

## Indiabulls Real Estate Limited

August 30, 2019

Rating

Bank Facilities	Amount (Rs. crore)	Rating	Rating Action
LT - Bank Facilities – Term Loan	525.00	<b>CARE A+ [Single A Plus] (Under Credit watch with developing implications)</b>	Revised from CARE AA- (Under Credit watch with developing implications)
LT - Bank Facilities – BG	98.73	<b>CARE A+ [Single A Plus] ( Under Credit watch with developing implications)</b>	Revised from CARE AA- (Under Credit watch with developing implications)
<b>Total</b>	<b>623.73 (Rs. Six hundred twenty three crore and seventy three lakh only)</b>		
Non-Convertible Debenture issue	760.00 (Rs. Seven hundred and sixty crore only)	<b>CARE A+ [Single A Plus] (Credit watch with developing implications)</b>	Revised from CARE AA- (Under Credit watch with developing implications)
Non-Convertible Debenture Issue*	225.00 (Rs. Two hundred and twenty five crore only)	<b>CARE AA-(SO) [Double A Minus (Structured Obligation)] (Under Credit watch with developing implications)</b>	Revised from CARE AA (Structured obligation)( Under Credit watch with developing implications)
Proposed Non-Convertible Debenture Issue	75.00 (Rs. Seventy five crore only)	<b>CARE A+ [Single A Plus] (Under Credit watch with developing implications)</b>	Revised from CARE AA- (Under Credit watch with developing implications)
Proposed Non-Convertible Debenture Issue	100.00 (Rs. One Hundred crore only)	<b>CARE A+ [Single A Plus] (Under Credit watch with developing implications)</b>	Revised from CARE AA- (Under Credit watch with developing implications)
Commercial Paper Issue <sup>^</sup>	1,500.00 (Rs. One Thousand five hundred crore only)	<b>CARE A1+ [A One Plus]<sup>^</sup> (Under Credit watch with developing implications)</b>	Reaffirmed and continues on credit watch with developing implications
Non-Convertible Debenture Issue	-	-	Withdrawn

*Details of instruments/facilities in Annexure-1*

*\*The above rating is based on the credit enhancement in the form of Debt Service Reserve Account (DSRA) equivalent to at least 25.50% of the outstanding amount of the NCDs to be maintained in the form of "AAA" rated bonds/"AAA" rated Bank's fixed deposits till the tenure of the bonds, liened to the Trustees of the NCD issue.*

*<sup>^</sup>Backed by an undertaking given by the company stating that the company would maintain cash and cash equivalents and undrawn facility limits in the company or its subsidiaries to the extent of 60% of the amount of CP issued during the tenure of the CP.*

### Detailed Rationale & Key Rating Drivers

*CARE has withdrawn the rating assigned to the NCD issue of Indiabulls Real Estate Limited with immediate effect as the same has been repaid.*

*The revision in long term rating assigned to the bank facilities and instruments of Indiabulls Real Estate Limited (IBREL) factors in the sluggishness in the real estate residential market leading to slower progress of sale of residential units and collections as compared to envisaged levels in FY2018-19 (refers to the period from April 01 to March 31). This has resulted in delay in project execution and cancellation of bookings in some of the IBREL's real estate projects. Further the rating factors in the lack of stable lease rentals received in the past owing to the management's plans to divest its stake in commercial and leasing business assets. Also in CARE's opinion, reduced holding of the promoters with the entry of Embassy group in the company, benefit that IBREL credit rating derived as being part of Indiabulls group (group here refers to various companies belonging to*

the Indiabulls group having interests in varied businesses and are operated/controlled by the same promoters) is diluted to an extent and reflects in the credit action. Promoters have confirmed that their stake in the company shall not fall below 20% levels.

However, the ratings continue to be under 'credit watch with developing implications' following the impending stake sale in commercial properties which is yet to be concluded so also clarity on utilization of sale proceeds for debt reduction. IBREL expects this to be completed by FY2019-20.

The ratings assigned to the instruments and bank facilities of IBREL continue to factor in the track record of the promoters/management to execute and mobilize funds for the projects, having presence in multiple cities, expected improvement in the leverage with sale of commercial assets and Hanover property, adequate liquidity, and presence of large number of OC received inventory along with availability of sizeable land bank.

The rating strengths however, continue to be tempered by approval and project execution risk associated with large number of ongoing projects, high dependence on customer advances and debt, subdued operating performance in FY19 and Q1FY20, and the inherent cyclical nature of the Indian real estate industry.

Going forward, the company's ability to improve its leverage levels and liquidity position through timely execution of the followings as envisaged will remain crucial and key rating monitorables for the company:

- 1) Sale of Hanover property and utilization of sale proceeds to reduce debt levels by FY20
  - 2) The company will maintain Rs.1,000 crore in the form of certificate of deposits or fixed deposits with banks that are rated AA or higher or in AAA rated bonds.
  - 3) Increase in collections from sold inventory and new sales to improve significantly in FY20 as compared to FY19.
- CARE would continue to closely monitor the timeliness of these measures and consequent reduction in debt levels.

#### **Detailed description of the key rating drivers Key Rating Strengths**

##### ***Experienced Management and long track record of operations***

Mr Sameer Gehlaut has been the chairman of Indiabulls Group since inception. Under his leadership, Indiabulls Group has grown in scale and size to a business house with strong businesses in various sectors. Mr. Gurbans Singh and Mr. Vishal Damani, the joint managing directors of the company have also played an instrumental role in ramping up the company's business. IBREL has been present in the real estate development business since more than a decade developing about 216 lakh square feet (lsf) area during the period. Experienced management and long existence in the business helps the company is handling large scale projects undertaken by the group over the years.

##### ***Presence in multiple cities in India***

IBREL is currently developing commercial and residential projects in metros and Tier-1 cities i.e. Mumbai, Thane, Panvel (Mumbai Metropolitan Region), Delhi, Gurgaon (NCR). IBREL has also completed projects located in other cities like Vadodra, Ahmedabad and Madurai. During FY19, the company delivered 9.7 million square feet (msf.) with OC at different locations such as Mumbai, Panvel, Savroli, Gurgaon, and Jodhpur. Earlier, during FY15, the company had also entered into foreign market with acquisition of a property in London, however, owing to slowdown in the UK market the company announced exiting the UK market through divestment of its stake in Century limited (that houses the London property) to the existing promoters. Going forward, the company has planned to focus on cities such as Mumbai Metropolitan region and NCR.

##### ***Availability of OC received inventory and expected sale of commercial projects***

As on March 31, 2019 the company had tied up receivables amounting to Rs.3,453 crore from its various projects. Moreover, IBREL has recently received OC for some of its projects in Mumbai, MMR and NCR. Proceeds from sale of flats from OC received inventory as well as planned divestment of its stake in commercial properties and Hanover property is expected to help the company in significantly reducing its debt levels.

##### ***Availability of Sizeable Land Bank***

The company has a strategy of purchasing land through bidding process in government auctions, thereby assuring clear title. The company through acquisitions and government allotments has created a sizeable land bank in preferred locations. As on June 30, 2019, the total land bank available with the company aggregated about 1,929 acres for which entire cost has been paid as reported by the management. The company also had 1,424 acres of land in Nashik SEZ.

#### **Key Rating Weaknesses**

##### ***Sluggish residential market activity affecting the sales of residential units***

IBREL receives its cash flows from customer collections from its residential properties and from divesting its stake in commercial properties on an on-going basis. During FY2018-19, IBREL recognized profit on sale of investment /fair value impact aggregating to Rs.148.05 crore (P.Y.2,871.56 crore) from stake sale in commercial assets.

However, slowdown in real estate industry and lack of buyer's confidence in the under construction projects have affected the bookings of new residential units which has seen postponements in scheduled completion dates across majority of its

projects. Moreover, the company has seen cancellations in some of its projects such as Indiabulls Golf City (Savroli), Indiabulls Greens (Panvel), Blu estate and club (Worli). During FY19, as number of flats cancellations in its on-going projects outweighed new bookings, the value of sold flats declined on y-o-y basis. Besides, the Gross Development Value (GDV) of the projects have reduced from Rs.25,169 crore as on March 31 2018 to Rs.22,868 crore as on March 31 2019. Moreover, due to tepid sales of new units and cancellations in some of its projects, pending collections from area sold declined to Rs.3,453 crore as on March 31, 2019 as against Rs.4,630 crore as on March 31, 2018.

Going ahead improvement in new unit sales and thus collections through customer advances remains the key rating sensitivities.

#### ***Higher reliance on debt in funding operations***

With increase in operations, the company's thrust on high use of debt to fund its large number of on-going projects has resulted in high leverage with consolidated overall gearings (including IPPL and IRECPL) at 4.11 times as on March, 31, 2019 as compared to 4.34 times as on March 31, 2018. The company's gearing (excl. IPPL and IRECPL) stood at 2.38x as of March 31, 2019. Besides, accumulated losses in some of its SPVs, and change in revenue recognition policy post adoption of IND AS 115 have led to decline in tangible networth of the company to Rs.2,959.69 crore as on March 31, 2019. However, going forward the leverage is expected to improve significantly as the company expects to utilize the proceeds from sale of stake in commercial properties and London property to prepay majority of its debts.

#### ***Project execution risk and approvals risk***

As on March 31, 2019 the company had large number of on-going projects with total area under development of around 24.21 msf. IBREL is expected to incur more than Rs.6,378 crore towards these projects. Moreover, as majority of these project cost is expected to be met through receipt of customer advances, increase in sales momentum will be crucial for the company for timely completion of the projects. Besides, as real estate development also requires various approvals at different stages of projects, timely receipt of approvals is critical for timely completion of the projects.

#### ***Cyclical nature of the Industry***

Real estate sector demand is linked to the overall economic prospect of the country. Change in the economic outlook affects the expected cash inflows to a household thereby also influencing their buying decision. Besides, as leverage forms an important part of funding for the buyer, availability of loan and interest rates also affects the demand of real estate properties. On the other hand land, labour, cement and metal prices being some of major cost centres for the sector, availability of these factors plays important role in pricing and supply of new units. Hence, cyclicity associated with economic outlook, interest rates, metal prices etc. also renders the real estate sector towards cyclicity. Moreover, the companies in the sector are also exposed to regulatory changes, especially in the countries such as India with evolving regulations.

#### **Liquidity position**

As on June 30, 2019 the company had cash and cash equivalents of Rs.977 crore (excluding lien marked amount of Rs.159 crore). Besides, as on August 26, 2019, the company has received infusion of funds aggregating to Rs.1,000 crore to augment the liquidity position in the company. Hence the company has adequate liquidity position to support the operations of the company.

**Analytical approach:** CARE has taken a consolidated approach (as provided in consolidated annual reports) for the rating of Indiabulls Real Estate Limited (IBREL) and its Subsidiaries/JVs together on account of IBREL extending unconditional and irrevocable corporate guarantees/letter of comfort to the lenders of these Subsidiaries/JVs. All these companies have high level of operational, financial and managerial synergies.

#### **Applicable Criteria**

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

[Criteria for Short Term Instruments](#)

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

[Financial ratios - Non-Financial sector](#)

#### **About the Company**

Indiabulls Real Estate Limited (IBREL) was incorporated on April 4, 2006. IBREL is engaged in real estate development, directly as well as through various subsidiaries as well as associate companies. The main focus of IBREL is construction and development of properties, project management, investment advisory and construction services.

IBREL, along with the related entities, has developed 216 lakh sq ft (lsf) since its inception and has 299.6 lsf of saleable area with a GDV of approximately Rs. 22,868 crore for its on-going/completed projects (excluding projects being developed under

JV) as on March 31, 2019. As on June 30, 2019, the company had total land bank of about 1,929 acres for which entire cost has been paid, as reported by the management. The company also had 1,424 acres of land in Nashik SEZ.

During FY19, on consolidated basis IBREL reported PAT of Rs. 504.32 crore (PY: Rs.2,359.56 crore) on a total income of Rs. 5,028.02 crore (PY: Rs.4,637.86 crore).

Brief Financials - (Rs. crore)	FY18 (A)	FY19 (A)
Total Income	4,637.86	5,028.02
PBILDT	3,719.60	1,132.43
PAT	2,359.56	504.32
Overall Gearing (times)	2.59	2.38
Adj. Overall Gearing (times)*	4.34	4.11
Interest Coverage (times)	5.31	2.45

A: Audited; \*incl. guaranteed debt of IPPL and IRECPL

**Note:** Redeemable preference shares and Optionally Convertible preference shares have been included as part of debt while calculating Total debt and Overall gearing

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	8.24	CARE A+ (Under Credit watch with developing implications)
Fund-based - LT-Term Loan	-	-	-	303.26	CARE A+ (Under Credit watch with developing implications)
Non-fund-based - LT-Bank Guarantees	-	-	-	98.73	CARE A+ (Under Credit watch with developing implications)
Loan-Long Term	July 12, 2018	NA	NA	213.50	CARE A+ (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	March 18, 2016	10.75%	March 18, 2021	30.00	CARE A+ (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	June 16, 2016	10.00%	June 16, 2022	30.00	CARE AA-(SO) (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	July 18, 2016	10.00%	May 18, 2022	151.00	CARE AA-(SO) (Under Credit watch with developing implications)

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	September 09, 2016	9.85%	July 8, 2022	19.00	CARE AA-(SO) (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	September 07, 2016	9.80%	July 7, 2022	25.00	CARE AA-(SO) (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	June 29, 2017	9.00%	June 29, 2020	250.00	CARE A+ (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	June 27, 2018	9.50%	June 25, 2021	480.00	CARE A+ (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	July 12, 2018	NA	NA	75.00	CARE A+ (Under Credit watch with developing implications)
Debentures-Non Convertible Debentures	July 12, 2018	NA	NA	100.00	CARE A+ (Under Credit watch with developing implications)
Commercial Paper	-	-	-	1500.00	CARE A1+ (Under Credit watch with developing implications)

**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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Commercial Paper	ST	1500.00	CARE A1+ (Under Credit watch with developing implications)	1)CARE A1+ (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE A1+ (05-Apr-19)	-	1)CARE A1+ (13-Mar-18) 2)CARE A1+ (29-Jan-18)	1)CARE A1+ (20-Jan-17) 2)CARE A1+ (18-Aug-16) 3)CARE A1+ (01-Jul-16)
2.	Non-fund-based - LT-Bank Guarantees	LT	98.73	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-;	-	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)

					Stable (05-Apr-19)			
3.	Loan-Long Term	LT	213.50	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	1)CARE AA-; Stable (16-Jul-18)	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (18-Aug-16)
5.	Fund-based - LT-Term Loan	LT	8.24	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	1)CARE AA-; Stable (16-Jul-18)	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
6.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	-	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
8.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (20-Jan-17) 2)CARE AA- (18-Aug-16)
9.	Fund-based - LT-Term Loan	LT	303.26	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	1)CARE AA-; Stable (16-Jul-18)	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
10.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)

11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
12.	Debentures-Non Convertible Debentures	LT	30.00	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	-	1)CARE AA-; Stable (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
13.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE AA-; Stable (20-Jan-17) 2)CARE AA- (18-Aug-16)
14.	Debentures-Non Convertible Debentures	LT	30.00	CARE AA-(SO) (Under Credit watch with developing implications)	1)CARE AA (SO) (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA (SO); Stable (05-Apr-19)	-	1)CARE AA (SO); Stable (29-Jan-18)	1)CARE AA (SO); Stable (20-Jan-17) 2)CARE AA (SO) (12-Sep-16) 3)Provisional CARE AA (SO) (18-Aug-16) 4)Provisional CARE AA (SO) (01-Jul-16)
15.	Debentures-Non Convertible Debentures	LT	151.00	CARE AA-(SO) (Under Credit watch with developing implications)	1)CARE AA (SO) (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA (SO); Stable (05-Apr-19)	-	1)CARE AA (SO); Stable (29-Jan-18)	1)CARE AA (SO); Stable (20-Jan-17) 2)CARE AA (SO) (12-Sep-16) 3)CARE AA (SO) (18-Aug-16)
16.	Debentures-Non Convertible Debentures	LT	19.00	CARE AA-(SO) (Under Credit watch with developing implications)	1)CARE AA (SO) (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA (SO); Stable (05-Apr-19)	-	1)CARE AA (SO); Stable (29-Jan-18)	1)CARE AA (SO); Stable (20-Jan-17) 2)CARE AA (SO) (30-Sep-16) 3)Provisional CARE AA (SO) (12-Sep-16)
17.	Debentures-Non Convertible Debentures	LT	25.00	CARE AA-(SO) (Under Credit watch with	1)CARE AA (SO) (Under Credit watch with	-	1)CARE AA (SO); Stable (29-Jan-18)	1)CARE AA (SO); Stable (20-Jan-17)

				developing implications)	Developing Implications) (11-Jun-19) 2)CARE AA (SO); Stable (05-Apr-19)			2)CARE AA (SO) (30-Sep-16) 3)Provisional CARE AA (SO) (12-Sep-16)
18.	Non-fund-based - ST-Bank Guarantees	ST	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE A1+ (20-Jan-17)
19.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-18)	1)CARE AA-; Stable (28-Mar-17)
20.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (16-Jul-18)	1)CARE AA-; Stable (29-Jan-18) 2)CARE AA-; Stable (04-Jul-17)	-
21.	Debentures-Non Convertible Debentures	LT	250.00	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	-	1)CARE AA-; Stable (29-Jan-18) 2)CARE AA-; Stable (04-Jul-17)	-
22.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (05-Apr-19)	-	1)CARE AA-; Stable (29-Jan-18) 2)CARE AA-; Stable (20-Sep-17)	-
23.	Debentures-Non Convertible Debentures	LT	480.00	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	-	1)CARE AA-; Stable (13-Mar-18)	-
24.	Debentures-Non Convertible Debentures	LT	75.00	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	1)CARE AA-; Stable (16-Jul-18)	-	-

25.	Debentures-Non Convertible Debentures	LT	100.00	CARE A+ (Under Credit watch with developing implications)	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	1)CARE AA-; Stable (16-Jul-18)	-	-
26.	Debentures-Non Convertible Debentures	LT	-	Withdrawn	1)CARE AA- (Under Credit watch with Developing Implications) (11-Jun-19) 2)CARE AA-; Stable (05-Apr-19)	-	-	-

**Annexure-3: List of companies consolidated with IBREL**

Sr. No.	Name of Entity	Extent of consolidation with IBREL
1	Indiabulls Estate Limited	Full
2	Indiabulls Infraestate Limited	Full
3	Indiabulls Properties Private Limited	Only debt has been consolidated
4	Indiabulls Real Estate Company Private Limited	Only debt has been consolidated
5	Lucina Land Development Limited	Full
6	Mariana Infrastructure Limited	Full
7	Indiabulls Constructions Limited	Full
8	Sylvanus Properties Limited	Full

**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.

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**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.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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