

Srei Infrastructure Finance Limited

February 27, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long term Bank Facilities	10,772.71	CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)	Revised from CARE A-; Credit Watch with Negative Implications (Single A Minus; Credit Watch with Negative Implications)
Short term Bank Facilities	345.00	CARE A2; Credit Watch with Developing Implications (A Two; Credit Watch with Developing Implications)	Revised from CARE A2+; Credit Watch with Negative Implications (A Two Plus; Credit Watch with Negative Implications)
Total	11,117.71 (Rs. Eleven Thousand One Hundred Seventeen Crore and Seventy One Lakh only)		
Commercial Paper Issue*	1,000 (Rs. One Thousand crore only)	CARE A2; Credit Watch with Developing Implications (A Two; Credit Watch with Developing Implications)	Revised from CARE A2+; Credit Watch with Negative Implications (A Two Plus; Credit Watch with Negative Implications)
Long term infrastructure bond	20.22 (Rs. Twenty crore and Twenty Two lakh only)	CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)	Revised from CARE A-; Credit Watch with Negative Implications (Single A Minus; Credit Watch with Negative Implications)
Non-Convertible Debenture issue (Series II, IV, V, VIII)	184.24 (Rs. One Hundred Eighty Four Crore and Twenty Four Lakh only)	CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)	Revised from CARE A-; Credit Watch with Negative Implications (Single A Minus; Credit Watch with Negative Implications)
Proposed Secured Redeemable NCDs	1,254.91 (Rs. One thousand two hundred fifty four crore and ninety one lakh only)	CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)	Revised from CARE A-; Credit Watch with Negative Implications (Single A Minus; Credit Watch with Negative Implications)
Unsecured Subordinated Tier II NCDs (Series II – VI)	861.11 (Rs. Eight Hundred Sixty One crore and Eleven Lakh only)	CARE BBB; Credit Watch with Developing Implications (Triple B; Credit Watch with Developing Implications)	Revised from CARE BBB+; Credit Watch with Negative Implications (Triple B Plus; Credit Watch with Negative Implications)

Details of instruments in Annexure-1

**Carved out of the sanctioned fund based working capital limit/Drawing Powers (whichever is lower) of the company*

Detailed Rationale & Key Rating Drivers

The ratings assigned to Srei Infrastructure Finance Ltd (SIFL) were 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 (around 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.

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

SIFL in its working results for the quarter ended December 31, 2019 has given effect to the transfer of borrowings of Rs.12,121 crore and other liabilities of Rs.270 crore along with the transfer of loan assets of Rs.10,132 crore and other assets of Rs.3,233 crore to SEFL as on October 1, 2019.

However, the statutory auditor of SIFL has given a modified limited review report for the quarter ended December 31, 2019. SIFL has given impact to the slump exchange with effect from October 1 2019, though the consent from all lenders of SIFL has not been obtained. In the interim arrangement, loan repayments and interest payments, if any, being made by the borrowers of the transferred undertaking are being held by SIFL under a trusteeship like arrangement. Though the finalization of the above arrangement has not yet been completed, the transferred assets and liabilities have been aggregated with the assets and liabilities of SEFL. In view of the above, the final impact of this transfer on the Statement of Profit and Loss and Balance Sheet of SIFL is currently not ascertainable as per the auditor.

In the absence of clarity on the validity of the transfer, CARE continues to assess SIFL on the basis of its consolidated performance in the quarter and nine months ended December 31, 2019.

The ratings are placed on watch with developing implications due to the uncertainty regarding the transfer of assets/liabilities and CARE will take a view on the ratings once clarity emerges on the same. Post the conclusion of the transfer, SIFL would operate as an investment holding company.

The revision in the ratings assigned to SIFL takes into account the continued subdued consolidated performance of the company in Q3FY20 and 9MFY20 as compared to previous year marked by low profitability, stressed asset quality, peripheral capitalization and low liquidity buffers.

The ratings also take note of the subdued resource mobilisation scenario which has led to limited available liquidity cushion and reduced proportion of lower cost short term borrowings to manage liability maturity profile.

The ratings factor in the high ticket size exposures as on December 31, 2019. In the loan assets of SIFL (standalone), top 10 advances accounted for about 49% of outstanding gross advances (38% as on Mar.31, 2019) while in its subsidiary SEFL's books top 20 loan accounts (including operating lease assets) contributed to about 35% of the loan book (26% as on Mar.31, 2019) indicating reduced granularity of books.

Further, the ratings also take into account the exposure in group companies and large ticket size advances to companies which are related to the promoter group. Such exposures are mostly in entities in the infrastructure space with long gestation period of projects with refinancing risk and lower initial ROI impacting NIM of SIFL. The ratings continue to remain constrained by the high client concentration risk and concentrated resource profile.

The ratings assigned to SIFL continue to draw strength from the long track record of the company, experience of the promoter group with prominent position in infrastructure financing space and experienced management.

CARE has withdrawn the ratings assigned to series I, VII, IX of Secured NCDs of SIFL with immediate effect, as the company has repaid the aforementioned debt in full and there is no amount outstanding under the issue as on date.

Rating Sensitivities

Positive Factors

- Improvement in profitability by reducing cost of borrowings, credit costs and opex cost.
- Improvement in overall gearing to below 6x and overall CAR above 18% on a sustained basis.
- Reduction in total vulnerable assets as a percentage of networth to below 30% on a sustained basis.

Negative factors

- Moderation in overall CAR
- Further increase in total vulnerable assets to networth
- Further decline in profitability
- Reduced granularity of the loan book.
- Reduction in available bank lines impacting liquidity

Detailed description of the key rating drivers

Key Rating Strengths

Long track record of SIFL and experienced promoter group

Long track record of operation in construction equipment financing, existing client relationships in infrastructure space and market knowledge of the promoters have helped the company in effectively managing the infrastructure portfolio, as demonstrated through the notable growth in its business volume over the last few years.

The promoters, Mr. Hemant Kanoria (Chairman) and his brother Mr. Sunil Kanoria (Vice Chairman) have over three decades of business experience in the financial sector.

Well established business network

The group has well established business network with 85 branches, 77 satellite locations across 21 states in the country. The group has 272 vendor & manufacturer partnerships along with 152 Srei Entrepreneur Partners.

Furthermore, the group has presence across the value chain in construction and mining equipment industry.

The key subsidiary, SEFL has established presence in the CME financing space and had an AUM of Rs.29,921 crore as on Mar.31, 2019. SEFL has also tied-up with number of lenders for co-lending.

Key Rating Weaknesses

De-growth in disbursements and advances outstanding

On a consolidated basis, including SEFL, disbursements were lower by about 7% from Rs.22,726 crore in FY18 to Rs.21,229 crore in FY19 mainly due to lower disbursements by SEFL to restrict growth for maintaining regulatory capital adequacy. Further, with liquidity crisis in the NBFC sector, resource mobilisation was also impacted.

In 9MFY20, the disbursements were considerably lower at Rs.10,537 crore as against Rs.15,563 crore in 9MFY19 with lower disbursements in both SIFL and SEFL.

SIFL's disbursements are in power, road, urban infrastructure, telecom and SEZ & industrial parks, while in SEFL, disbursements to construction and mining equipment (CME) and used equipment segments continued to dominate overall disbursements. Further, disbursements in SEFL were lower in line with management's strategy to slow down disbursements in its books and focus on co-lending model going forward which would enable the company to conserve capital while maintaining market share.

With lower disbursements, the consolidated loan AUM reduced to Rs.38,332 crore as on Dec.31, 2019 from Rs.40,909 crore as on Mar.31, 2019.

Significant decline in profitability during 9MFY20

The consolidated profitability of SIFL had reduced significantly during Q1FY20 and CARE has been monitoring the developments with respect to profitability, strengthening of the balance sheet and improvement in asset quality. As against a consolidated PAT of Rs.342 crore earned in 9MFY19 on total income of Rs.4,750 crore, the company achieved PAT of Rs.158 crore in 9MFY20 on total income of Rs.4,407 crore. The substantial reduction in profitability was on account of reduction in net interest income due to substantial increase in cost of borrowings during the year and also due to continued high provisioning cost.

Continued stressed asset quality

Though asset quality has witnessed improvement, it continued to remain stressed as on December 31, 2019. Gross stage III and Net stage III assets as a percentage of advances stood at 9.45% and 6.82% respectively as on December 31, 2019. Total vulnerable assets stood at Rs.2,786 crore, whereas, vulnerable assets as a percentage of networth stood at about 70% as on December 31, 2019 (as against 112.40% as on June 30, 2019).

High exposure in subsidiaries, associates, joint venture companies and strategic investments

SIFL's exposure (in the form of both investments and loans) in subsidiaries, associates and joint venture companies was high at Rs.2,365.08 crore as on March 31, 2019 (forming 79% of its tangible net worth). Major exposure in subsidiaries was to SEFL (Rs.2130.43 crore) which includes fair valuation of investment in SEFL.

Apart from exposure in subsidiaries/associates, SIFL has exposure in companies which are under the same management and are involved in infrastructure projects where the gestation period is long with refinancing risk and accordingly has weaker financial profile. These are yet to generate substantial returns and the management expects to achieve higher return in the long term in view of long gestation period involved in such projects. Accordingly, the ability of these companies to yield

commensurate returns, as also SIFL's ability to liquidate these exposures in a timely and profitable manner remains crucial (as the same shall have impact on its capitalisation and profitability profile, going forward).

SIFL's direct investment towards various private funds managed by its subsidiaries was Rs.355.61 crore as on March 31, 2019 vis-à-vis Rs.388.39 crore as on March 31, 2018.

Peripheral capitalization

On a standalone basis, the Capital Adequacy Ratio (CAR) of SIFL reached peripheral level as on March 31, 2019 with tier I CAR at 10.79% and overall CAR at 15.57% as against regulatory requirement of 10% and 15% respectively. Tier I and overall remained at similar levels at 10.70% and 15.40% as on September 30, 2019.

The capitalization detail of SIFL as on December 31, 2019 is not available.

Further, the consolidated overall gearing remained high at 7.93x as on December 31, 2019 as against 8.10x as on March 31, 2019.

Portfolio concentration risk

SIFL's clients mainly belong to infrastructure related sectors. Due to the nature and requirement of the infrastructure space, the ticket sizes are relatively large. Accordingly, concentration risk remains high for the company.

In the loan assets of SIFL (standalone), top 10 advances accounted for about 49% of outstanding gross advances (38% as on Mar.31, 2019), while in its subsidiary SEFL's books top 20 loan accounts (including operating lease assets) contributing to about 35% of the loan book (26% as on Mar.31, 2019).

Concentrated resource profile

SIFL has a concentrated borrowing mix with high reliance on bank borrowings. Around 17% of its total borrowings as on March 31, 2019 (vis-à-vis 20% as on March 31, 2018) were in the form of term loans (from domestic banks, financial institutions and foreign institutions), which are of longer tenure. Working capital borrowings comprised about 54% of the total borrowing as on March 31, 2019 (vis-à-vis 64% of the total borrowing as on March 31, 2018). Hence, there is high reliance on borrowings from banks and the same has continued in the current year. However, the company has limits from over 25 banks.

The balance borrowings were in the form of debentures and other sources like mezzanine capital (about 22% as on March 31, 2019 vis-à-vis about 23% as on March 31, 2018).

Subdued scenario in NBFC sector

Post September 2018, the NBFCs have been facing liquidity crisis with reduced confidence from the investors and lenders. The crisis has been more pronounced for wholesale NBFCs. Improvement in the funding scenario with availability of funds at competitive rates to sustain growth in disbursements is critical from a credit perspective.

Liquidity: Adequate

Liquidity position of SIFL on a combined basis (with SEFL) as per statutory ALM provided by the company appears adequate with assets maturing in upto one year bucket exceeding the corresponding liabilities as on December 31, 2019 and the company has cumulative surplus of Rs.764 crore upto 1 year. The company does not have mismatch in any bucket of upto 1 year. The timely realisation of assets as estimated in the ALM is critical for meeting liquidity requirements. Further, maturity of cash credit limits has been considered in line with maturity of underlying assets in view of the revolving nature of such facilities. Considering that the cash credit limits are to be classified in the upto one year bucket, the company would have mismatch in the six months to one year bucket.

The company maintains low cash and cash equivalents for liquidity and had combined unutilised available lines of credit in form of cash credit of Rs.880 crore as on December 31, 2019.

Further, the SEFL has presence in the securitization market which provides liquidity.

Analytical approach: Consolidated considering the operational and financial linkages with subsidiaries. List of companies being consolidated is as under:

Subsidiaries/Associates	% holding
Srei Capital Markets Ltd	100.00%
Srei Alternative Investment Managers Limited	100.00%
Controlla Electrotech Pvt Ltd	100.00%
Srei Mutual Fund Asset Management Pvt Ltd	100.00%
Srei Mutual Fund Trust Pvt Ltd	100.00%
Srei Insurance Broking Private Limited	100.00%
Bengal Srei Infrastructure Development Ltd	51.00%
Hyderabad Information Technology Venture Enterprises Limited	51.00%
Cyberabad Trustee Company Private Limited	51.00%
Srei Finance Limited	100.00%
Srei Equipment Finance Ltd.	100.00%
E-Village Kendra Limited	49.47%
IIS International Infrastructure Services GmbH, Germany	49.13%
Srei Mutual Fund Trust	100.00%

Applicable Criteria

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

[Criteria for Short Term Instruments](#)

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Rating Methodology- Non Banking Finance Companies \(NBFCs\)](#)

[Financial ratios –Financial Sector](#)

[Policy on Withdrawal of ratings](#)

About the Company

SIFL, a three decade 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.

Consolidated Brief Financials (Rs. crore)	FY18	FY19
Total income	5,384	6,469
PAT	377	487
Interest coverage (times)	1.56	1.56
Total Assets	42,693	41,382
Net NPA (%)	6.20	10.61
ROTA (%)	0.98	1.16

A: Audited

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	ISIN	Date of Issue	Coupon	Maturity	Size of the Issue	Rating assigned
						along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	-	345.00	CARE A2; Credit Watch with Developing Implications
Fund-based - LT-Cash Credit	-	-	-	-	8685.00	CARE BBB+; Credit Watch with Developing Implications
Term Loan-Long Term	-	-	-	Dec'24	2087.71	CARE BBB+; Credit Watch with Developing Implications
Short Term Instruments-STD/NCD/CP	-	-	-	7-364 days	1000.00	CARE A2; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07RB3	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07PQ5	29-Oct-11	11.90%	29-Oct-21	30.00	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07PL6	09-Sep-11	11.90%	09-Sep-21	10.00	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07RC1	24-Jan-13	11.50%	24-Jan-23	0.40	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07QD1	08-Jun-12	11.40%	08-Jun-22	0.70	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07QM2	31-Jul-12	11.40%	31-Jul-22	1.30	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07SD7	29-Nov-13	11.10%	29-Nov-23	4.50	CARE BBB+; Credit Watch with Developing Implications
Proposed Debentures-Non Convertible Debentures	-	-	-	-	13.73	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07QR1	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QS9	05-Oct-12	11.35%	05-Oct-22	20.00	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07QU5	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QV3	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QX9	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QW1	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QZ4	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07QY7	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07RL2	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07TE3	10-Jun-14	11.40%	10-Jun-24	10.00	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07TP9	09-Dec-14	10.05%	09-Dec-24	19.00	CARE BBB+; Credit Watch with Developing Implications
Proposed Debentures-Non Convertible Debentures	-	-	-	-	0.03	CARE BBB+; Credit Watch with Developing Implications
Proposed Debentures-Non Convertible	-	-	-	-	200.00	CARE BBB+; Credit Watch with Developing Implications

Debentures						
Debentures-Non Convertible Debentures	INE872A07SB1	-	-	-	0.00	Withdrawn
Proposed Debentures-Non Convertible Debentures	-	-	-	-	30.83	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07TT1	28-Jul-15	10.25%	28-Jul-20	29.05	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07TU9	28-Jul-15	10.75%	28-Jul-20	48.56	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07TV7	28-Jul-15	10.77%	28-Jul-20	10.73	CARE BBB+; Credit Watch with Developing Implications
Proposed Debentures-Non Convertible Debentures	-	-	-	-	836.46	CARE BBB+; Credit Watch with Developing Implications
Debentures-Non Convertible Debentures	INE872A07TM6	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07TN4	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07TO2	-	-	-	0.00	Withdrawn
Proposed Debentures-Non Convertible Debentures	INE872A07TM6	-	-	-	173.86	CARE BBB+; Credit Watch with Developing Implications
Bond	INE872A07PV5	22-Mar-12	8.90%	22-Mar-22	2.86	CARE BBB+; Credit Watch with Developing Implications
Bond	INE872A07PY9	22-Mar-12	8.90%	22-Mar-22	7.69	CARE BBB+; Credit Watch with Developing Implications
Bond	INE872A07PZ6	22-Mar-12	9.15%	22-Mar-27	2.16	CARE BBB+; Credit Watch with Developing Implications
Bond	INE872A07QA7	22-Mar-12	9.15%	22-Mar-27	7.51	CARE BBB+; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08BE9	23-Mar-10	10.20%	23-Mar-20	200.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08BT7	10-Nov-10	10.50%	10-Nov-20	50.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08BX9	23-Dec-11	11.90%	23-Dec-21	69.05	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08BZ4	11-Jan-12	11.90%	11-Jan-22	66.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CA5	12-Jan-12	11.90%	12-Jan-22	84.10	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	20.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CB3	30-Mar-12	11.40%	30-Mar-22	100.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CD9	01-Jun-12	11.50%	01-Jun-22	11.30	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CF4	31-Jul-12	11.50%	31-Jul-22	12.06	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CO6	16-Jan-13	11.70%	16-Jan-23	2.50	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CP3	16-Jan-13	11.85%	16-Jan-23	70.00	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	27.51	CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CH0	28-Sep-12	11.70%	28-Sep-22	28.90	CARE BBB; Credit Watch with

debt							Developing Implications
Debt – Subordinate debt	INE872A08CJ6	18-Oct-12	11.70%	18-Oct-22	10.60		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CL2	31-Oct-12	11.70%	31-Oct-22	4.90		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	13.19		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CT5	28-Jan-13	11.80%	28-Jan-23	7.00		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CW9	01-Mar-13	11.25%	01-Mar-23	17.50		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08CY5	28-Mar-13	11.25%	28-Mar-23	16.50		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08DA3	29-Jun-13	10.75%	29-Jun-20	11.60		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08DB1	29-Jun-13	10.75%	29-Jun-23	10.40		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08DGO	17-Jul-13	10.75%	17-Jul-20	5.00		CARE BBB; Credit Watch with Developing Implications
Debt – Subordinate debt	INE872A08DH8	17-Jul-13	10.75%	17-Jul-23	23.00		CARE BBB; 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.	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 Developing 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 BBB+ (Under Credit watch with Developing 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)
5.	Debt-Non-convertible Debenture/Subordinate Debt	LT	200.00	CARE BBB (Under Credit watch with Developing Implications)	1)CARE BBB+ (Under Credit watch with Negative Implications)	1)CARE A (Under Credit watch with Developing Implications)	1)CARE A; Stable (12-Jul-17) 2)CARE A;	1)CARE A (02-Aug-16)

				Implications)	Implications) (13-Aug-19)	Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	Stable (03-May-17)	
6.	Debt-Non-convertible Debenture/Subordinate Debt	LT	50.00	CARE BBB (Under Credit watch with Developing 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 Developing 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 BBB+ (Under Credit watch with Developing 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	-	-	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	1)CARE BBB+ (Under Credit	1)CARE A (Under Credit	1)CARE A; Stable	1)CARE A (02-Aug-

				watch with Developing 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)
13.	Debt-Non-convertible Debenture/Subordinate Debt	LT	223.37	CARE BBB (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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	2087.71	CARE BBB+ (Under Credit watch with Developing 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 Debt	LT	148.59	CARE BBB (Under Credit watch with Developing 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)

18.	Debentures-Non Convertible Debentures	LT	49.00	CARE BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 (12-Jul-17) 2)CARE A+; Stable (03-May-17)	1)CARE A+ (02-Aug-16)

						Stable (06-Jul-18)		
25.	Debentures-Non Convertible Debentures	LT	-	-	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	-	-	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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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 BBB+ (Under Credit watch with Developing 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)

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.

Contact us

Media Contact

Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact

Name: Ms Mamta Muklania
Contact no.: 033-4018 1651/98304 07120
Email ID: mamta.khemka@careratings.com

Business Development Contact

Name: Mr. Lalit Sikaria
Contact no.: 033-40181607
Email ID: lalit.sikaria@careratings.com

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 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**