periodic infusion of equity on need basis, demonstrated ability of HLF to raise funds to support business growth, diversified product profile, geographically diversified loan portfolio and relatively diversified funding profile. The ratings continue to be constrained by moderate profitability, moderate asset quality and capitalisation levels.

The ratings take note of the company's recent announcement regarding the merger of HLF into NXTDIGITAL Limited (NDL). On January 14, 2022, the Board of NDL decided that the Digital Media & Communication Business undertaking of NDL would be transferred to Hinduja Global Solutions Limited (HGS). It is to be noted that Media and Communication Business undertaking which is being transferred to HGS accounted for 100% of NDL's total income in FY21 (refers to the period April 1 to March 31). Post transfer, NDL will have no meaningful operations and will have assets such as cash, minor equity investments and small parcel of

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

land (real estate) which is expected to be small in relation to HLF's network. The merger is unlikely to have an impact on the credit profile of HLF. However, HLF is expected to get listed status providing immediate access to equity capital market as existing shareholders of HLF will receive shares of NDL as per share swap valuation. In order to achieve minimum public shareholding, HLF will be raising fresh equity which is expected to improve the network. The proposed merger shall be subject to applicable regulatory and shareholder approvals.

Rating Sensitivities

Positive Factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Significant increase in the scale of operations along with improvement in the asset quality and profitability parameters on a sustained basis.

Negative Factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Further moderation in the asset quality and delinquency levels with Gross Stage III Assets (on assets under management [AUM] basis) of above 6% on a sustained basis.
- Deterioration in the capital adequacy parameters with total capital adequacy ratio (CAR) falling below 16% on a sustained basis.
- Significant deterioration in the credit profile of the parent.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage and benefits derived from being part of the Hinduja group

The Hinduja group, established in Mumbai in 1918, has global presence across 30 countries. The group has presence in various industries, including automotive, banking & finance, information technology (IT)/ information technology-enabled services (ITES) and energy & chemicals. HLF is the subsidiary of Ashok Leyland Limited (ALL, rated 'CARE AA; Negative/ CARE A1+'), one of the leading players in domestic commercial vehicle segment. HLF is a strategically important subsidiary for ALL, and ALL vehicles constitute 34% of HLF's AUM as on March 31, 2021. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilising funds from various sources at competitive rates.

Experienced promoters and senior management team

The Hinduja group has a track record of establishing and successfully running banking & finance companies. The experience of the management team in running the similar business is a key strength for HLF. Mr S. Nagarajan is the Executive Vice Chairman and whole-time director of the company. He has over four and half decades of rich experience in the banking, automobile and financial services industry. Mr Dheeraj Hinduja, chairman of ALL, is also the chairman of HLF. The board of HLF consists of ten directors, including five independent directors with rich experience in the financial services sector. Also, the company has an experienced senior management team which takes care of the day-to-day operations of the company.

Established credit appraisal, risk monitoring and collection

The branch structure consists of one Branch Manager, one Marketing Executive (M.E) and one Collection Executive. The Marketing Executive (M.E) obtains the applications on pre-printed Proposal Booklet and Proposal Evaluation Form. The Field Investigation is carried out by the Marketing Executive. The Branch Manager or Location Manager reviews the proposal. The documents are sent for Approval / Sanction to appropriate authority as per delegation of powers. Post approval and completion of pre-disbursal documentation, the loan amount is to be disbursed post creation of the contract and checking of complete file. Credit Audit team will do the review on documents and policy adherence points and give feedback to location for any discrepancies. The collection process has been strengthened by employing larger supervisory levels and launch of a collections app. The collections happen in the form of National Automated Clearing House (NACH)/cheque and cash.

Based on the knowledge and expertise gained in the financial services sector, the management has developed an in-house enterprise IT system. In addition to providing complete information about each account throughout its credit life cycle, the IT system also aids the management in monitoring/reviewing its portfolio on a daily basis.

HLF has an associate company, HLF Services Limited, which provides employee support to HLF in addition to the on-role employees. As on March 31, 2021, on-roll and off-roll employees (through HSL) stood at 1,579 (PY: 1,763) and 5,948 (PY: 3,805), respectively.

Diversified funding profile; however, bank funding remains a major source

HLF's funding profile is well diversified with access towards low-cost funding from banks, market instruments like non-convertible debentures (NCDs) and subordinated debt and short-term commercial papers. HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. Also, HLF has cash credit (CC)/ Working Capital Demand Loan (WC DL) limits of Rs.1,475 crore from various banks.

During FY21, HLF has raised Rs.200 crore under targeted long-term repo operations (TLTRO) 2.0 and Rs.750 crore under partial credit guarantee (PCG) scheme 2.0 from various banks. Hence, the share of bank borrowings (including CC/WC DL) increased to 84% of the total borrowings as on March 31, 2021 from 80% as on March 31, 2020. Sub-debt constituted 8% of the total borrowings, followed by term loan from financial institutions (FIs) (Small Industries Development Bank of India [SIDBI] and Mudra, 5%), NCD (Excluding RBI Schemes, 2%) and PTC (1%) as on March 31, 2021. During FY21, HLF has raised commercial paper issues in very few tranches in comparison with the prior years and outstanding as on March 31, 2021 stood at 0% (PY: 0%).

As on December 31, 2021, the share of bank borrowings stood at 82% followed by sub-debt (8%), term loan from FIs (5%), NCD (5%) and PTC (1%). CP outstanding as on December 31, 2021, continues to remain Nil.

Diversified product portfolio along with geographical diversification

HLF has reported a higher growth in AUM of 37% (FY18) and 32% (FY19) in the past. However, with the slowdown in auto sales

(mainly in commercial vehicle segment) during the FY20 and FY21 and lockdown because of Covid-19, HLF has reported a modest growth in AUM of 4% and 3% during FY20 and FY21, respectively.

Share of heavy commercial vehicle (HCV) in outstanding loan portfolio continues to remain high at 24% as on March 31, 2021, as against 23% as on March 31, 2020, and share of top three products (HCV, loan against property (LAP) and construction equipment (CE)) stood at 49% as on March 31, 2021, as against 47% as on March 31, 2020.

HLF has presence across 20 states, and AUM of the company is well diversified with top states' (Rajasthan) share stood at 12% as on March 31, 2021. The share of top three states has also improved on a y-o-y basis from 44% as on March 31, 2017 to 31% as on March 31, 2021.

Disbursements de-grew by 34% in FY21 and stood at Rs.9,010 crore during FY21 as against a growth of 18% (FY19) and 31% (FY18) in the prior periods. Disbursements of used vehicles has only grown and all other products witnessed moderation in disbursements during FY21 in comparison with FY20. With lower disbursement of Rs.1,040 crore during Q1FY22 and Rs.1,315 crore during Q2FY22 because of the second wave of Covid-19, AUM declined by 5% to Rs.25,859 crore as on December 31, 2021.

Key Rating Weaknesses

Moderate asset quality

The gross stage III assets (on AUM basis) and net stage III asset (on AUM basis) have improved from 4.44% and 2.65% as on March 31, 2020 to 4.04% and 2.00% as on March 31, 2021, respectively. 30+ days past dues (DPD) (On AUM basis) has also improved from 24.0% as on March 31, 2020 to 21.6% as on March 31, 2021. The improvement also can be attributed to the combination of availing of moratorium by some its borrowers, restructuring (Rs.330 crore) and extension of Emergency Credit Line Guarantee Scheme (ECLGS) loans (Rs.540 crore) during FY21 as per various relief measures provided by RBI to the borrowers on account of the impact of COVID-19 pandemic. During the same period, quantum of gross repossessed assets witnessed good reduction from Rs.946.66 crore (3.47% of AUM) as on March 31, 2020, to Rs.312.52 crore (1.21% of AUM) as on March 31, 2021. With the outbreak of second wave of Covid-19 and moderation in AUM, gross stage III assets (on AUM basis) and net stage III assets (On AUM basis) has increased to 5.00% and 2.80% as on December 31, 2021. With the higher stress because of Covid-19, HLF increased its provision coverage to 51.38% as on March 31, 2021, from 41.11% as on March 31, 2020. Management overlay as on March 31, 2021, stood at Rs.110 crore.

HLF has restructured portfolio amounting to Rs.1,660 crore (6.42% of AUM) as on December 31, 2021. Provision coverage ratio of repossessed assets also increased to 43.19% (PY: 35.37%) as on March 31, 2021. In view of the COVID-19 pandemic-induced economic weakness, the ability of the company to improve asset quality/contain slippages will be key monitorable.

Moderate capitalisation levels

With moderate growth in the portfolio and internal accruals during FY21, total capital adequacy ratio (CAR) and Tier I CAR remained at 17.98% and 15.30% as on March 31, 2021, as against 17.25% and 14.44% as on March 31, 2020. The overall gearing stood at 4.56x as on March 31, 2021, as compared with 5.24x as on March 31, 2020. Overall gearing (ON AUM basis) stood at 6.66x as on March 31, 2021, as against 7.77x as on March 31, 2020. The Hinduja group has been providing need-based support to the company in the form of fresh equity infusion as and when required.

With the moderation in the loan portfolio during 9mFY22 due to the second wave of Covid-19, Total CAR and Tier I CAR improved to 18.56% and 15.66% as on December 31, 2021.

HLF has a wholly-owned subsidiary, Hinduja Housing Finance Limited (HHFL), incorporated in FY16 to operate in the housing finance segment. HLF has been continuously infusing equity to support the growth of HHFL and as on March 31, 2021, HLF has infused Rs.215 crore (including Rs.25 crore in FY21) since inception which is 5.62% of the tangible networth of HLF as on March 31, 2021.

Moderate profitability levels

With the lockdown due to Covid-19 and slower disbursement during H1FY21, the yield on advances has moderated from 14.48% during FY20 to 13.04% during FY21. Furthermore, HLF has not charged delayed interest during FY21 and the loans provided under ECLGS have also contributed for the same as the rate of interest on the same is capped at 14%. With the increased cash position during FY20 and FY21, net interest margin (NIM) moderated to 5.15% during FY21 from 5.63% during FY20.

Owing to the lockdown, the opex improved to 1.22% in FY21 from 1.54% in FY20. Credit cost during FY21 stood at 3.45% as against 3.01% in FY20. With the moderation in NIM and Credit cost, return on total assets (ROTA) moderated to 1.27% in FY21 from 1.43% in FY20 despite improvement in the opex.

HLF is recognising a portion of the loan book under Fair value through other comprehensive income (FVOCI) under Ind-AS and the company reported fair value change as other comprehensive income of Rs.305 crore (PY: Rs.230 crore) in addition to the PAT of Rs.270 crore (PY: Rs.292 crore) during FY21.

During 9mFY22, the company reported a PAT of Rs.191 crore on a total income of Rs.1,993 crore as against a PAT of Rs.217 crore on a total income of Rs.2,084 crore during 9mFY21. NIM and ROTA during 9mFY22 stood at 4.82% and 1.19%, respectively.

Industry outlook and prospects

The growth in the segment has been muted with a major portion of the growth led by used commercial vehicle (CV). New CV disbursements have remained at minimal levels. The slide in growth can be attributed to the Covid-19 pandemic which affected the CV industry since March 2020 and the pre-Covid slowdown led by various regulatory transitions and overall slowdown in the economy. Used CV growth is backed by its affordability as compared to new cv especially when the rural borrowers' cash flows are impacted.

On November 12, 2021, the Reserve Bank of India (RBI) issued a clarification on "Upgradation of accounts classified as NPAs". Subsequently, the sector will likely see slippages from those accounts which would have been moved to standard accounts on receipt of part payments. CARE Ratings Ltd understands that few large NBFCs in this sector have always adhered to stricter norms by not upgrading the overdue account to standard accounts on the basis on part payments. So, the rise in GNPA on account of the aforementioned factor will be lower for these NBFCs. CARE Ratings Ltd believes that these stricter norms will lead to around 250 bps

rise in GNPA in the near term.

CARE Ratings Ltd expects CV financing sector to grow by more than 5% in FY22 and around 13% in FY23. CARE Ratings Ltd expects asset quality overhang to remain in the near term. Most CV financing entities have strengthened their balance sheet and have shored up capital which provides comfort against adverse scenarios; nevertheless, asset quality concerns remain.

Impact of Covid-19

During the first wave of Covid-19, collection efficiency (CE) moderated to a low of 41% during April 2020 and it regained to 90% plus in October 2020. During the second wave of COVID-19, CE moderated to a low of 74% in May 2021 and improved to 93% and 94% in June and July 2021, respectively. CE during December 2021 stood at 108%. The complete impact on asset quality and profitability because of the second wave remains to be seen. HLF's performance post first wave in controlling delinquency and liquidity position adds comfort.

Liquidity: Adequate

HLF's asset liability management (ALM) stood adequate with no negative cumulative mismatch in any of the time buckets upto one year as on December 31, 2021 and repayment obligation (Principal alone) during Q4FY22 stood at Rs.1,898 crore. As on February 28, 2022, the company has free cash and cash equivalents of around Rs.200 crore and unavailed lines of credit (including CC) of Rs.4,089 crore.

During FY21, HLF has availed Rs.4,473.50 crore through term loan, Rs.950 crore through NCD (under TLTRO 2.0 & PCG) and Rs.100 crore CC facility from banking system, Rs.850 crore from NBFCs/FIs and Rs.280 crore through NCD/PP-MLD from various investors. The ability of the company to mobilise funds from the banks at a competitive rate adds comfort.

Analytical approach: Standalone approach also factoring in linkages with parent.

HLF enjoys strong operational linkages with access to dealer network of Ashok Leyland Limited (ALL) and common brand name and logo. Apart from the demonstrated track record of equity infusion in the part, HLF also enjoys significant financial flexibility in terms of mobilising funds from various sources at competitive rates.

Applicable Criteria

[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial Ratios-Financial Sector](#)

[CARE's Rating Methodology for Non-Banking Finance Companies \(NBFCs\)](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology: Notching by Factoring Linkages in Ratings](#)

[Rating Methodology - Market linked Notes](#)

[Policy on Withdrawal of Ratings](#)

About the Company

HLF is a non-deposit accepting systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing company, Ashok Leyland Ltd (ALL, rated 'CARE AA; Negative/ CARE A1+') with the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles stood around 34% of AUM as on March 31, 2021. HLF is also engaged in extending loans to three-wheelers, two-wheelers, small commercial vehicles (SCVs), light commercial vehicles (LCV), tractor, construction equipment, Loan Against Property (LAP) and used CV financing. As on December 31, 2021, the shareholding of the Hinduja group in HLF stands at 99.4% wherein ALL holds 68.8% stake.

During FY21, the company reported a PAT of Rs.270 crore (PY: Rs.292 crore) on a total income of Rs.2,775 crore (PY: Rs.2,927 crore).

Brief Financials (Rs. Crore)	FY20 (A)	FY21 (A)	9mFY22 (Prov.)
Total Operating Income	2,927	2,775	1,993
PAT	292	270	191
Interest Coverage (Times)	1.28	1.25	1.25
Total Assets	20,760	21,922	20,953
Net NPA/stage III (%)	2.65	2.00	2.80
ROTA (%)	1.43	1.27	1.19

A - Audited; Prov. - Provisional;

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Complexity level of various instruments: Please refer Annexure-3

Covenants of rated instrument / facility: Please refer Annexure-4

Bank Lender Details: Please refer Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Long Term	-	-	-	Oct 2027	17,503.00	CARE AA-; Stable
Fund-based-Short Term	-	-	-	-	200.00	CARE A1+
Debentures-Non-Convertible Debentures-XVII	INE146007417	13-Nov-20	8.05%	13-May-22	100.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures-XVIII	INE146007375	05-Jun-20	9.25%	02-Jun-23	200.00	CARE AA-; Stable
	INE146007383	-	-	-	0.00	Withdrawn
	INE146007425	15-Dec-20	8.50%	15-Dec-23	200.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures-XIX	INE146007391	-	-	-	0.00	Withdrawn
	INE146007441	14-May-21	7.95%	14-Feb-23	250.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures-XX	INE146007466	29-Sep-21	7.80%	29-Dec-23	100.00	CARE AA-; Stable
	Proposed	-	-	-	100.00	CARE AA-; Stable
Debentures-Market Linked Debentures-I	INE146007433	30-Dec-20	G-Sec Linked	28-Jun-23	55.00	CARE PP-MLD AA-; Stable
	INE146007458	25-May-21	G-Sec Linked	24-Nov-23	125.00	CARE PP-MLD AA-; Stable
Debentures-Market Linked Debentures-II	Proposed	-	-	-	20.00	CARE PP-MLD AA-; Stable
Debt-Subordinate Debt-II	INE146008092	23-Jun-16	11.10%	08-Apr-22	180.00	CARE AA-; Stable
Debt-Subordinate Debt-III	INE146008100	28-Aug-17	9.40%	28-Aug-24	100.00	CARE AA-; Stable
	INE146008118	13-Sep-17	9.20%	13-Sep-24	100.00	CARE AA-; Stable
Debt-Subordinate Debt-IV	INE146008134	27-Mar-18	10.15%	27-Mar-25	100.00	CARE AA-; Stable
	INE146008126	28-Mar-18	9.50%	28-Sep-23	50.00	CARE AA-; Stable
	INE146008209	22-Apr-21	9.75%	21-Apr-28	50.00	CARE AA-; Stable
Debt-Subordinate Debt-V	INE146008159	29-Mar-19	11.60%	29-Sep-24	100.00	CARE AA-; Stable
	INE146008191	26-Mar-21	9.75%	25-Sep-26	75.00	CARE AA-; Stable
Debt-Subordinate Debt-VI	INE146008175	30-Apr-21	9.75%	08-Oct-26	50.00	CARE AA-; Stable
	INE146008217	19-Jul-21	9.70%	19-Jan-27	50.00	CARE AA-; Stable
	Proposed	-	-	-	100.00	CARE AA-; Stable
Debt-Subordinated debt - Market Linked Debenture	INE146008142	18-Sep-18	G-Sec Linked	17-Sep-24	150.00	CARE PP-MLD AA-; Stable
Commercial Paper-Commercial Paper (Standalone)	-	-	-	7 days to 1 Year	1,800.00	CARE A1+

Annexure-2: 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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based-Long Term	LT	17503.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (02-Mar-21) 2)CARE AA-; Stable (30-Sep-20) 3)CARE AA-; Stable (03-Jul-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (29-Aug-18) 2)CARE AA-; Stable (27-Jun-18)
2	Commercial Paper-Commercial Paper (Standalone)	ST	1800.00	CARE A1+	1)CARE A1+ (29-Sep-21)	1)CARE A1+ (30-Sep-20)	1)CARE A1+ (01-Oct-19) 2)CARE A1+ (29-Aug-19)	1)CARE A1+ (27-Jun-18)
3	Debt-Subordinate Debt	LT	-	-	1)Withdrawn (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
4	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)

5	Debentures-Non-Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (27-Jun-18)
6	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
7	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
8	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
9	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
10	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
11	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
12	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
13	Debt-Subordinate Debt	LT	180.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
14	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
15	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
16	Debentures-Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
17	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
18	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
19	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
20	Debentures-Non-Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
21	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
22	Debentures-Non-Convertible Debentures	LT	150.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18) 2)CARE AA-; Stable (09-Apr-18)
23	Debt-Subordinate Debt	LT	175.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
24	Debentures-Non-Convertible Debentures	LT	250.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)

25	Debt-Subordinated debt - Market Linked Debenture	LT	150.00	CARE PP-MLD AA-; Stable	1)CARE PP-MLD AA-; Stable (29-Sep-21)	1)CARE PP-MLD AA-; Stable (30-Sep-20)	1)CARE PP-MLD AA-; Stable (01-Oct-19)	1)CARE PP-MLD AA-; Stable (14-Sep-18)
26	Debentures-Non-Convertible Debentures	LT	250.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (30-Sep-20) 2)CARE AA-; Stable (03-Jul-20)	-	-
27	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA-; Stable	1)CARE PP-MLD AA-; Stable (29-Sep-21)	1)CARE PP-MLD AA-; Stable (29-Dec-20)	-	-
28	Debentures-Non-Convertible Debentures	LT	300.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21)	1)CARE AA-; Stable (29-Dec-20)	-	-
29	Fund-based-Short Term	ST	200.00	CARE A1+	1)CARE A1+ (29-Sep-21)	1)CARE A1+ (02-Mar-21)	-	-
30	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (29-Sep-21) 2)CARE AA-; Stable (23-Apr-21)	-	-	-
31	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA-; Stable	1)CARE PP-MLD AA-; Stable (29-Sep-21) 2)CARE PP-MLD AA-; Stable (24-May-21)	-	-	-

Annexure-3: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Market Linked Debentures	Complex
3	Debentures-Non-convertible Debentures	Simple
4	Debt-Subordinate Debt	Simple
5	Debt-Subordinated debt - Market Linked Debenture	Complex
6	Fund-based-Long-term	Simple
7	Fund-based-Short-term	Simple

Annexure-4: Detailed explanation of covenants of the rated instrument / facilities

	Detailed explanation
A. Financial covenants	
i. The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%)	-
ii. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.	-
B. Non-financial covenants	
i. Hinduja Group to maintain atleast 51% stake in the company on fully diluted basis till maturity	-
ii. The rating of the Issuer should not be downgraded below 'A-' by any rating agency	-

Annexure-5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Limited 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

Media Contact

Name: Mradul Mishra
Contact no.: 022-6837 4424
Email ID: mradul.mishra@careedge.in

Analyst Contact - 1

Name: Sudhakar P
Contact no.: 044-2850 1003
Email ID: p.sudhakar@careedge.in

Analyst Contact - 2

Name: Ravi Shankar R
Contact no.: 044-2850 1016
Email ID: ravi.s@careedge.in

Relationship Contact

Name: Pradeep Kumar V
Contact no.: 044-2850 1000
Email ID: pradeep.kumar@careedge.in

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