

## Can Fin Homes Limited

January 22, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>
Secured Redeemable Non-Convertible Debenture	2500.00@	<b>CARE AAA; (Triple A)</b> <b>(Credit watch with developing implications)</b>
Secured Redeemable Non-Convertible Debenture	2500.00@	<b>CARE AAA; (Triple A)</b> <b>(Credit watch with developing implications)</b>
Secured Redeemable Non-Convertible Debenture	3000.00@	<b>CARE AAA; (Triple A)</b> <b>(Credit watch with developing implications)</b>
Tier II Bonds (Subordinated Bonds)	300.00\$	<b>CARE AAA; (Triple A)</b> <b>(Credit watch with developing implications)</b>
Commercial Paper	4500.00#	<b>CARE A1+ (A One Plus)</b> <b>(Credit watch with developing implications)</b>
<b>Total</b>	<b>12,800</b> <b>(Rupees Twelve thousand eight hundred crore only)</b>	

*Details of instruments/facilities in Annexure-1*

@ Rs.2662 crore is outstanding as on December 31, 2019

\$ Rs.100 crore outstanding as on December 31, 2019

#Rs.1825 crore outstanding as on December 31, 2019

### Material Event

Canara Bank, parent of Can Fin Homes Limited (CFHL), vide stock exchange filing dated January 14, 2020 has stated that it has decided to call-off the divestment process of its entire stake held by the Bank in CFHL.

#### Update on material event

With Canara Bank's decision to call-off the divestment process, the same is expected to result into continuing operational, financial and management support from Canara Bank to CFHL.

However, the process of amalgamation of Syndicate Bank into Canara Bank as per directive from Ministry of Finance, GOI is still undergoing and therefore ratings of CFHL continues to remain under credit watch with developing implications. CARE will continue to monitor the development given the number of approvals required and challenges to be encountered in successfully integrating the operations of the merged entity. Any impact on credit profile of Canara Bank post amalgamation is likely to have impact on ratings of CFHL. CARE will take appropriate action once the clarity emerges.

### Liquidity Indicator: Adequate

As per ALM statement submitted by company as on September 30, 2019, CFHL's liquidity profile is characterized by positive cumulative mismatches in all time buckets. The positive cumulative mismatches was on account of trend of higher prepayments, longer tenor loans from banks, and lower dependence of funds of medium term nature like deposits as well as unutilized limits available from banks. As on December 31, 2019, company had cash and bank balance of Rs.10.5 crore, investment in FD of Rs.18.1 crore and has unavailed bank limits of Rs. 4137.8 crore (including OD limits of Rs.1142.8 crore). Liquidity is also supported from strength of its parent.

The detailed press release on Can Fin Homes Limited is available here: [click here](#)

Detailed rating rationale is available on [www.careratings.com](http://www.careratings.com)

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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### About CARE Ratings:

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