Srei Equipment Finance Limited

November 09, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	15,854.21	**CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)**	**Placed on Credit Watch with Developing Implications**
Short-term Bank Facilities	1,058.00	**CARE A3+; Credit Watch with Developing Implications (A Three Plus; Credit Watch with Developing Implications)**	**Placed on Credit Watch with Developing 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)	**352.15 (reduced from 502.15) (Rs. Three Hundred Fifty Two crore and Fifteen lakh only)**	**CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)**	**Placed on Credit Watch with Developing Implications**
Proposed Non-Convertible Debenture issue	**0.30 (Rs. Thirty lakh only)**		
Unsecured Subordinated Tier II NCDs (Series IV, V, VII, & IX)	**109.80 (reduced from 125.80) (Rs. One Hundred Nine crore and Eighty Lakh only)**	**CARE BBB; Credit Watch with Developing Implications (Triple B; Credit Watch with Developing Implications)**	**Placed on Credit Watch with Developing Implications**
Perpetual debt (Series I)	**37.50 (Rs. Thirty seven crore and fifty lakh only)**	**CARE BBB-; Credit Watch with Developing Implications (Triple B Minus; Credit Watch with Developing Implications)**	**Placed on Credit Watch with Developing Implications**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has placed the ratings assigned to Srei Equipment Finance Limited (SEFL) on credit watch with developing implications. The rating action follows the National Company Law Tribunal (NCLT) order dated October 21, 2020 received by SEFL for a Scheme of Arrangement filed by it. SEFL has approached NCLT with a Scheme of Arrangement to obtain formal consent from required majority of lenders (for transferred cash credit, working capital demand loan and term loans referred to as Part III creditors) to the completed acquisition by way of slump exchange from Srei Infrastructure Finance Limited (SIFL). Further, in the Scheme, it is mentioned that pursuant to the circulars issued by The Reserve Bank of India (RBI) in August 2020 (in relation to one-time restructuring), majority of the borrowers of SEFL have sought or are expected to seek one-time restructuring of their loans, which has resulted in and will result in severe cash flow shortage. SEFL only has the option of restructuring as per RBI guidelines in its assets and not in its liabilities. The resultant asset liability mismatch has forced SEFL to enter into certain arrangement with the secured creditors (viz. cash credit, term loans and working capital demand loan, referred to as Part IV creditors) for conversion of not less than 75% of the total debts due to the secured creditors as on August 31, 2020 into secured NCDs of such number and value as the Secured creditors in their meetings may decide.

The NCLT order states that *"In exercise of powers conferred Under Section 230 of the Companies Act, 2013 read with Rule 11 of the National Company Law Tribunal Rules, 2016 and until the Scheme is considered by the said Part III and Part IV Creditors and this Tribunal and to protect the interest of stakeholders, we direct that in the meantime, the Part III and Part IV Creditors of the Applicant Company shall maintain status quo till further orders with respect to their respective contractual terms dues claims and rights and are estopped from taking any coercive steps including reporting in any form and/or changing the*

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

account status of the Applicant Company and its holding Company (Srei Infrastructure Finance Limited) from being a standard asset, which will prejudicially affect the implementation of the Scheme and render the said Scheme ineffective ".

As per the NCLT order, the meeting of creditors as defined in Part III of the Scheme (Part III Creditors) of SEFL will be held on Wednesday, 16th December, 2020 for the purpose of their consideration, and if thought fit, approving, with or without modification, the said Scheme of Arrangement. The meeting of creditors as defined in Part IV of the Scheme (Part IV Creditors) of SEFL will be held on Wednesday, 23rd December, 2020 for the purpose of their consideration, and if thought fit, approving, with or without modification, the said Scheme of Arrangement.

Accordingly, CARE has placed the ratings of SEFL under credit watch with developing implications pending outcome of the above proposed meetings of creditors for considering the Scheme of Arrangement amidst stressed liquidity position. CARE would continue to monitor the developments in this regard and will take a view on the ratings on the outcome of the above meetings of creditors and analyse of the impact of the same on the credit profile of SEFL.

The ratings factor in SEFL's established position in construction and mining equipment (CME) financing segment, experienced promoters, large customer base, presence of the group in the industry across the value chain and sizable loan Assets under Management (AUM).

The ratings remain constrained due to reduced granularity of the loan book of SEFL post the slump exchange and deterioration in capitalisation, continued stressed asset quality with significant exposure to entities under the same management or related to the group, limited availability of liquidity buffers with concentrated resource profile and subdued profitability. There is expected to be additional stress on asset quality in the current year due to nation-wide disruptions caused by the outbreak of covid-19. SEFL had availed and also offered moratorium to its customers in terms of the Covid-19 Regulatory Package of RBI. The collections of SEFL have continued to remain impacted even after end of moratorium due to the challenges in deployment and slow movement in infrastructure projects on account of on-going pandemic. Further, it has been approached by a large proportion of its borrowers for restructuring as per RBI guidelines.

CARE has withdrawn the ratings assigned to Series VII (tranche II) of Unsecured NCDs and series XIV of Secured NCDs of SEFL with immediate effect, as SEFL has repaid the aforementioned debt in full and there is no amount outstanding under the issue as on date.

<u>Rating Sensitivities</u>

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.
- Substantial Improvement in collection efficiency and liquidity position of the company

Negative factors: Factors that could lead to negative rating action/downgrade

- Further deterioration in Overall CAR and increase in overall gearing.
- Further increase in total vulnerable assets to networth.
- Further decline in profitability.
- Deterioration in liquidity profile.

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. 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.

Established business network

The group has an established business network with 82 branches, 92 satellite locations across 21 states in the country. The group has 272 vendor & manufacturer partnerships along with 150 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.

Subdued profitability
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.
The company reported net profit of Rs.20 crore on total income of Rs.1,191 crore in Q1FY21 vis-à-vis net profit of Rs.40 crore on total income of Rs.1,066 crore in Q1FY20. Though the profitability improved q-o-q; the same was lower y-o-y.

Continued stressed asset quality
With transfer of loan book of SIFL and high level of stage III assets in SIFL, the Gross and Net Stage III assets of SEFL 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.
The gross stage III assets and net stage III assets stood at Rs.3,472 crore and Rs.2,285 crore as on June 30, 2020.

Furthermore, the loan portfolio of SEFL includes large ticket size wholesale exposures 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. Such advances are 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. These include significant advances to projects under the same management or related to the group.
With impact of Covid-19 and moratorium available to the customers till end of August'20, the monthly collections of the company had been significantly impacted. The collections have continued to remain impacted after end of moratorium and also on account of recent RBI directive on One-time loan restructuring scheme.

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 has not raised any significant debt in the current financial year even though it has sanctions in hand and has relied on sell downs/foreclosures. The company has approached the bankers to raise resources under the PCG scheme and through asset sell downs. The timely resource mobilization is critical to manage the liquidity position of the company.

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 end of moratorium period. Further, the option to restructure liabilities is not available to NBFCs, though they might have to restructure assets.

Liquidity: Stretched
The company does not maintain significant liquidity in the form of free cash/liquid investments and the fund based working capital limits continue to remain almost fully utilised. The collections of the company have been significantly impacted due to impact of Covid-19 and recent RBI directive on restructuring of loans option available to the customers of SEFL. As per RBI guidelines, the company only has the option of restructuring in its assets and not in liabilities which has impacted the Asset Liability Maturity (ALM) profile. The company continues to have significant exposure to entities executing projects in infrastructure sector including entities related to the group. A large proportion of borrowers of SEFL have sought for one-time restructuring of their loans, which has resulted in and will further result in cash flow mismatches. This has forced SEFL to enter into arrangement with the secured creditors.
The company has not mobilised any significant debt in the current financial year even though it had sanctions in hand of around Rs.2,500 crore and has relied on sell downs/foreclosures. The company has approached the bankers to raise

resources under the PCG scheme and through asset sell-downs. The timely resource mobilization is critical to manage the liquidity position.

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 (A)^
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
^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: Mr. Ashwini Kumar, who is an independent director on the board of SEFL, is one of the CARE's Rating Committee Members. To comply with the regulations, the member has not participated in the rating process and in the rating committee meeting.

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

Annexure-1: Details of Facilities/Instruments

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+; Credit Watch with Developing Implications
Term Loan-Long Term	-	-	-	Dec'25	4,534.21	CARE BBB+; Credit Watch with Developing Implications
Fund-based - LT-Cash Credit	-	-	-	-	11,320.00	CARE BBB+; Credit Watch with Developing Implications
-Non Convertible	INE881J07DG4	13-Jun-14	10.92%	13-Jun-24	10.00	CARE BBB+; Credit Watch with Developing

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Rating assigned along with Rating Outlook
Debentures						Implications
Non Convertible Debentures	INE881J07DH2	20-Jun-14	10.90%	20-Jun-24	10.00	CARE BBB+; Credit Watch with Developing Implications
Non Convertible Debentures	INE881J07DX9	11-May-15	10.25%	11-May-22	32.15	CARE BBB+; Credit Watch with Developing Implications
Proposed Non-Convertible Debentures	-	-	-	-	0.30	CARE BBB+; Credit Watch with Developing Implications
Non Convertible Debentures	INE881J07EV1	-	-	-	0.00	Withdrawn
Non Convertible Debentures	INE881J07FV8	30-Jan-19	10.50%	30-Jan-24	300.00	CARE BBB+; Credit Watch with Developing Implications
Subordinate Debt	INE881J08177	24-Jan-13	11.25%	24-Jan-23	9.00	CARE BBB; Credit Watch with Developing Implications
Subordinate Debt	INE881J08219	07-May-13	11.25%	07-May-23	20.80	CARE BBB; Credit Watch with Developing Implications
Subordinate Debt	INE881J08250	-	-	-	0.00	Withdrawn
Subordinate Debt	INE881J08284	16-Mar-15	11.00%	16-Mar-25	5.00	CARE BBB; Credit Watch with Developing Implications
Subordinate Debt	INE881J08540	10-Mar-17	10.45%	10-Mar-24	75.00	CARE BBB; Credit Watch with Developing Implications
Debt-Perpetual Debt	INE881J08136	30-Dec-11	12.50%	-	37.50	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 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+ (Under Credit watch with Developing Implications)	1)CARE A3+ (01-Sep-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+	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)

						(Under Credit watch with Negative Implications) (28-Jun-19)		
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+ (Under Credit watch with Developing Implications)	1)CARE BBB+; Stable (01-Sep-20) 2)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)
5.	Debt-Subordinate Debt	LT	9.00	CARE BBB (Under Credit watch with Developing Implications)	1)CARE BBB; Stable (01-Sep-20) 2)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 (Under Credit watch with Developing Implications)	1)CARE BBB; Stable (01-Sep-20) 2)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+ (Under Credit watch with Developing Implications)	1)CARE BBB+; Stable (01-Sep-20) 2)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)Withdrawn (01-Sep-20) 2)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)
9.	Debentures-Non Convertible Debentures	LT	20.00	CARE BBB+ (Under Credit watch with Developing Implications)	1)CARE BBB+; Stable (01-Sep-20) 2)CARE A (Under Credit watch with Negative	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;	1)CARE AA-; Positive (13-Jul-17)

					Implications) (07-May-20)	Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	Stable (06-Jul-18)	
10.	Debt-Perpetual Debt	LT	37.50	CARE BBB- (Under Credit watch with Developing Implications)	1)CARE BBB-; Stable (01-Sep-20) 2)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	5.00	CARE BBB (Under Credit watch with Developing Implications)	1)CARE BBB; Stable (01-Sep-20) 2)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)
13.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)
14.	Debentures-Non Convertible Debentures	LT	32.15	CARE BBB+ (Under	1)CARE BBB+; Stable	1)CARE A (Under Credit watch with	1)CARE AA (Under	1)CARE AA-;

				Credit watch with Developing Implications)	(01-Sep-20) 2)CARE A (Under Credit watch with Negative Implications) (07-May-20)	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)	Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	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)Withdrawn (01-Sep-20) 2)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)
18.	Debt-Subordinate Debt	LT	75.00	CARE BBB (Under Credit watch with Developing Implications)	1)CARE BBB; Stable (01-Sep-20) 2)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	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)

						Negative Implications) (28-Jun-19)		
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	-	-	1)CARE BBB+; Stable (01-Sep-20) 2)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 (09-Oct-17)
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+ (Under Credit watch with Developing Implications)	1)CARE BBB+; Stable (01-Sep-20) 2)CARE A (Under Credit watch	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under	1)CARE AA (Under Credit watch with Developing Implications)	-

					with Negative Implications) (07-May-20)	Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	(29-Jan-19) 2)CARE AA; Stable (13-Dec-18)	
23.	Debentures-Non Convertible Debentures	LT	0.30	CARE BBB+ (Under Credit watch with Developing Implications)	-	-	-	-

Annexure-3: Detailed explanation of covenants of the rated 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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