

Srei Infrastructure Finance Limited (Revised)

February 4, 2020

Credit Update

The ratings assigned to Srei Infrastructure Finance Ltd (SIFL) are on credit watch due to approval received from the Board of Directors of the company for transfer of Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") of SIFL into Srei Equipment Finance Limited (SEFL). The businesses were to be transferred together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures issued by SIFL), as a going concern basis by way of slump exchange, for a lump sum consideration, without values being assigned to the individual assets and liabilities, which was to be discharged by SEFL by way of issue and allotment of equity shares of SEFL to SIFL ("Slump Exchange").

The Board of SEFL in its meeting held on December 31, 2019 has issued and allotted 1,93,56,415 equity shares of the company of face value Rs.10 each carrying a premium of Rs.481 each aggregating Rs.950 crore to SIFL constituting the lump sum consideration for acquisition of the "transferred undertaking". The scheme has been given effect with appointed date of October 1, 2019.

After the completion of above scheme SIFL will become an Investment Holding Company with majority of the income to be generated from fee based business and return from investments.

CARE has sought for details pertaining to the transfer from the company which it is on the process of submitting. Further, the merged accounts of SEFL and the resultant accounts of SIFL are under preparation by the company. CARE will take a view on the ratings once resultant accounts are available.

About the Company

SIFL, a 30 year old Kolkata-based NBFC, has been engaged in leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure related projects. Pursuant to forming a 50:50 joint venture (JV) with BNP Paribas Lease Group (BPLG), SIFL divested a major part of its equipment financing and leasing business to SEFL. Post divestment, SIFL is engaged in project financing and infrastructure project advisory. SIFL is classified as 'NBFC-IFC' by RBI and it has also received 'Public Finance Institution' status from the Ministry of Corporate Affairs, GoI.

In June 2016, SIFL acquired the 50% stake of BPLG in SEFL, resulting in SEFL becoming a 100% subsidiary of SIFL and BPLG acquiring 5% stake of SIFL against its shareholding in SEFL.

Annexure-1: 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.	Fixed Deposit	-	-	-	-	-	-	-
2.	Bonds-Unsecured Redeemable	LT	-	-	-	-	1)Withdrawn (03-May-17)	1)CARE A (02-Aug-16)
3.	Non-fund-based - ST-BG/LC	ST	345.00	CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A2+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (06-Jul-18)	1)CARE A1+ (05-Jan-18) 2)CARE A1+ (12-Jul-17) 3)CARE A1+ (03-May-17)	1)CARE A1+ (02-Aug-16)
4.	Fund-based - LT-Cash Credit	LT	8685.00	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+;	1)CARE A+; Stable (05-Jan-18) 2)CARE A+; Stable (12-Jul-17) 3)CARE A+;	1)CARE A+ (02-Aug-16)

						Stable (06-Jul-18)	Stable (03-May-17)	
5.	Debt-Non-convertible Debenture/Subordinate Debt	LT	200.00	CARE BBB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)	1)CARE A (02-Aug- 16)
6.	Debt-Non-convertible Debenture/Subordinate Debt	LT	50.00	CARE BBB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)	1)CARE A (02-Aug- 16)
7.	Commercial Paper- Commercial Paper (Carved out)	ST	1000.00	CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A2+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (26-Oct-18) 3)CARE A1+ (06-Jul-18)	1)CARE A1+ (12-Jul-17) 2)CARE A1+ (03-May-17)	1)CARE A1+ (02-Aug- 16) 2)CARE A1+ (24-May- 16)
8.	Debentures-Non Convertible Debentures	LT	40.40	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug- 16)
9.	Debentures-Non Convertible Debentures	LT	2.00	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug- 16)
10.	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (03-May-17)	1)CARE A+ (02-Aug- 16)

11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (03-May-17)	1)CARE A+ (02-Aug-16)
12.	Debt-Subordinate Debt	LT	239.15	CARE BBB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)	1)CARE A (02-Aug-16)
13.	Debt-Non-convertible Debenture/Subordinate Debt	LT	223.37	CARE BBB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)	1)CARE A (02-Aug-16)
14.	Bonds	LT	20.22	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
15.	Debentures-Non Convertible Debentures	LT	6.50	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
16.	Term Loan-Long Term	LT	2096.97	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (05-Jan-18) 2)CARE A+; Stable (12-Jul-17) 3)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
17.	Debt-Non-convertible Debenture/Subordinate	LT	148.59	CARE BBB+ (Under Credit	1)CARE BBB+ (Under Credit	1)CARE A (Under Credit	1)CARE A; Stable	1)CARE A (02-Aug-

	Debt			watch with Negative Implications)	watch with Negative Implications) (13-Aug-19)	watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	(12-Jul-17) 2)CARE A; Stable (03-May-17)	16)
18.	Debentures-Non Convertible Debentures	LT	135.24	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
19.	Debentures-Non Convertible Debentures	LT	173.86	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
20.	Bonds-Secured Redeemable Bonds	-	-	-	-	-	-	-
21.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
22.	Debentures-Non Convertible Debentures	LT	13.73	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
23.	Debentures-Non Convertible Debentures	LT	0.03	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)

24.	Debentures-Non Convertible Debentures	LT	200.00	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
25.	Debentures-Non Convertible Debentures	LT	213.88	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
26.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (03-May-17)	1)CARE A+ (02-Aug-16)
27.	Debentures-Non Convertible Debentures	LT	8.81	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
28.	Debentures-Non Convertible Debentures	LT	30.83	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
29.	Debentures-Non Convertible Debentures	LT	836.46	CARE A- (Under Credit watch with Negative Implications)	1)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)
30.	Debentures-Non Convertible Debentures	LT	88.34	CARE A- (Under Credit watch with	1)CARE A- (Under Credit watch with	1)CARE A+ (Under Credit watch with	1)CARE A+; Stable (12-Jul-17)	1)CARE A+ (02-Aug-16)

				Negative Implications)	Negative Implications) (13-Aug-19)	Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	2)CARE A+; Stable (03-May-17)	
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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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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