

Indiabulls Commercial Credit Limited

September 24, 2019

Ratings:

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures	2,000 [^] [Reduced from Rs.2,500 crore]	CARE AA+ (Double A Plus) (Credit Watch with developing implications)	Revised from CARE AAA [Triple A] and continues to be on Credit Watch with developing implications
Subordinate Debt	1,200	CARE AA+ (Double A Plus) (Credit Watch with developing implications)	Revised from CARE AAA [Triple A] and continues to be on Credit Watch with developing implications
Public issue of secured redeemable non-convertible debentures	5,000	CARE AA+ (Double A Plus) (Credit Watch with developing implications)	Revised from CARE AAA [Triple A] and continues to be on Credit Watch with developing implications
Public issue of unsecured redeemable non-convertible debentures	500	CARE AA+ (Double A Plus) (Credit Watch with developing implications)	Revised from CARE AAA [Triple A] and continues to be on Credit Watch with developing implications
Long Term Bank Facilities	15,000	CARE AA+ (Double A Plus) (Credit Watch with developing implications)	Revised from CARE AAA [Triple A] and continues to be on Credit Watch with developing implications
Commercial Paper	8,000	CARE A1+ (A one plus)	Reaffirmed
Total	31,700 (Rs. Thirty One Thousand Seven Hundred Crore only)		

Details of instruments/facilities in Annexure-1

[^]NCD's amounting to Rs.500 crore reduced on account of redemptions on account of call option exercise

Detailed rationale & key rating drivers:

The ratings assigned to various debt instruments of Indiabulls Commercial Credit Limited (ICCL) takes into account continued support from its parent, Indiabulls Housing Finance Limited (IBHFL). ICCL is a wholly owned subsidiary of IBHFL. The rating factors in strong operational and business linkages of ICCL with IBHFL. Further, CARE expects IBHFL to continue to support ICCL in terms of funding, management, common brand and operations over the medium term.

The revision in ratings assigned to the long term debt instruments and bank facilities of Indiabulls Commercial Credit Limited (ICCL) takes into account continued increased risk averseness in the market towards the NBFC / HFC sector in general and wholesale lending companies in particular which have seen challenges in resource mobilization in recent times. The funding environment, which has remained adverse since September 2018, has resulted in difficulty for the NBFCs/HFCs in raising resources at appropriate rates which in turn has impacted disbursements and profitability. CARE has noted that IBHFL has raised funding of around Rs.50,000 crore from various sources (excluding CP's) post September 21, 2019 until June 30, 2019, and has maintained strong liquidity position. However, on account of overall increased risk perception of the market, the company has witnessed increase in cost of borrowing and challenges in resource mobilization. Therefore, continuous mobilization of resources and maintaining adequate liquidity in the current operating environment is a key rating monitorable for the company.

In view of the rise in cost of borrowing, the ability of housing finance companies to effectively compete with banks would be under pressure leading to impact on spreads. Although, IBHFL has been maintaining its profitability and has been able to pass on its incremental cost of funds, maintaining spreads in view of continued high cost borrowing would be a challenge for the company.

Further, with exposure to the real estate sector which is witnessing slowdown and heightened refinancing risk, maintaining asset quality of its loan portfolio will be a challenge for IBHFL. Although, currently the asset quality parameters of IBHFL are adequate in spite of some increase in slippages, monitoring and maintaining the asset quality of the portfolio would be a key monitorable considering the risk associated with chunky corporate mortgage loans.

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

IBHFL along with its wholly owned subsidiary Indiabulls Commercial Credit Limited (ICCL) has applied for amalgamation with The Lakshmi Vilas Bank (LVB) (rated 'CARE BBB- (Credit watch with Developing Implications)'). The proposed scheme of amalgamation is complex and unprecedented nature of scheme of amalgamation whereby a small sized bank would be merged into a large sized housing finance company. The company has received approval from the Competition Commission of India (CCI) and is awaiting approvals from other regulatory authorities including Reserve Bank of India (RBI).

Currently, IBHFL is among the largest HFCs in the country and on conversion into a bank the merged entity would be relatively smaller size as compared to the large banks. Further, the financial risk profile of the merged bank is likely to be weaker than the current financial risk profile of IBHFL considering the transition phase, establishing a liability profile, diversification of asset profile and competition from large private sector banks.

CARE Ratings would continue to monitor the progress on the proposed amalgamation and would resolve the credit watch once it has significant clarity and the proposed business plan and strategy of the merged entity.

The ratings continue to factors in IBHFL's stable financial risk profile with healthy profitability parameters, comfortable capitalization levels, experienced management team, stringent risk management practices with integrated technology platform and strong liquidity position.

Asset quality, profitability, liquidity, credit concentration and capitalization are the key rating sensitivities.

Detailed description of the key rating drivers

Key Strengths

Support from parent and strong operational and business linkages

ICCL is 100% owned subsidiary of IBHFL and therefore enjoys parent support with common key management, common business and credit team, treasury operations, branches and brand name.

Established track record of IBHFL as one of the largest HFCs and experienced management

IBHFL has a track record of over a decade and is one of the largest HFCs in India with AUM of Rs.1,13,189 crore as on June 30, 2019. The company has in place experienced management team headed by Mr. Sameer Gehlaut (Founder-Chairman and Executive Director). The operations are headed by Mr. Gagan Banga, (Vice-Chairman and Managing Director). The company has a strong Board of Directors comprising experienced professionals. The company has a senior management people with strong relevant experience and successful track record in their respective fields. The business teams for individual product segments also have experience persons in their respective segments.

ICCL is wholly owned subsidiary of IBHFL and shares common management with IBHFL. ICCL's portfolio consists of High ticket size LAP and Commercial Loans.

Comfortable capitalization levels

IBHFL has been maintaining comfortable capitalization levels and reported tangible net worth of Rs.16,289 crore (consolidated) as on March 31, 2019. The company had moderate gearing level of 6.45 times (P.Y.: 7.97 times) and Net Gearing (adjusted for cash & cash equivalents) of 4.0 (P.Y.: 7.0) as on March 31, 2019. The company reported Capital Adequacy Ratio (CAR) (under Ind AS) of 26.49% (P.Y.:20.82%) with Tier I CAR: 19.81% (P.Y.: 15.07%) (Nil risk weight on investments in mutual fund) as on March 31, 2019. As on June 30, 2019, IBHFL reported CAR of 27.81% with Tier I CAR of 20.49%, net gearing of 3.8 times and overall gearing of 5.73 times.

On standalone basis, IBHFL infused Rs.2,748 crore in ICCL, which led to increase in tangible Net-worth to Rs.4,371 crore as on March 31, 2019 from Rs.1,249 crore as on March 31, 2018.

ICCL reported CAR of 32.58% and Tier I CAR of 29.79% as on June 30, 2019 (June 30, 2018: CAR: 18.72%). The increase in CAR is mainly on account of increase in equity on account of infusion from IBHFL.

ICCL is moderately leveraged, with overall gearing at 2.49 times as on June 30, 2019 (March 31, 2019: 2.47 times) as compared to 3.84 times as on June 30, 2018.

Comfortable liquidity profile

IBHFL has been focusing on maintaining comfortable liquidity profile and has significantly reduced reliance on borrowing through Commercial Paper (CP) and keeping adequate liquidity buffers. The ALM profile as on March 31, 2019 was comfortable with no negative mismatch up to one year bucket.

As on June 30, 2019, IBHFL had debt repayment of Rs.20,810 crore up to one year against which it had cash & cash equivalents of Rs.28,511 crore in form of Mutual Funds (Rs.6,872 crore), Bonds (Rs.4,492 crore), Commercial Paper (Rs.288 crore), Certificate of Deposit (Rs.5,023 crore) and Fixed Deposits and Bank Balances (Rs.11,836 crore), providing adequate cover. IBHFL's policy to have 15-20% of its total assets in cash & cash equivalent along with unutilized bank lines helps it in better liquidity management and manage tight liquidity scenario prevailing in the market.

As on June 30, 2019, ICCL had cash and equivalent of Rs.1,137 crore and investments of Rs.708 crore.

Moderation in financial risk profile

IBHFL has seen AUM has grown at a CAGR of 23% from Rs.52,235 crore as on March 31, 2015 to Rs.1,20,525 crore as on March 31, 2019. The growth momentum continued till H1FY19; however, since September, 2018, with the constrained

market liquidity, IBHFL focused on maintaining adequate liquidity and reduced disbursements and reducing exposure to commercial credit and real estate portfolio. IBHFL reported Profit after Tax (PAT) of Rs.4,091 crore on total income of Rs.17,027 in FY19 [refers to period from April 01 to March 31] as against PAT of Rs.3,895 crore on total income of Rs.14,959 crore in FY18 with Return on Total Assets (ROTA) of 3.12% as against 3.31%.

During Q1FY20 [refers to period April 01 to June 30], IBHFL's disbursements continued to be at subdued levels and it reported decline in PAT to Rs.802 crore on total income of Rs.3,886 crore as against PAT of Rs.1,055 crore on total income of Rs.4,071 crore on account of de-growth in business and increase in credit costs. Prolonged tightened liquidity conditions would further impact the financial risk profile of the company.

During FY19, ICCL on standalone basis reported PAT of Rs.323 crore on total income of Rs.1,761 crore as against PAT of Rs.269 crore on total income of Rs.928 crore and during Q1FY20 (refers to period from April 01 to June 30), it reported PAT of Rs.195 crore on total income of Rs.640 crore.

Key Weaknesses

Challenges in resource mobilization

IBHFL has a diversified resource profile with borrowings in form of Bank Facilities [43.9%], Non-convertible debentures (NCDs) [41.9%], Commercial paper (CP) [5.1%], External Commercial Borrowings (ECBs) [4.6%], Subordinated Debt [4.4%] and Perpetual Debt [0.1%] as on March 31, 2019. Total borrowing has reduced from peak of Rs.1,20,250 crore as on September 30, 2018 to Rs.1,04,998 crore as on March 31, 2019 due to slowdown in sector post Q2FY19.

IBHFL also has securitization portfolio of Rs.28,995 crore constituting 24% of the total AUM as on March 31, 2019 as against 10.1% of total AUM as on March 31, 2018, proving to be a major source of funding for the company. The company has been able to raise additional resources to the tune of Rs.60,781 crore from September 21, 2019 till 30 July, 2019 including CP's of Rs.10,935. The company has increased its long term funding profile which can be seen from the fact that its CP borrowings has reduced to 1% of total borrowings as on March 31, 2019 from nearly 15% as on September 30, 2018.

Due to the ongoing liquidity tightness in NBFC and HFC sector in post September 2019, the incremental cost of borrowing for IBHFL has increased from 8.08% in Q2FY19 to 9.21% in Q1FY20.

As on March 31, 2019, ICCL's borrowing stood at Rs.10,807 crore (P.Y.: Rs.7,041 crore) in the form of Bank facilities (74.0%), NCD's (20.5%), Sub Debt (3.2%) and ICD's (2.3%).

Moderation in asset quality

IBHFL has shown moderation in its asset quality and reported Gross NPA ratio of 0.88% (P.Y.: 0.77%) and Net NPA ratios on AUM basis and 0.69% (P.Y.: 0.34%) respectively as on March 31, 2019. During Q1FY20, the company saw increase in slippages and its net slippages increased by Rs.600 crore resulting in rise in Gross NPA ratio to 1.47% and Net NPA to 1.10% as on June 30, 2019. Majority of the slippages were in the corporate mortgage loan segment which had Gross NPAs increased to 6.6% as on June 30, 2019 from 3.01% as on March 31, 2019. The Net NPA to tangible Net-worth stood at 7.54% as on June 30, 2019 as against 5.11% as on March 31, 2019 and 3.04% as on March 31, 2018. Although, IBHFL has been able to have recoveries in some of NPA accounts in the past, considering the slowdown in real estate market and corporate funding, maintaining asset quality and executing recoveries would be a key challenge for the company.

As on June 30, 2019, ICCL reported Gross NPA ratio of 1.58% (March 31, 2019: 1.12%) and Net NPA ratios on AUM basis of 1.20% (March 31, 2019: 0.84%) as against Gross NPA of 0.49% and Net NPA of 0.32% as on June 30, 2018. The moderation in asset quality of ICCL is majorly on account of Slippages in Corporate mortgage loan segment. ICCL's Net NPA to tangible Net-worth ratio stood at 4.28% as on June 30, 2019 (March 31, 2019: 3.40%) as against 1.52% as on June 30, 2018.

Exposure to relatively riskier business segments like corporate loans (mainly real estate loans) and concentration risk in this portfolio

IBHFL has significant exposure to Corporate mortgage Loans which majorly consists of Construction Finance and Lease Rental Discounts constitutes 16.9% of total AUM as on March 31, 2019. The exposure is reducing in line with IBHFL's plans to reduce the corporate mortgage loan book.

As on March 31, 2019, IBHFL's top 20 group exposure stood constituted 102.9% of total Net-worth which poses high concentration risk

During the last one year, the real estate market in India has seen stagnation in sales on account of factors like uncertainty over GST rates and after effects of RERA and demonetization due to which the sector has seen consolidation resulting in rise in unsold inventory and decline in new launches of projects. This market scenario was further impacted by tightening of liquidity conditions and lack of access to funding to HFCs which have impacted the demand. Further, the NBFCs especially which are wholesale and real estate real estate exposures have seen decline in liquidity with banks and mutual funds turning risk averse which has also led to significant increase in cost of borrowings. Continued slowdown in sales in the real estate market and prolonged tight liquidity conditions for NBFCs and HFCs would impact the resource raising capability and further increase the cost of funds impacting the financial flexibility of the company.

Analytical Approach: CARE has analyzed ICCL's credit profile by considering the consolidated financial statements of IBHFL owing to financial and operational linkages between the parent and its subsidiaries and common management. List of entities considered for consolidated analysis are mentioned in Annexure 3.

Applicable Criteria

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

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

[CARE's criteria for Housing Finance Companies](#)

[Financial ratios – Financial sector](#)

[Criteria for Short term Instruments](#)

Liquidity Profile: Strong

ICCL is a wholly owned subsidiary of IBHFL and therefore the assessment of the liquidity position is considered on a consolidated level. As on March 31, 2019, IBHFL's ALM showed no negative mismatch upto 1 year bucket. As on June 30, 2019, IBHFL had debt repayment of Rs.20,810 crore up to one year against which it had cash & cash equivalents of Rs.28,511 crore in form of Mutual Funds (Rs.6,872 crore), Bonds (Rs.4,492 crore), Commercial Paper (Rs.288 crore), Certificate of Deposit (Rs.5,023 crore) and Fixed Deposits and Bank Balances (Rs.11,836 crore), providing adequate cover. On standalone basis, ICCL's ALM showed no negative mismatch upto 1 year bucket considering Committed lines of credit of Rs.1,761 crore. As on June 30, 2019, ICCL had cash and equivalent of Rs.1,137 crore and investments of Rs.708 crore.

About IBHFL

IBHFL is registered with National Housing Board (NHB), and is engaged in the business of mortgage finance (home loans, loan against property and lease rental discounting), and corporate mortgage loans. IBHFL's portfolio consists of mortgage finance (housing loan and LAP) (85% of consolidated AUM of Rs.1,13,189 crore as on June 30, 2019) and corporate mortgage loans (15% of AUM) which is lease rental discounting, residential construction finance, working capital financing.

Mr. Sameer Gehlaut is the Founder, Chairman and Executive Director and is supported by Mr. Gagan Banga, Vice Chairman and Managing Director.

(Rs. crore)

Brief Financials (Consolidated) - IBHFL	FY18 (A)	FY19 (A)
	Ind AS	Ind AS
Total income	14,959	17,027
PAT	3,895	4,091
Asset under management (AUM)	1,22,233	1,20,525
Total Assets (net of intangibles)	1,32,071	1,29,910
Net NPA (%) [on AUM basis]	0.34	0.69
ROTA (%)	3.31	3.12

A; Audited

About ICCL

Incorporated on July 7, 2006, as 'Indiabulls Infrastructure Credit Limited', Indiabulls Commercial Credit Ltd. (ICCL – NBFCND-SI) is a wholly-owned subsidiary of Indiabulls Housing Finance Ltd. (IBHFL; rated 'CARE AAA; Stable'). The company was renamed to 'Indiabulls Commercial Credit Limited' in 2015. As on June 30, 2019, ICCL's AUM of Rs.16,327 crore consists of Loan against Property loans (50%) and corporate mortgage Loans (50%) which includes Real estate, Lease rental discounting.

(Rs. Crore)

Brief Financials (Standalone) - ICCL	FY18 (A)	FY19 (A)
	Ind AS	Ind AS
Total income	928	1,761
PAT	269	323
Asset under management (AUM)	8,264	17,598
Total Assets (net of intangibles)	8,488	17,102
Net NPA (%)	0.40	0.84
ROTA (%)	4.32	2.52

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 Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with rating outlook
Debentures - Non-convertibles Debentures	08-Jul-16	INE244L07028	9.05%	07-Jul-23	40.00	CARE AA+*
Debentures - Non-convertibles Debentures	29-Jun-18	INE244L07044	8.85%	29-Jun-21	200.00	CARE AA+*
Debentures - Non-convertibles Debentures (Proposed)	NA	-	NA	NA	1,760.00	CARE AA+*
Debt - Subordinate Debt	08-Nov-17	INE244L08018	8.45%	08-Nov-27	60.00	CARE AA+*
Debt - Subordinate Debt	05-Jan-18	INE244L08059	8.45%	05-Jan-28	50.00	CARE AA+*
Debt - Subordinate Debt	30-Nov-17	INE244L08026	8.45%	30-Nov-27	40.00	CARE AA+*
Debt - Subordinate Debt	02-May-18	INE244L08059	8.80%	02-May-28	100.00	CARE AA+*
Debt - Subordinate Debt	28-Mar-18	INE244L08042	8.85%	28-Mar-28	100.00	CARE AA+*
Debt - Subordinate Debt	02-May-19	INE244L08042	9.71%	28-Mar-28	5.00	CARE AA+*
Debt - Subordinate Debt (Proposed)	NA	-	NA	NA	845.00	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07127	8.66%	25-Sep-23	20.73	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07150	8.75%	25-Sep-28	0.06	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07093	8.80%	25-Sep-21	901.09	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07168	8.84%	25-Sep-28	12.40	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07135	8.90%	25-Sep-23	0.91	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07101	8.90%	25-Sep-21	947.32	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07143	9%	25-Sep-23	75.22	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07176	9.10%	25-Sep-28	0.35	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07184	9.20%	25-Sep-28	13.96	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07051	0.00%	25-Sep-20	0.10	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07077	0.00%	25-Sep-21	0.07	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07069	0.00%	25-Sep-20	8.73	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07085	0.00%	25-Sep-21	19.07	CARE AA+*
Public Issue of Non-convertibles Debentures (Secured) (Proposed)	NA	-	NA	NA	3,000.00	CARE AA+*
Public Issue of Non-Convertible Debentures (Unsecured) (Proposed)	NA	-	NA	NA	500.00	CARE AA+*
Fund-based – LT-Term Loan	NA	-	NA	10-Jun-23	15,000.00	CARE AA+*
Commercial Paper Issue	NA	-	NA	Upto 1 year	8,000.00	CARE A1+

*(Credit Watch with Developing Implication)

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Rated Amount (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.	Debentures-Non Convertible Debentures	LT	2,000	CARE AA+ (Credit Watch with developing implications)	1) CARE AAA (Credit Watch with developing implications (12-Apr-19))	1) CARE AAA; Stable (06-Jul-18)	1) CARE AAA; Stable (15-Mar-18) 2) CARE AAA; Stable (02-Nov-17) 3) CARE AAA; Stable (17-Jul-17)	1) CARE AA+ (23-Nov-16) 2) CARE AA+ (14-Jul-16)
2.	Fund-based - LT-Term Loan	LT	15,000	CARE AA+ (Credit Watch with developing implications)	1) CARE AAA; Stable (05-Apr-19) 2) CARE AAA (Credit Watch with developing implications (12-Apr-19))	1) CARE AAA; Stable (06-Jul-18)	1) CARE AAA; Stable (27-Mar-18) 2) CARE AAA; Stable (17-Jul-17)	1) CARE AA+ (23-Nov-16)
3.	Debt-Subordinate Debt	LT	1,200	CARE AA+ (Credit Watch with developing implications)	1) CARE AAA (Credit Watch with developing implications (12-Apr-19))	1) CARE AAA; Stable (06-Jul-18)	1) CARE AAA; Stable (15-Mar-18) 2) CARE AAA; Stable (02-Nov-17)	-
4.	Commercial Paper issue	ST	8,000	CARE A1+	1) CARE A1+ (12-Apr-19)	1) CARE A1+ (25-Jul-18) 2) CARE A1+ (12-Sep-18)	-	-
5.	Public issue of secured redeemable non-convertible debentures	LT	5,000	CARE AA+ (Credit Watch with developing implications)	1) CARE AAA (Credit Watch with developing implications (12-Apr-19))	1) CARE AAA; Stable (14-Jan-19) 2) CARE AAA; Stable (17-Aug-18)	-	-
6.	Public issue of unsecured redeemable non-convertible debentures	LT	500	CARE AA+ (Credit Watch with developing implications)	1) CARE AAA (Credit Watch with developing implications (12-Apr-19))	1) CARE AAA; Stable (14-Jan-19)	-	-

Annexure-3: Entities considered for consolidation

Company Name	Extant of consolidation	Rationale for consolidation
Indiabulls Commercial Credit Limited	Full	Subsidiary
Indiabulls Collection Agency Limited	Full	Subsidiary
Ibulls Sales Limited	Full	Subsidiary
Indiabulls Insurance Advisors Limited	Full	Subsidiary
Nilgiri Financial Consultants Limited	Full	Subsidiary
Indiabulls Capital Services Limited	Full	Subsidiary
Indiabulls Advisory Services Limited	Full	Subsidiary
Indiabulls Asset Holding Company Limited	Full	Subsidiary
Indiabulls Asset Management Company Limited	Full	Subsidiary
Indiabulls Trustee Company Limited	Full	Subsidiary
Indiabulls Holdings Limited	Full	Subsidiary
Indiabulls Venture Capital Management Company Limited	Full	Subsidiary
Indiabulls Venture Capital Trustee Company Limited	Full	Subsidiary
Indiabulls Asset Management Mauritius	Full	Subsidiary
IBHFL Lender Repayment Trust	Full	Subsidiary
OakNorth Holdings Limited	Partial*	Associate

*IBHFL owns 16.7% in OakNorth Holdings Limited as on March 31, 2019

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 clarification

Contact us

Media Contact

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

Analyst Contact

Name - Mr. Aditya Acharekar
 Contact no. – +91-22-6754 3528
 Email ID – aditya.acharekar@careratings.com

Name – Mr. Sanjay Agarwal
 Contact no. – +91-22-6754 3582
 Email ID – sanjay.agarwal@careratings.com

Business Development Contact

Name – Mr. Ankur Sachdeva
 Contact no. – +91-22-6754 3495
 Email ID – ankur.sachdeva@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**