ONGC Petro additions Limited

July 28, 2022

Ratings

S. NO	Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
1.	Compulsorily convertible debentures	5,615.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] #	Reaffirmed
2.	Compulsorily convertible debentures	492.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] #	Reaffirmed
3.	Non-convertible debentures	435.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] ^	Reaffirmed
4.	Non-convertible debentures	371.10	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] ^	Reaffirmed
5.	Non-convertible debentures	465.50	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] ^	Reaffirmed
6.	Non-convertible debentures	433.40	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] ^	Reaffirmed
7.	Non-convertible debentures	475.00	CARE AAA (CE); Stable [Triple A (Credit Enhancement); Outlook: Stable] ^	Reaffirmed
8.	Non-convertible debentures	4,700.00	CARE AA; Stable (Double A; Outlook: Stable) @	Reaffirmed
9.	Non-convertible debentures	-	-	Withdrawn
10.	Non-convertible debentures	-	-	Withdrawn
	Total long-term instruments	**12,987.00 (₹ Twelve thousand nine hundred eighty-seven crore only)**		

Details of instruments/facilities in Annexure-1.

^Backed by credit enhancement in the form of irrevocable and unconditional Letter of Comfort (LoC) provided by Oil and Natural Gas Corporation Limited (ONGC, rated CARE AAA; Stable/ CARE A1+) which shall remain valid and binding on ONGC till the NCDs are fully redeemed. The LoC provider (ONGC) shall undertake all reasonable actions to fund the designated accounts at least one business days prior to the due dates (both coupon and principal payment dates).

#The CCDs carry a mandatory put option on ONGC at the end of one month prior to the scheduled tenure of the instrument. ONGC's obligation under the put option would be unconditional and irrevocable. The CCDs are also backed by an undertaking from ONGC as per which ONGC shall unconditionally and irrevocably ensure to fund the service account for coupon payments, on or before the relevant coupon payment date, in case ONGC Petro additions Limited (OPaL) is unable to do so.

@Standalone instrument

Unsupported Rating	CARE AA (Double A) [Reaffirmed]

Note: Unsupported Rating does not factor in the explicit credit enhancement.

Detailed rationale and key rating drivers for the credit enhanced (CE) debt

The rating assigned to the compulsorily convertible debentures (CCDs) (S.no 1) of ONGC Petro additions Limited (OPaL) is backed by an irrevocable and unconditional undertaking from ONGC to buy back CCDs from the investors prior to the expiry of 89th month from the deemed date of allotment (ie, July 02, 2016) and a legally-binding undertaking to timely ensure to fund the coupon payments. The rating assigned to the CCDs (S.no. 2) is backed by an irrevocable and unconditional undertaking of ONGC to buy back CCDs from investors prior to the expiry of 53rd month from deemed date of allotment (i.e. March 28, 2018) and a legally binding undertaking to ensure to fund the coupon payments. For both the CCD issuances, ONGC shall be unconditionally and irrevocably ensure to fund the service account for coupon payments, on or before the relevant coupon payment date, in case OPaL is unable to do so.

The rating assigned to the NCDs (S.no. 3-7) is based on credit enhancement in form of letter of comfort from ONGC which is unconditional and irrevocable, valid and remain operative till the NCDs are fully redeemed and no dues certificate is issued by concerned debenture trustee. The LoC provider shall undertake all reasonable actions to fund the designated account at least one business day prior to the due date (both coupon and principal payment dates).

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

Detailed rationale and key rating drivers of OPaL for standalone/unsupported rating

The standalone (NCD at S.no. 8)/unsupported rating of OPaL factors in the stated intent of ONGC to increase its shareholding in the company from the existing level (49.36%, as on March 31, 2022) in due course, along with the managerial and financial support provided by ONGC and operational linkages arising from long-term supply arrangement of feedstock with ONGC. The rating also takes cognisance of OPaL's 1.1 million metric tonnes per annum (MMTPA) integrated petrochemical complex being one of the largest facilities of its kind in India, with its dual-feed cracker providing greater flexibility in feedstock and a higher potential competitiveness.

The ratings are, however, constrained by OPaL's moderate financial risk profile marked by leveraged capital structure and reliance on replacement of debt, along with the commoditised nature of petrochemical business with inherently fluctuating raw material as well finished product prices and resultant volatility in the operating margins.

Furthermore, CARE Ratings has withdrawn the ratings to the non-convertible debenture (NCD) issue of ₹335 crore and ₹485 crore, as the same has been fully redeemed on its due date.

Detailed rationale and key rating drivers of ONGC (the CE provider)

The credit profile of Oil and Natural Gas Corporation Limited (ONGC) continues to consider its majority ownership by the Government of India (GoI) and the company's strategic importance to the GoI, as the company plays a key role in the energy security for the country. ONGC's credit profile further derives comfort from its dominant position and a long track record in the domestic exploration and production (E&P) industry and its experienced and professional management. Furthermore, ONGC derives strength from its sound and resilient profitability margins backed by robust E&P infrastructure and proven technical capabilities with presence across the hydrocarbon value chain, presence in downstream activities through subsidiaries and the company's comfortable financial risk profile marked by low gearing, healthy debt metrics and a strong liquidity position.

ONGC's credit profile, however, remains susceptible to the inherent risk related to E&P business, regulatory risks, geopolitical risk for overseas operations, and large capex requirements to replace reserves.

Rating sensitivities of ONGC (for CE rating)

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

Negative factors – Factors that could lead to negative rating action/downgrade:

- Reduction in shareholding of GoI below 51%.
- Higher than expected debt-funded capital expenditure or acquisition thereby resulting in deterioration in consolidated overall gearing beyond 1.0x on a sustained basis.
- Sustained decrease in reserve replacement ratio below 1.0x.

Rating sensitivities of OPaL for standalone/unsupported rating

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

- Sustained improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin to above 25% on a capacity utilisation level above 90%.
- Improvement in its overall gearing to below unity along with improvement in its debt coverage indicators.
- Increase in ONGC's equity stake in OPaL to attain controlling status.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Sustained high gearing or any large debt-funded incremental capex leading to significant deterioration in the overall gearing.
- Weakening in credit profile of ONGC and any subsequent decline in the stake of, or institutional support from, ONGC.
- Lower-than-expected operational efficiency leading to sustained deterioration in the PBILDT margin below 10%.

Detailed description of the key rating drivers of ONGC

Key rating strengths

Strong parentage and strategic importance to GOI: ONGC, a Maharatna PSU, was set up by the GoI in 1956 to plan, promote and implement programmes for the development of petroleum resources and the production and sale of petroleum and petroleum products. As on June 30, 2022, the GoI held a 58.89% stake in the company. ONGC continues to have a high strategic importance for the GoI, as a key player in ensuring energy security for the country, given it is the largest oil & gas company of India. Besides, ONGC plays a crucial role in implementation of GoI policies in the oil & gas sector, with its presence across the hydrocarbon value chain. The company is the country's largest oil and gas producer with a share of nearly 77% in India's total production of crude oil and natural gas (including share of JVs). It is also a significant producer of value-added products such as liquefied petroleum gas (LPG), superior kerosene oil (SKO), naphtha, ethane, propane, C2/C3 etc. ONGC's importance to the GoI is further supported on account of significant taxes and dividend paid by it to the exchequer.

Experienced management: ONGC is managed by experienced team of management. Dr. Alka Mittal is the Director (HR) for ONGC as well as is handling additional charge as the Chairperson and Managing Director (CMD) of the company. She joined as a Graduate trainee in 1985 after completing her MBA (HR) and Doctorate in Commerce and Business studies. She has diverse and rich experience of over 37 years in diverse activities across the head HR-ER functions across regions including Vadodara, Mumbai, Delhi and Jorhat value chain. She took additional charge of the post of CMD on January 04, 2022. Mr. Rajesh Kumar

Srivastava, Director (Exploration and offshore) has over 36 years of experience, Mr Srivastava is an expert in up-stream hydrocarbon exploration from well site operations, development geology, seismic data interpretation to monitoring and planning of exploration. Mr Om Prakash Singh, Director (T&FS), is a mechanical engineer with more than 34 years of experience, Mr Singh has built a deep industry understanding and proven management experience across the technical and commercial roles he undertook during his career. Mr Anurag Sharma, Director (Onshore), has a career spanning over 36 years in the company in various positions including those of asset manager of Cauvery Asset and has made major contributions in business development and project management for ONGC Videsh. Furthermore, the senior management of the company has vast experience in the oil and gas industry.

Dominant market position backed by large crude oil reserves: ONGC, as India's largest oil and gas E&P company, has had a dominant position historically and continues to maintain its position even after the introduction of New Exploration and Licensing Policy (NELP) and thereafter Hydrocarbon Exploration and Licensing Policy (HELP), which increased private participation in the oil and gas sector of the country. The company has the largest proven reserves in India discovered over the past six decades since its inception. The large reserves base provides the company an abundant and stable long-term source of hydrocarbons for crude oil and natural gas production. It has declared total 4 discoveries (2 in onland, 2 in offshore) during FY22 (refers to the period April 1 to March 31) in its operated acreages. As a result, in FY22, the company has added 40.82 Million Metric Tonne Oil Equivalent (MMTOE) reserves (2P) on standalone basis and 73.18 MMTOE on group basis. Thus, the company had Reserve Replacement Ratio (RRR) of 1.01 during FY22 (PY: 1.2) which has remained at/above unity for the 16th consecutive year thereby reflecting ONGC's strong exploratory capability and healthy long-term revenue visibility.

Robust infrastructure and proven technical capabilities: Oil & gas industry is a capital-intensive industry, which requires significant time and funds to develop a sound infrastructure. With its long track record of operations, ONGC has been able to develop a robust infrastructure providing it an advantage over newer players in the industry who entered the industry through NELP and HELP. The company has developed significant onshore and offshore production facilities, subsea and land pipelines, gas processing, drilling and work-over rigs, storage facilities and other infrastructure located throughout the principal oil and gas-producing regions of India. During FY22, ONGC drilled 78 exploratory wells as compared to 100 exploratory wells drilled in FY21.

Presence across the hydrocarbon value chain: With its four direct subsidiaries, 6 joint ventures (JVs) and 3 associates, ONGC is present across the hydrocarbon value chain with operations in refining, petrochemicals, and LNG, in addition to its E&P activities. The company has forward integrated into downstream refining and marketing operations in India through successive acquisitions of Mangalore Refinery and Petrochemicals Ltd (MRPL) and Hindustan Petroleum Corporation Ltd (HPCL). Around 85% of revenue of ONGC (consolidated) is from refining and marketing segment in FY22 (PY: 87%).

Sizable scale of operations and resilient profitability margins: The consolidated TOI of the company has improved by ~47.52% to Rs. 5,39,199 crore in FY22. Additionally, the company earned PBILDT margins of 16.19% in FY22 as against 15.90% in FY21, thus, witnessing an increase of 29 bps primarily on account of improved realizations due to higher crude oil and gas prices. Consequently, the company earned a PAT margin of 9.14% in FY22 as against 5.78% the previous year. Going forward, the company is likely to sustain its robust operating profile. However, the impact of government regulations such as recent imposition of windfall taxes on the company's profitability profile shall remain key monitorable.

Liquidity: Strong

The liquidity of ONGC remained strong with free cash and cash equivalents and bank balance of Rs. 6840.94 crore as on March 31, 2022 (PY: Rs. 7192.26 crore). Furthermore, ONGC had unutilized fund-based facilities of Rs.8,000 crore as on March 31, 2022. The company has envisaged to earn healthy cash accruals against scheduled term debt repayments in FY23. ONGC derives financial flexibility from its low gearing ratio and parentage of GoI with strategic importance and its dominant market position which provides it easy access to funds at attractive rates, which aids the funding of its large capex partially through debt.

Key rating weaknesses

Risk related to E&P business and crude oil: In addition to a highly capital-intensive activity, E&P business has long gestation period. The exploration activity involves high uncertainty with respect to estimation of reserves as it is a function of the quality of the available data engineering and geological interpretation. Furthermore, the company is also exposed to commodity price risk. Although ONGC as a group is an integrated player in the oil and gas industry, any decrease in the price of the crude oil may hamper the profitability of the company. Prices of crude oil depend on various factors including policies by major producers of crude oil, global as well as regional demand variations, geopolitical situation and market sentiment. After a range-bound couple of years of crude price movement, the crude price (Brent) has risen sharply since early November 2021 and has breached ~$100/bbl. The rise was on account of increase in demand for petroleum products exacerbated by supply constraints due to the ongoing Russia-Ukraine conflict.

Geo-political risk associated with international venture: ONGC Videsh Limited (OVL) undertakes exploration and production activities mainly in Commonwealth of Independent States (CIS) and countries in Middle East and North Africa (MENA) region. ONGC's investments in OVL are prone to changes in policy regime; fiscal law changes etc. since some of the countries have history of unstable regimes. Unstable government or unfavourable policies such as resource nationalization adds to the geopolitical risks in the host countries.

Large capex requirements: During the last couple of years ended FY22, the average capex of ONGC (standalone) per annum has been in the range of Rs 30,000 crore. The same trend is expected to continue in the ensuing years. The capex in FY23 is expected to be around Rs. 29,950 crore to be funded partially from debt and internal accruals. The large capex requirements and long gestation periods of E&P projects have a bearing on the company's return indicators although it has a sound financial position to fund its capex requirements

Regulatory risk: The GoI's policy and decisions with respect to natural gas pricing (APM mechanism), subsidy sharing, windfall taxes, duties, cess, and dividend payments have a significant bearing on ONGC's profitability, cash flows and liquidity position. During elevated prices of crude, the GoI may choose to pass on the fiscal burden via sharing of profits of PSUs through higher fiscal levies, higher dividend declaration or providing discounts to oil marketing companies (OMCs) which has potential to impact the income and accruals of ONGC.

Analytical approach: Consolidated

Consolidated financials of ONGC with notching based on parentage of GoI and strategic importance of the company for GoI.

Detailed description of the key rating drivers of OPaL for standalone/unsupported rating

Key rating strengths

Strong linkages with ONGC - parentage, strategic importance, operational linkages and financial support: OPaL derives significant managerial, operational and financial benefits from its key Maharatna PSU promoters viz. ONGC and GAIL (India) Limited (GAIL: rated CARE AAA; Stable/CARE A1+). As on March 31, 2022 ONGC, GAIL and Gujarat State Petroleum Corporation (GSPC) held 49.36%, 49.21% and 1.43% of equity share capital in OPaL. The company derives technical and managerial strength from its promoters which have supported it during project implementation phase and continue to support it in the operations. Dr. Alka Mittal (CMD of ONGC) also serves as the Chairperson of OPaL. In addition, there exists significant operational synergies between the company and its promoters especially with ONGC which supplies feedstock, i.e. naphtha from Hazira and Uran and ethane (C2)/ propane (C3)/ butane (C4) from Dahej, as per long term agreement, ensuring consistent feedstock supply. Moreover, ONGC's management has articulated that OPaL is strategically important for ONGC as a part of its forward integration strategy, i.e. into petrochemicals. Furthermore, GAIL and GSPC supply natural gas to the company. In addition, the company derives financial flexibility from its parentage of ONGC and GAIL which provides it easy access to funds at attractive rates. The significance of the company for ONGC and latter's support is further evident from the letters of comfort given by ONGC for various series of NCDs issued by OPaL along with unconditional and irrevocable mandatory put option at the end of tenure of the CCDs issued by OPaL. Also, ONGC has a stated intent to increase its stake in the company in due course.

Healthy capacity utilization: The operations of the company have ramped up in FY22 with an average capacity utilization of ~95% as against ~90% capacity utilization in FY21. As a result of better utilization and higher product realizations, the total operating income (TOI) of the company has shown a growth of 39.63% and thereby improved to Rs. 16,065 crore in FY22 as compared to Rs. 11,505 crore in FY21. The improvement in revenue was on account of increase in sales volume, led by increase in sales of polypropylene, LLDPE, HDPE which have recorded a growth of ~40% in FY22. However, the company is expected to report moderation in its capacity utilization during the current fiscal due to a maintenance shutdown taken by the company during April-May 2022. The company's continued ability to operate the plant optimally shall remain crucial from credit perspective.

Moderate profitability margins: The company has reported a moderation in profitability with PBILDT margin reported at 15.94% in FY22 (PY: 24.81%). The decrease in margin was due to rise in prices of raw materials viz. propane, butane and naphtha which rose by 109%, 92% and 89% respectively in FY22 as compared to FY21. The company has a dual-feed cracker tries to optimize it based on the prices of feedstock. Continuous supply of naphtha is essential to run the plant at full capacity and the same was assured after Hazira-Dahej naphtha pipeline was completed and inaugurated in December 2019. Despite moderate operating profitability, owing to high interest costs and depreciation, net loss of Rs.535 crore was reported by OPaL in FY22 (PY: net loss Rs.798 crore). The company expects its operating margins to improve with benefits of maintenance shut down and possible exit from SEZ happening in later part of this fiscal. Going forward, its ability to improve and sustain operating margins to more than 20% and reduce its interest costs through rationalization of capital structure shall remain key monitorable.

Liquidity: Adequate

The liquidity profile of Opal draws comfort from the considerable financial flexibility enjoyed by it due to its parentage of ONGC and GAIL, which facilitates easy access to funds at relatively attractive rates. Furthermore, based on available drawing power of fund based working capital limits as on June 30, 2022, OPaL had unutilized limits of around Rs.400 crore which provides some cushion. Also, it doesn't have any major capex plan in FY23.

Key rating weaknesses

Moderate financial risk profile: The overall gearing of OPaL deteriorated to 6.78x as on March 31, 2022 as compared to 4.76x as on March 31, 2021 mainly due to decrease in tangible net-worth on account of net losses reported during the year. Further, interest coverage ratio of the company remained low at 1.38x in FY22 due to substantial debt burden resulting in high interest costs. Although the company has high debt repayment obligations and relies on its replacement, comfort is drawn from the considerable financial flexibility enjoyed by it by virtue of its parentage which facilitates easy access to funds at reasonably attractive rates.

Commoditized and inherently volatile nature of petrochemical business: OPaL derives majority of its revenue from sale of linear low-density polyethylene (LLDPE), high-density polyethylene (HDPE) and polypropylene (PP) while the major feedstocks include naphtha and ethane (C2). The prices of the finished goods as well as the feedstock, and the derived petrochemical margins, have demonstrated significant volatility in the past, thereby impacting the company's operating margins. As for other polymer manufacturers, the company's operating margins and returns are likely to remain susceptible to such sharp changes in prices of the feedstock and finished products.

Analytical approach for OPaL:
For Credit enhanced (CE) rating: Backed by credit enhancement in the form of an irrevocable and unconditional undertaking from ONGC to purchase the CCDs from the investors on exercise of put-option. Also, NCDs are backed by credit enhancement in the form of irrevocable and unconditional LoC from ONGC, wherein ONGC shall undertake all reasonable actions to fund the designated account at least one business day prior to the due date (both coupon and principal payment dates). For ONGC, CARE Ratings has adopted a Consolidated analytical approach with notching based on linkages with the Government of India for which it is strategically important.
Standalone/Unsupported rating: Standalone along with factoring in linkages with its parent company, ONGC.

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Credit Enhanced Debt
Rating Outlook and Credit Watch
Short Term Instruments
Factoring Linkages Government Support
Consolidation
Manufacturing Companies
Policy for Withdrawal of Ratings

About the CE provider: ONGC

ONGC is a Maharatna PSU, with the GoI holding 58.89% stake in the company as on June 30, 2022. ONGC is India's largest E&P player and is present across the hydrocarbon value chain. ONGC's domestic production including its share of production in fields operated through joint ventures represented nearly 68% of India's total production of crude oil and natural gas. It is also a significant producer of value-added products such as LPG, SKO, naphtha and C2/C3. The company undertakes E&P activities in countries such as Azerbaijan, Myanmar, Vietnam, Iran, Iraq, Syria, UAE, Libya, Mozambique, South Sudan etc. through its wholly-owned subsidiary OVL. Also, it has integrated downstream activities in India with two subsidiaries viz. Mangalore Refinery & Petrochemicals Limited (MRPL) and Hindustan Petroleum Corporation Limited (HPCL) with combined capacity of over 31 million metric tonnes per annum (MMTPA) refinery and extensive network of over 20,000 retail outlets. The company is currently the top lube marketer and second largest marketer in LPG sales in India. The presence in refining and marketing segment helps ONGC limit volatility of earnings. Besides, transportation of petroleum products is being catered through Petronet MHB Ltd (PMHBL) which owns and operates a multi-product petroleum pipeline to transport MRPL's refinery products to various parts of Karnataka.

Brief Financials - Consolidated (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23/ H1FY23/9MFY23
Total operating income	3,69,796	5,39,199	NA
PBILDT	58,806	87,311	NA
PAT	21,360	49,294	NA
Overall gearing (times)	0.57	0.44	NA
Interest coverage (times)	11.58	15.33	NA

A: Audited

About the company: OPaL

Incorporated in November 2006, OPaL operates a greenfield 1.1 MMTPA petrochemicals complex in SEZ at Dahej, Gujarat. OPaL is promoted by two Maharatna PSUs, viz., ONGC and GAIL and copromoted by Gujarat State Petroleum Corporation Limited. The project comprises a dual feed-cracker with capacity to produce 1.1 MMTPA of ethylene and 0.40 MMTPA of propylene as petrochemical feedstock to downstream polymer units in the Dahej SEZ. The project commenced its commercial production since 2017. The company uses ethane (C2), propane (C3), butane (C4) and naphtha as feedstock to produce basic downstream petrochemicals products, viz., HDPE, LLDPE, polypropylene, butadiene, Carbon black feedstock (CBFS), benzene, etc.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (Abr.)	Q1FY23/ H1FY23/9MFY23
Total operating income	11,533.70	16,065.21	NA
PBILDT	2,882.82	2,560.82	NA
PAT	-797.78	-534.66	NA
Overall gearing (times)	5.20	6.78	NA
Interest coverage (times)	1.74	1.38	NA

A: Audited. Abr.: Abridged

Status of non-cooperation with previous CRA: NA

Any other information: NA

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

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

Complexity level of various instruments rated for this company: Annexure-4

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
Debentures-compulsorily convertible debentures	INE163N08206	July 02, 2016	7.12%	Jan 02, 2024	5615.00	CARE AAA (CE); Stable
Debentures-compulsorily convertible debentures	INE163N08172	March 28, 2018	6.43%	Sep 28, 2022	492.00	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08065	December 11, 2018	8.60%	Mar 11, 2022	0.00	Withdrawn
Debentures-non-convertible debentures	INE163N08123	February 11, 2020	7.98%	Feb 10, 2023	433.40	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08073	March 19, 2019	8.85%	Apr 19, 2022	0.00	Withdrawn
Debentures-non-convertible debentures	INE163N08099	September 26, 2019	8.45%	Dec 26, 2022	435.00	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08107	December 10, 2019	8.45%	Mar 10, 2023	371.10	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08115	December 10, 2019	8.83%	Mar 10, 2025	465.50	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08131	February 11, 2020	8.00%	Apr 11, 2025	475.00	CARE AAA (CE); Stable
Debentures-non-convertible debentures	INE163N08156	September 25, 2020	7.98%	Oct 25, 2023	260	CARE AA; Stable
Debentures-non-convertible debentures	INE163N08180	July 09, 2021	6.63%	Jul 09, 2024	510	CARE AA; Stable
Debentures-non-convertible debentures			-	5 Years proposed	3930.00	CARE AA; Stable
Un supported rating			0		0.00	CARE AA

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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Compulsorily Convertible Debentures	LT	5615.00	CARE AAA (CE); Stable	1)CARE AAA (CE); Stable (28-Jun-22)	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (22-Dec-20) 2)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (26-Jul-19) 2)CARE AAA (SO); Stable (11-Jun-19)
2	Debentures-Compulsorily Convertible Debentures	LT	492.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (18-Mar-21) 2)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (26-Jul-19)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (26-Jul-19)
4	Debentures-Non Convertible Debentures	LT	433.40	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (24-Feb-20) 2)Provisional CARE AAA (CE); Stable (16-Dec-19) 3)Provisional CARE AAA (CE); Stable (22-Oct-19) 4)Provisional CARE AAA (CE); Stable (26-Jul-19) 5)Provisional CARE AAA (SO); Stable (01-Apr-19)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (26-Jul-19) 2)CARE AAA (SO); Stable (01-Apr-19)
6	Debentures-Non Convertible Debentures	LT	435.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (22-Oct-19)
7	Un Supported Rating	LT	-	-	-	1)Withdrawn (29-Jul-21)	1)CARE AA (30-Jul-20)	1)CARE AA-; Stable (24-Feb-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	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	Date(s) and Rating(s) assigned in 2019-2020
								2)CARE AA-; Stable (22-Oct-19)
8	Debentures-Non Convertible Debentures	LT	371.10	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (16-Dec-19)
9	Debentures-Non Convertible Debentures	LT	465.50	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (16-Dec-19)
10	Debentures-Non Convertible Debentures	LT	475.00	CARE AAA (CE); Stable	-	1)CARE AAA (CE); Stable (29-Jul-21)	1)CARE AAA (CE); Stable (30-Jul-20)	1)CARE AAA (CE); Stable (24-Feb-20)
11	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (22-Oct-20) 2)Provisional CARE AAA (CE); Stable (30-Jul-20)	1)Provisional CARE AAA (CE); Stable (17-Mar-20)
12	Debentures-Non Convertible Debentures	LT	4700.00	CARE AA; Stable	-	1)CARE AA; Stable (29-Jul-21)	1)CARE AA; Stable (14-Sep-20)	-
13	Un Supported Rating	LT	0.00	CARE AA	1)CARE AA (28-Jun-22)	-	-	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed Explanation
A. Financial covenants	**NA**
I.	
B. Non-financial covenants	**NA**
I.	

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Compulsorily Convertible Debentures	Complex
2	Debentures-Non-Convertible Debentures	Simple
3	Un Supported Rating	Simple

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 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

Media contact
Name: Mradul Mishra
Phone: +91-22-6754 3596
E-mail: mradul.mishra@careedge.in

Analyst contact
Name: Ajay Kumar Dhaka
Phone: + 91-11-45333200
E-mail: ajay.dhaka@careedge.in

Relationship contact
Name: Swati Agrawal
Phone: +91-11-4533 3200
E-mail: swati.agrawal@careedge.in

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