Srei Equipment Finance Limited

September 01, 2020

Ratings

Facilities	**Amount (Rs. crore)**	**Ratings[1]**	**Rating Action**
Long-term Bank Facilities	15,854.21 (reduced from 16,534.21)	**CARE BBB+; Stable (Triple B Plus; Outlook: Stable)**	**Removed from Credit Watch; Revised from CARE A; Credit Watch with Negative Implications (Single A; Credit Watch with Negative Implications)**
Short-term Bank Facilities	1,058.00	**CARE A3+ (A Three Plus)**	**Removed from Credit Watch; Revised from CARE A2; Credit Watch with Negative Implications (A Two; Credit Watch with Negative Implications)**
Total	**Rs.16,912.21 crore (Rs. Sixteen Thousand Nine Hundred Twelve Crore and Twenty One Lakh only)**		
Non-Convertible Debentures (NCDs) (Series VII, XII, XIV and XV)	**502.15 (reduced from 533.86) (Rs. Five Hundred Two crore and Fifteen lakh only)**	**CARE BBB+; Stable (Triple B Plus; Outlook: Stable)**	**Removed from Credit Watch; Revised from CARE A; Credit Watch with Negative Implications (Single A; Credit Watch with Negative Implications)**
Proposed Non-Convertible Debenture issue	**0.30 (Rs. Thirty lakh only)**		
Unsecured Subordinated Tier II NCDs (Series IV, V, VII, & IX)	**125.80 (reduced from 261.80) (Rs. One Hundred Twenty Five crore and Eighty Lakh only)**	**CARE BBB; Stable (Triple B; Outlook: Stable)**	**Removed from Credit Watch; Revised from CARE A-; Credit Watch with Negative Implications (Singe A Minus; Credit Watch with Negative Implications)**
Perpetual Bonds (Series I)	**37.50 (Rs. Thirty seven crore and fifty lakh only)**	**CARE BBB-; Stable (Triple B Minus; Outlook: Stable)**	**Removed from Credit Watch; Revised from CARE BBB+; Credit Watch with Negative Implications (Triple B Plus; Credit Watch with Negative Implications)**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to Srei Equipment Finance Limited (SEFL) were on credit watch with negative implications due to the absence of clarity on the validity of the transfer of the Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") of Srei Infrastructure Finance Limited (SIFL) into SEFL, besides expectation of reduced granularity of the book and weaker capitalisation and overall gearing post completion of the transfer.

The rating watch also factored in the uncertainty emerging with respect to cash flows being available to SEFL with disbursements and collections impacted post announcement of nationwide lockdown due to outbreak of Covid-19 since March 25, 2020.

SEFL had given effect to the slump exchange of assets of SIFL in its accounts for the quarter ended December 31, 2019 with appointed date of October 1, 2019. However, the statutory auditor had mentioned in the limited review report for Q3FY20 that SEFL had given impact to the slump exchange w.e.f October 1 2019, though the consent from all lenders of SIFL had not been obtained.

The statutory auditor of SEFL in the audit report for the quarter ended March 31, 2020 has now given emphasis of matter that the company and SIFL have accounted for the slump exchange w.e.f October 1, 2019 after receiving approval from shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. The consent or otherwise of other lenders is still awaited. The company has also taken

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

expert legal and accounting opinions which confirm that the accounting treatment so given is in accordance with relevant IND AS and the underlying guidance and framework.
CARE has relied on the published financials of the company along with the audit report. The credit watch has been removed after analyzing the impact of the slump exchange on the credit risk profile of SEFL.
The revision in the ratings takes into account the reduced granularity of the loan book of SEFL post the slump exchange and deterioration in capitalisation. The loan book of SIFL was largely wholesale in nature with big ticket size advances having long tenure in the infrastructure sector. The advances of SIFL were to companies which are involved into execution of infrastructure projects where the gestation period is long and accordingly has weaker financial profile. Some of these have low coupons with higher returns expected on maturity and have accordingly impacted the yield of SEFL. Also, SIFL had significant advances to projects under the same management or related to the group.
CARE takes note of the fact that the loan portfolio of SIFL transferred to SEFL is on dilution track. Liquidation of these exposures in a timely and profitable manner to improve capitalisation and profitability remain crucial.
The ratings assigned to SEFL also take into account the continued stressed asset quality, limited availability of liquidity buffers with concentrated resource profile and net loss reported in Q4FY20 (refers to the period January 1 to March 31) mainly due to lower yield and increase in credit cost.
Furthermore, the ratings continue to factor in the significant increase in cost of funds in FY20 (refers to the period April 1 to March 31) amidst subdued resource mobilisation scenario and reduced proportion of lower cost short term borrowings to manage liability maturity profile.

The ratings also factor in the expected additional stress on asset quality in the current year due to nation-wide disruptions caused by the outbreak of covid-19. The company has offered moratorium to its customers in terms of the Covid-19 Regulatory Package of the Reserve Bank of India. Though the collections have witnessed gradual improvement since April 2020, a large part of the portfolio of the company continues to remain under moratorium. Considering the challenges in deployment posed by the ongoing pandemic and slow movement in infrastructure projects, the ability of the borrowers to pay on time remains to be seen once the moratorium is over by end of August 2020. Further, the company only has the option of restructuring as per RBI guidelines in its assets and not in liabilities which might impact the Asset Liability Maturity (ALM) profile. The company has also availed moratorium from its lenders.
The ratings continue to derive strength from the company's established position and expertise in construction and mining equipment (CME) financing segment, experienced promoters, well-established business network with large customer base, presence of the group in the industry across the value chain and sizable loan Assets under Management (AUM).
CARE has withdrawn the ratings assigned to Series IV (tranche I & II) and Series VII (tranche IV) and series VIII of Unsecured NCDs and two tranches of series XII of Secured NCDs of SEFL 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: Factors that could lead to positive rating action/upgrade

- Substantial Improvement in profitability by reducing cost of borrowings, credit costs and opex cost.
- Improvement in overall gearing to below 6x and overall Capital Adequacy Ratio (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: Factors that could lead to negative rating action/upgrade

- Further deterioration in Overall CAR and increase in overall gearing.
- Further increase in total vulnerable assets to networth.
- Further decline in profitability.
- Reduction in available bank lines impacting liquidity.

Detailed description of the key rating drivers

Key Rating Strengths

Experienced promoter group and management

SEFL commenced its present operations in January 2008, when SIFL transferred its equipment finance and leasing business to it on forming a 50:50 joint venture in SEFL with BNP Paribas Lease Group (BPLG). SIFL had experience of leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure related projects of about three decades. The promoters of SREI group, Mr Hemant Kanoria (Chairman) and his brother Mr Sunil Kanoria (Vice Chairman) have over three decades of business experience in the financial sector. The company also benefits significantly from the experience of its MD, Mr. D. K. Vyas.

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 149 Srei Entrepreneur Partners. Furthermore, the group has presence across the value chain in construction and mining equipment industry. SEFL has established presence in the CME financing space and had a net loan AUM of Rs.38,709 crore as on March 31, 2020. The company has also tied-up with number of lenders for co-lending, on-lending and sole-lending.

Sizable loan AUM

The combined disbursements made by SEFL (including SIFL) was significantly lower at Rs.13,586 crore in FY20 as against Rs.21,229 crore (Rs.13,972 crore in SEFL and Rs.7,257 crore in SIFL) in FY19. The disbursements were lower primarily to restrict growth for maintaining regulatory CAR and increased focus on co-lending. The disbursement through co-lending model was Rs.970 crore in FY20. Further, with liquidity crisis in the NBFC sector resource mobilisation was also impacted. The disbursements were also lower with infrastructure loan book on dilution track.

However, the company continues to have a sizeable AUM. With completion of slump exchange from SIFL, the net Loan AUM (incl. off-book assets) increased and stood at Rs.38,709 crore as on March 31, 2020 as against Rs.29,229 crore as on March 31, 2019.

Key Rating Weaknesses

Reduced granularity of loan portfolio of SEFL after slump exchange

The loan book of SIFL was largely wholesale in nature with big ticket size advances having long tenure in the infrastructure sector. Also, SIFL had significant advances to projects under the same management or related to the group.

The advances of SIFL were to companies which are involved into execution of infrastructure projects where the gestation period is long and accordingly has weaker financial profile. Some of these generate low returns and the company expects to achieve higher return in the long term in view of long gestation period involved in such projects.

The loan portfolio of SIFL transferred to SEFL is on dilution track. The ability of these companies to yield commensurate returns, as also SEFL's ability to liquidate these exposures in a timely and profitable manner remains crucial as the same has impacted its capitalisation and profitability profile.

Pursuant to the slump exchange, the top 20 advances of SEFL increased to 29% of net advances (excl. operating lease) as on March 31, 2020 as against 19% as on March 31, 2019.

Net loss incurred in Q4FY20

The company had achieved PAT of Rs.51 crore on total income of Rs.999 crore in Q3FY20 excluding the impact of the merger. The slump exchange was w.e.f. October 1, 2019 and the company had published the Q3FY20 financials on the basis of the merged loan book. SEFL reported net profit of Rs.55 crore on total income of Rs.1,376 crore during Q3FY20. However, the q-o-q performance of SEFL witnessed deterioration with the company reporting net loss Rs.84 crore on total income of Rs.1,599 crore. The loss in Q4FY20 despite increase in total income (primarily due to other income) was primarily on account of substantial increase in operating costs and credit costs during the period.

SEFL's total income increased by 16% from Rs.4,378 crore in FY19 to Rs.5,079 crore in FY20 with increase in interest income, income from securitization and other operating income.

The increase in interest income of company was primarily on account of impact of interest income of SIFL loan book in H2FY20. However, the yield on advances declined from 17.07% in FY19 to 15.25% in FY20. The interest cost of the company increased significantly in FY20 due to both increase in borrowings with impact of slump exchange and increase in cost of borrowings given subdued resource mobilization scenario and reduced short term lower cost borrowings to manage liquidity.

Thus, Net Interest Income (NII) of the company decreased from Rs.1,906 crore in FY19 to Rs.1,423 crore in FY20. The interest spread declined from 6.52% in FY19 to 3.80% in FY20. NIM also declined significantly from 7.41% in FY19 to 4.48% in FY20. The impact is also due to lower average yield and NIM in loan book of SIFL. The spread is lower in SIFL's loan book because it has low interest rate loans (high gestation infrastructure financing) with IRR at maturity not lower than a predetermined profitable rate of return. Accordingly, on merger of loan book of SIFL the profitability of SEFL has been adversely impacted.

The operating expenses remained relatively stable during the year and Opex as a percentage average total assets reduced from 4.69% in FY19 to 3.75% in FY20 due to increase in total assets pursuant to slump exchange.

With lower NII and stable operating expenses the Pre-provisioning operating profit of the company decreased from Rs.989 crore in FY19 to Rs.830 crore in FY20. Further, the provisions/write-offs for the year increased significantly from Rs.532 crore in FY19 to Rs.730 crore in FY20.

With lower PPOP and significant increase in credit costs, the PAT was significantly lower at Rs.56 crore in FY20 vis-à-vis Rs.306 crore in FY19.

Consequently, the return indicators i.e. ROTA and RONW also deteriorated.

Continued stressed asset quality

The asset quality of SEFL had witnessed improvement during 9MFY20, wherein, Gross and Net Stage III assets percentage stood at 5.89% and 3.89% respectively as on December 31, 2019 as against 8.38% and 6.70% respectively as on March 31,

2019. Total vulnerable assets to networth though remained high, had improved to 44.54% as on December 31, 2019 without considering the impact of the slump exchange.
However, with transfer of loan book of SIFL and high level of stage III assets in SIFL, the Gross and Net Stage III assets increased significantly from Rs.1,041 crore and Rs.673 crore respectively as on December 31, 2019 to Rs.3,325 crore and Rs.2,192 crore respectively as on March 31, 2020. Accordingly, despite simultaneous increase in loan portfolio (with transferred portfolio of SIFL), the Gross stage III and Net Stage III percentage deteriorated from 5.89% and 3.89% respectively as on December 31, 2019 to 10.51% and 7.19% respectively as on March 31, 2020.
Assets held under repossession/acquired in lieu of satisfaction of debt though decreased from Rs.663 crore as on December 31, 2019 to Rs.476 crore as on March 31, 2020; the total vulnerable assets (net stage III + assets acquired in satisfaction of debt and repossessed assets) increased from Rs.1,336 crore as on December 31, 2019 to Rs.2,668 crore as on March 31, 2020. The total vulnerable assets as a percentage of networth deteriorated from 44.54% as on December 31, 201 to 68.62% as on March 31, 2020. The stage III provision coverage ratio of SEFL stood at 34.06% as on March 31, 2020.

Furthermore, the loan portfolio of SEFL now includes larger ticket size wholesale exposures of SIFL in infrastructure sector, which exposes the company to higher risk of delinquencies along with higher time and effort in recovery and resolution of such exposures.
With impact of Covid-19 and moratorium available to the customers, the monthly collections of the company have been significantly impacted. Though the collections have witnessed an improving trend since April'20; the collection efficiency for July'20 was around 50% (considering average monthly collections in normal scenario). Consequently, around 50% of the loan portfolio of SEFL appears to be under moratorium. Thus, with moratorium period about to finish at end of August'20, the subdued collections may result in further stress on asset quality of the company.

Leveraged capital structure
The tangible networth of SEFL increased from Rs.2,901 crore as on March 31, 2019 to Rs.3,888 crore as on March 31, 2020 primarily on issuance of equity shares of Rs.955 crore to SIFL as lump sum consideration for business transfer. However, the capitalisation of the company continued to remain on the lower side due to simultaneous increase in risk weighted assets with assets acquired of SIFL under slump exchange. Tier I and overall CAR deteriorated from 11.72% and 16.08% respectively as on March 31, 2019 to 11.35% and 15.65% respectively as on March 31, 2020 (as against regulatory requirement of 10% and 15% respectively).
The capital structure also continued to remain leveraged and overall gearing further deteriorated from 7.31x as on March 31, 2019 to 8.11x as on March 31, 2020.
The company, to manage its capital adequacy and leverage, is expecting to accomplish higher volumes of assignment/portfolio sale and resorting to co-lending model.

Concentrated resource profile
The resource profile of SEFL as on March 31, 2020 remained concentrated with term loans and working capital from domestic banks constituting 65% of the total borrowings as compared to 52% of the total borrowings as on March 31, 2019. The term loans from domestic FIs and foreign currency loans accounted for 14% as on March 31, 2020 as against 22% as on March 31, 2020. Capital markets instruments such as NCDs, subordinated debt and CPs accounted for 17% as on March 31, 2020 as against 19% as on March 31, 2019. The borrowing from securitisation through PTC route stood at 3% as on March 31, 2020 as against 6% as on March 31, 2019. The commercial paper share remained low at 1%. The company also had borrowings in the form of ICDs with share of 1% as on March 31, 2020.
Though the company has been successful in rolling over cash credit on a continuous basis, there is need to reduce dependence on bank borrowings and diversify resource profile. Access to securitisation market supports the funding requirements of the company.
The company had eligible pools of about Rs.2,700 crore for direct assignment under Partial Guarantee Scheme (PCG). The company had done assignments to the tune of Rs.5,474 crore in FY20. The company has not raised any debt in the current financial year even though it has sanctions in hand and has relied on sell downs/foreclosures.

Subdued scenario in NBFC sector
The outlook for NBFCs for short to medium term is negative due to Covid-19 outbreak. The sector which grappled with liability side disruptions over the last two years, could see another wave of challenges, this time in the form of asset quality. Amidst these, funding challenges could mount again, as banks become more selective in extending credit. The measures announced by the RBI like the Targeted Long Term Repo Operations 2.0 (TLTRO-2), special refinance facility, partial guarantee scheme, and special liquidity scheme, etc. could provide some solace to the NBFCs. However, the sector continues to stare at asset side challenges with expected increase in delinquencies going forward after the moratorium period is over. Further, the option to restructure liabilities is not available to NBFCs, though they might have to restructure assets.

Liquidity: Adequate
The ALM statement as on March 31, 2020 submitted by SEFL reflects that assets maturing in upto one year bucket exceeds the corresponding liabilities and the company had cumulative surplus of Rs.1,790 crore in upto 1 year bucket. However, the company has not factored in the impact of the moratorium on collections. Furthermore, if the maturity of fund based working capital falling under more than 1 year bucket is categorized under 6-12 months bucket, then there will be a negative mismatch in the 181-365 day time bucket of Rs.14,042 crore and a cumulative negative mismatch of Rs.12,286 crore in upto 1 year bucket. However, considering that working capital facilities from banks are renewed on a year to year basis and therefore are revolving in nature; the liquidity profile appears adequate.
The collections of the company have witnessed month on month improvement since April 2020 and at the present level can meet the interest and repayment obligations. The company does not maintain significant liquidity in the form of free cash and liquid investments. The average utilization of fund based limits for the last twelve months ended March'20 remained high at 96%. The company as on August 18, 2020 had liquidity buffer of around Rs.400-450 crore in form of liquid investments, current account balance and un-utilised fund based working capital lines. Further, the company also has presence in the securitization market which supports liquidity. The company has not mobilised any debt in the current financial year even though it has sanctions in hand of around Rs.2,500 crore and has relied on sell downs/foreclosures.
The company has availed moratorium under the Covid-19 Regulatory Package of the Reserve Bank of India for its bank borrowings.

Analytical approach: Standalone (including the impact of transferred assets/liabilities from SIFL)

Applicable Criteria
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
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
SEFL was incorporated on June 13, 2006, under the name of 'Srei Infrastructure Development Ltd.' as a subsidiary of Srei Infrastructure Finance Ltd for financing and development of infrastructure projects. In April 2008, SEFL was converted into a 50:50 JV company with BNP Paribas Lease Group (BPLG; a 100% subsidiary of BNP Paribas Bank) and SIFL divested its equipment financing and leasing business along with all the assets & liabilities to SEFL as on January 1, 2008. In September 2008, RBI classified SEFL as a "Systemically Important Non-deposit Taking Asset Finance Company". In June 2016, SIFL acquired the 50% stake of BPLG in SEFL and it became a 100% subsidiary of SIFL. SEFL is engaged in leasing and hire-purchase financing/hypothecation of construction & mining and allied equipment, tipper & allied equipment, IT & allied equipment, medical & allied equipment, farm equipment and loans against property.
The Lending Business, Interest Earning Business & Lease Business of SIFL has also merged with company w.e.f October 1, 2019 pursuant to the slump exchange.

Brief Financials (Rs. crore)	FY19 (A)	FY20*^
Total income	4,378.04	5,079.43
PAT	306.38	55.91
Interest coverage (times)	1.21	1.03
Total Assets	26,603.94	37,006.61
Net Stage III (%)	6.70	7.19
ROTA (%)	1.19	0.18

A: Audited
**based on published abridged results*
^the results for FY20 are not comparable to prior period as slump exchange was with effect from October 1, 2019.

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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Rating assigned along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	-	1,058.00	CARE A3+
Term Loan-Long Term	-	-	-	Dec'25	4,534.21	CARE BBB+; Stable
Fund-based - LT-Cash Credit	-	-	-	-	11,320.00	CARE BBB+; Stable
-Non Convertible Debentures	INE881J07DG4	13-Jun-14	10.92%	13-Jun-24	10.00	CARE BBB+; Stable
Non-Convertible Debentures	INE881J07DH2	20-Jun-14	10.90%	20-Jun-24	10.00	CARE BBB+; Stable
Non-Convertible Debentures	INE881J07DV3	-	-	-	0.00	Withdrawn
Non-Convertible Debentures	INE881J07DW1	-	-	-	0.00	Withdrawn
Non-Convertible Debentures	INE881J07DX9	11-May-15	10.25%	11-May-22	32.15	CARE BBB+; Stable
Proposed Non-Convertible Debentures	-	-	-	-	0.30	CARE BBB+; Stable
Non-Convertible Debentures	INE881J07EV1	16-Oct-17	9.25%	16-Oct-20	150.00	CARE BBB+; Stable
Non-Convertible Debentures	INE881J07FV8	30-Jan-19	10.50%	30-Jan-24	300.00	CARE BBB+; Stable
Debt-Subordinate Debt	INE881J08037	-	-	-	0.00	Withdrawn
Subordinate Debt	INE881J08045	-	-	-	0.00	Withdrawn
Subordinate Debt	INE881J08177	24-Jan-13	11.25%	24-Jan-23	9.00	CARE BBB; Stable
Subordinate Debt	INE881J08219	07-May-13	11.25%	07-May-23	20.80	CARE BBB; Stable
Subordinate Debt	INE881J08250	27-Sep-13	11.00%	27-Sep-20	16.00	CARE BBB; Stable
Subordinate Debt	INE881J08284	16-Mar-15	11.00%	16-Mar-25	5.00	CARE BBB; Stable
Subordinate Debt	INE881J08292	-	-	-	0.00	Withdrawn
Subordinate Debt	INE881J08292	-	-	-	0.00	Withdrawn
Subordinate Debt	INE881J08540	10-Mar-17	10.45%	10-Mar-24	75.00	CARE BBB; Stable
Debt-Perpetual Debt	INE881J08136	30-Dec-11	12.50%	-	37.50	CARE BBB-; Stable

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Non-fund-based - ST-BG/LC	ST	1058.00	CARE A3+	1)CARE A2+ (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A2+ (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A1 (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A1+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (25-Sep-18) 3)CARE A1+ (06-Jul-18)	1)CARE A1+ (13-Jul-17) 2)CARE A1+ (24-Apr-17)
2.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	-	1)Withdrawn (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
3.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	1)Withdrawn (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
4.	Term Loan-Long Term	LT	4534.21	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (25-Sep-18) 3)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17) 2)CARE AA-; Stable (24-Apr-17)

						Negative Implications) (28-Jun-19)		
5.	Debt-Subordinate Debt	LT	9.00	CARE BBB; Stable	1)CARE A- (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A- (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
6.	Debt-Subordinate Debt	LT	20.80	CARE BBB; Stable	1)CARE A- (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A- (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
7.	Fund-based - LT-Cash Credit	LT	11320.00	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (25-Sep-18) 3)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17) 2)CARE AA-; Stable (24-Apr-17)
8.	Debt-Subordinate Debt	LT	-	-	1)CARE A- (Under Credit	1)CARE A- (Under Credit	1)CARE AA- (Under Credit	1)CARE A+;

					watch with Negative Implications) (07-May-20)	watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	Positive (13-Jul-17)
9.	Debentures-Non Convertible Debentures	LT	20.00	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)
10.	Debt-Perpetual Debt	LT	37.50	CARE BBB-; Stable	1)CARE BBB+ (Under Credit watch with Negative Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A; Positive (13-Jul-17)
11.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	-	1)Withdrawn (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
12.	Debt-Subordinate Debt	LT	21.00	CARE BBB;	1)CARE A- (Under Credit	1)CARE A- (Under Credit	1)CARE AA- (Under Credit	1)CARE A+;

				Stable	watch with Negative Implications) (07-May-20)	watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	Positive (13-Jul-17)
13.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)
14.	Debentures-Non Convertible Debentures	LT	32.45	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)
15.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)
16.	LT/ST Instrument-Secured redeemable bonds	LT/ST	-	-	-	-	1)Withdrawn (29-Jan-19) 2)CARE AA; Stable / CARE A1+ (06-Jul-18)	1)CARE AA-; Positive / CARE A1+ (13-Jul-17)
17.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	1)CARE A- (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A- (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)

						Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)		
18.	Debt-Subordinate Debt	LT	75.00	CARE BBB; Stable	1)CARE A- (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A- (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
19.	Commercial Paper	ST	-	-	1)Withdrawn (25-Aug-20) 2)CARE A2+ (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A2+ (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A1 (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A1+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (06-Jul-18)	1)CARE A1+ (26-Sep-17)
20.	Debentures-Non Convertible Debentures	LT	150.00	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (09-Oct-17)

						Negative Implications) (28-Jun-19)		
21.	Term Loan-Short Term	ST	-	-	-	1)Withdrawn (28-Jun-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (25-Sep-18) 3)CARE A1+ (06-Jul-18)	-
22.	Debentures-Non Convertible Debentures	LT	300.00	CARE BBB+; Stable	1)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (13-Dec-18)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Debt-Perpetual Debt	Highly Complex
3.	Debt-Subordinate Debt	Complex
4.	Fund-based - LT-Cash Credit	Simple
5.	Non-fund-based - ST-BG/LC	Simple
6.	Term Loan-Long Term	Simple

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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