

## Srei Equipment Finance Limited

August 13, 2019

### Ratings

| Facilities  | Amount<br>(Rs. crore)  | Ratings <sup>1</sup>  | Rating Action   |
|---|--|---|---|
| Long-term Bank Facilities   | 16,547.54  | CARE A+; Credit Watch with Negative Implications<br>(Singe A Plus; Credit Watch with Negative Implications)   | Revised from CARE AA-; Credit Watch with Negative Implications<br>(Double A Minus; Credit Watch with Negative Implications) |
| Short-term Bank Facilities  | 1,058.00   | CARE A1; Credit watch with Negative Implications<br>(A One; Credit Watch with Negative Implications)          | Revised from CARE A1+; Credit Watch with Negative Implications<br>(A One Plus; Credit Watch with Negative Implications)     |
| <b>Total</b>  | <b>17,605.54</b><br><b>(Rupees Seventeen Thousand Six Hundred Five Crore and Fifty Four Lakh only)</b> |   |   |
| Non-Convertible Debentures (NCDs) (Series VII, XII, XIV and XV)         | 533.86<br>(Rupees Five Hundred Thirty Three crore and Eighty Six lakh only)                            | CARE A+; Credit Watch with Negative Implications<br>(Singe A Plus; Credit Watch with Negative Implications)   | Revised from CARE AA-; Credit Watch with Negative Implications<br>(Double A Minus; Credit Watch with Negative Implications) |
| Proposed Non-Convertible Debenture issue                                | 0.30<br>(Rs. Thirty Lakh only)   | CARE A+; Credit Watch with Negative Implications<br>(Singe A Plus; Credit Watch with Negative Implications)   | Revised from CARE AA-; Credit Watch with Negative Implications<br>(Double A Minus; Credit Watch with Negative Implications) |
| Unsecured Subordinated Tier II NCDs (Series III, IV, V, VII, VIII & IX) | 361.80<br>(Rupees Three Hundred Sixty one crore and Eighty Lakh only)                                  | CARE A; Credit Watch with Negative Implications<br>(Single A; Credit Watch with Negative Implications)        | Revised from CARE A+; Credit watch with Negative Implications<br>(Single A Plus; Credit watch with Negative Implications)   |
| Perpetual Bonds (Series I)  | 37.50<br>(Rs. Thirty seven crore and fifty lakh only)  | CARE A-; Credit Watch with Negative Implications<br>(Single A Minus; Credit Watch with Negative Implications) | Revised from CARE A; Credit Watch with Negative Implications<br>(Single A; Credit watch with Negative Implications)         |
| Commercial Paper (CP) issue*  | 1,500<br>(Rs. One thousand and five hundred crore only)  | CARE A1; Credit watch with Negative Implications<br>(A One; Credit Watch with Negative Implications)          | Revised from CARE A1+; Credit Watch with Negative Implications<br>(A One Plus; Credit Watch with Negative Implications)     |

Details of instruments in Annexure-1

\* Carved out of the sanctioned working capital limits of the company.

### Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to Srei Equipment Finance Limited (SEFL) takes into account the significant decline in profitability of the company during Q1FY20 and continued stress on asset quality as on June 30, 2019. The decline in profitability of SEFL was primarily due to decrease in Net Interest Income (NII) as a result of substantial increase in finance cost despite stable interest income. Consequently, interest spread and Net Interest margin (NIM) of the company shrunk in Q1FY20. ROTA declined to 0.60% in Q1FY20 from 1.59% in Q1FY19. Further, total vulnerable assets (net NPA + assets acquired in satisfaction of debt and repossessed assets) continued to remain high at Rs.1,987 crore as on June 30, 2019 (Rs.2,015 crore as on March 31, 2019). Net NPA as a percentage of net advances stood high at 6.11% as on June 30, 2019 as against 6.70% as on March 31, 2019. Also, total vulnerable assets as a percentage of networth remained high at 68.80% as on June 30, 2019 (69.47% as on March 31, 2019). The ratings also take note of the de-growth in disbursements in Q1FY20 to

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

Rs.2,478 crore (Rs.4,061 crore in Q1FY19) which is in line with management's strategy to slow down disbursements in its books and focus on co-lending model going forward.

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 and presence of the group in the industry across the value chain.

The ratings remain constrained by the moderate capital adequacy ratio and concentrated resource profile of the company. CARE will continue to closely monitor the developments with respect to profitability, strengthening of the balance sheet and improvement in asset quality. Considering the stressed asset quality and moderate CAR which continues to remain an area of concern, the ratings are on credit watch with negative implications.

Further, the ratings assigned to SEFL were on credit watch due to approval of a composite scheme of arrangement and amalgamation amongst Srei Infrastructure Finance Limited (SIFL, holding company of SEFL), SEFL and Srei Asset Reconstruction Private Limited (Srei Asset; a wholly owned subsidiary of SIFL) by the company's Board of Directors in January 2019.

However, the Board of Directors of SEFL and SIFL, at their meeting held on July 4, 2019, have called off the above restructuring scheme and decided to consolidate the lending business of SIFL and SEFL into one entity. The Boards have approved transfer of Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") of SIFL into SEFL, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures issued by SIFL), as a going concern basis by way of slump exchange, for a lump sum consideration, without values being assigned to the individual assets and liabilities, which shall be discharged by SEFL by way of issue and allotment of equity shares of SEFL to SIFL ("Slump Exchange"). The total income of the transferred undertaking constitutes 95.52% of the total income of SIFL and net assets of the transferred undertaking (representing difference between total assets & total liabilities of Transferred undertaking) represents 32.64% of the net assets of SIFL.

SIFL will remain as the 100% shareholder of SEFL and continue to operate as an Investments Company. It will generate only fee based income/income from investments and all lending will be done through SEFL. Further, debt level in SIFL is expected to reduce substantially with transfer of same to SEFL.

The transfer of assets/liabilities is expected to be completed by September 2019 after receipt of various required approvals. The company is in the process of getting the approvals and preparing the merged accounts of SEFL and the resultant accounts of SIFL.

CARE will take a view on the ratings once the scheme has been implemented and the exact implications of the above scheme are clear on the credit profile of SEFL.

### **Detailed description of the key rating drivers**

#### **Key Rating Strengths**

##### ***Established group and experienced 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 has 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.

Furthermore, the group has presence across the value chain in construction and mining equipment industry with a strong business network.

##### ***Relatively stable advances outstanding***

The disbursements made by SEFL were lower by 18% from Rs.16,990 crore in FY18 to Rs.13,972 crore in FY19 primarily to restrict growth for maintaining regulatory capital adequacy. Further, with liquidity crisis in the NBFC sector during H2FY19, resource mobilisation was also impacted. The disbursements to CME and used equipment segments continued to dominate overall disbursements at 76% in FY19 (84% in FY18). However, ticket size of disbursements increased leading to top 20 advances contributing to 26% of gross advances (incl. operating lease) as on March 31, 2019 as against 17% as on March 31, 2018.

SEFL's on-book loan portfolio (including operating lease assets) remained relatively stable at Rs.24,442.90 crore as on March 31, 2019 vis-à-vis Rs.23,452.46 crore as on March 31, 2018 with higher securitisation through direct assignment of receivables. The off-book portfolio increased from Rs.4,291.96 crore as on March 31, 2018 to Rs.5,477.76 crore as on March 31, 2019. Consequently, Total Loan Assets under Management (incl. off-book assets) increased by about 8% (Rs.29,920.66 crore as on March 31, 2019 from Rs.27,744.42 crore as on March 31, 2018).

The disbursements were significantly lower at Rs.2,478 crore in Q1FY20 (Rs.4,061 crore in Q1FY19) which is in line with management's strategy to slow down disbursements in its books and focus on co-lending model going forward. Total Loan Assets under Management (incl. off-book assets) stood at Rs.28,492 crore as on June 30, 2019.

### Key Rating Weaknesses

#### ***Decline in profitability during Q1FY20, though the same had remained stable in FY19***

SEFL's total income witnessed a significant growth of about 27% on a y-o-y basis from Rs.3,440.21 crore in FY18 to Rs.4,366.84 crore in FY19 primarily due to increase in interest income and operating lease income with increase in benchmark interest rates by 2% from Q3FY19. Simultaneously, the interest cost also increased significantly by 32% from Rs.1,622.10 crore in FY18 to Rs.2,148.61 crore in FY19 due to debt funded portfolio growth along with increase in average borrowing cost. Net interest income increased from Rs.1,426.14 crore in FY18 to Rs.1,822.56 crore in FY19. The operating expenses remained relatively stable, whereas, depreciation cost increased significantly during the year. The provisions/write-offs for the year was also higher at Rs.529.18 crore in FY19 vis-à-vis Rs.341.39 crore in FY18 as per the new ECL norms under IND AS. Consequently, despite increase in total income, PAT remained stable at Rs.306.28 crore in FY18 vis-à-vis Rs.295.86 crore in FY18.

The return indicators i.e. RONW and Adjusted ROTA of the company witnessed moderation from 12.17% and 1.18% respectively in FY18 to 11.17% and 0.98% respectively in FY19. Interest spread and Net Interest Margin of the company remained stable at 5.98% and 6.94% in FY19 respectively (5.36% and 6.69% respectively in FY18).

The total income of the company was stable at Rs.1,066 crore in Q1FY20 vis-à-vis Rs.1,026 crore in Q1FY19 with stable interest income. However, the finance cost increased significantly y-o-y from Rs.486.88 crore in Q1FY19 to Rs.602.35 crore in Q1FY20 due to significant increase in cost of funds. Consequently, the net interest income decreased from Rs.444.44 crore in Q1FY19 to Rs.360.88 crore in Q1FY20. With decrease in net interest income and relatively stable operating expenses and provisions/write-offs during the quarter, the PAT decreased significantly from Rs.102.60 crore in Q1FY19 to Rs.40.26 crore in Q1FY20. ROTA declined to 0.6% in Q1FY20 from 1.59% in Q1FY19.

### Stressed Asset Quality

SEFL has adopted IND AS from April 1, 2018, and the asset quality has witnessed significant deterioration due to both increase in delinquencies and new accounting principles. The Gross NPA increased significantly from Rs.438.06 crore as on March 31, 2018 (I GAAP) to gross stage III assets of Rs.855.80 crore as on March 31, 2018 on transition to IND AS primarily on account of inclusion of advances pertaining to customers in NCLT (~Rs.400 crore) and restructured assets. Subsequently, the gross and net stage III assets had increased significantly from Rs.855.80 crore and Rs.504.65 crore respectively as on March 31, 2018 to Rs.1,667.42 crore and Rs.1,308.38 crore respectively as on March 31, 2019. Consequently, Gross stage III and Net stage III assets as a percentage of advances deteriorated from 4.51% and 2.71% respectively as on March 31, 2018 to 8.38% and 6.70% respectively as on March 31, 2019.

The asset quality continued to remain stressed, wherein, Gross and Net Stage III assets percentage stood at 8.04% and 6.11% respectively as on June 30, 2019 as against 8.38% and 6.70% as on March 31, 2019.

The repossessed assets/assets acquired in satisfaction of debt decreased from Rs.825.89 crore as on March 31, 2018 to Rs.707.02 crore as on March 31, 2019 and stood at 24.37% of networth. The same further increased to Rs.843 crore as on June 30, 2019 and stood at 29.19% of networth as on June 30, 2019.

Total vulnerable assets to networth deteriorated significantly from 51.47% as on March 31, 2018 to 69.47% as on March 31, 2019 which was significantly above the expectation of 35%. The same remained high at 68.80% as on June 30, 2019.

### Peripheral capital adequacy ratio due to delay in raising equity and leveraged capital structure

Both Tier I and overall CAR of SEFL remained moderate at 11.47% and 16.17% respectively as on June 30, 2019 vis-à-vis 11.72% and 16.08% respectively as on March 31, 2019. The company, to manage its capital adequacy, is expecting to

accomplish high volumes of assignment/portfolio sale, resorting to co-lending model and is simultaneously exploring raising capital through private equity initiatives.

The overall gearing remained at 7.34x as on June 30, 2019 vis-à-vis 7.23x as on March 31, 2019.

### **Concentrated resource profile**

The resource profile of SEFL as on March 31, 2019 remained concentrated with term loans and working capital from domestic banks constituting 52% of the total borrowings. The term loans from domestic FIs and foreign currency loans accounted for 11% each of the total borrowings. Capital markets instruments such as NCDs and CPs accounted for 19% of the total borrowings. The balance 7% of the borrowing was from securitisation through PTC route.

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.

### **Subdued scenario in NBFC sector**

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

### **Liquidity: Adequate**

The liquidity position of SEFL as per statutory ALM submitted to RBI reflects that assets maturing in upto one year bucket exceeds the corresponding liabilities as on March 31, 2019 and the company had cumulative surplus of Rs.1,582.30 crore upto 1 year. However, considering that the cash credit limits are to be classified in the upto one year bucket, the company would have mismatch in the six months to one year bucket. Such working capital facilities from banks are renewed on a year-to-year basis and therefore are revolving in nature. SEFL had free cash of ~Rs.321 crore as on June 30, 2019 and unutilized lines of credit of ~Rs.830 crore as of July'19. Further, the company also has presence in the securitization market which provides liquidity.

**Analytical approach:** Standalone

### **Applicable Criteria**

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

[Criteria for Short Term Instruments](#)

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

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

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

[Financial ratios –Financial Sector](#)

### **About the Company**

SEFL was incorporated on June 13, 2006, under the name of 'Srei Infrastructure Development Ltd.' as a subsidiary of SIFL for financing and development of infrastructure projects. In April 2008, SEFL was converted into a 50:50 JV company with 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.

Currently, 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 company has distribution network of 90 branches across 21 states and 77 additional satellite locations along with 272 vendor & manufacturer partnerships.

| <b>Brief Financials (Rs. crore)</b> | <b>FY18 (A)</b> | <b>FY19 (A)</b> |
|-------------------------------------|-----------------|-----------------|
| Total income                        | 3,440.21        | 4,366.84        |
| PAT                                 | 295.86          | 306.38          |

| Brief Financials (Rs. crore) | FY18 (A)  | FY19 (A)  |
|------------------------------|-----------|-----------|
| Interest coverage (times)    | 1.27      | 1.21      |
| Total Assets                 | 25,353.34 | 27,181.10 |
| Net NPA (%)                  | 2.71      | 6.70      |
| ROTA (%)                     | 1.39      | 1.17      |

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 | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook        |
|-----------------------------|------------------|-------------|---------------|-------------------------------|--|
| Non-fund-based - ST-BG/LC   | -                | -           | -             | 1,058.00                      | CARE A1; Credit Watch with Negative Implications |
| Term Loan-Long Term         | -                | -           | Jul'24        | 4,547.54                      | CARE A+; Credit Watch with Negative Implications |
| Fund-based - LT-Cash Credit | -                | -           | -             | 12,000.00                     | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 13-Jun-14        | 10.92%      | 13-Jun-24     | 10.00                         | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 20-Jun-14        | 10.90%      | 20-Jun-24     | 10.00                         | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 11-May-15        | 9.75%       | 11-May-20     | 8.48                          | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 11-May-15        | 10.25%      | 11-Aug-20     | 23.23                         | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 11-May-15        | 10.25%      | 11-May-22     | 32.15                         | CARE A+; Credit Watch with Negative Implications |
| Proposed Secured NCD        | -                | -           | -             | 0.30                          | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 16-Oct-17        | 9.25%       | 16-Oct-20     | 150.00                        | CARE A+; Credit Watch with Negative Implications |
| Secured NCD                 | 30-Jan-19        | 10.50%      | 30-Jan-24     | 300.00                        | CARE A+; Credit Watch with Negative Implications |
| Tier II-Unsecured NCD       | 23-Dec-09        | 10.00%      | 23-Dec-19     | 100.00                        | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 19-Mar-10        | 10.00%      | 19-Mar-20     | 25.50                         | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 31-Mar-10        | 10.00%      | 31-Mar-20     | 74.50                         | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 24-Jan-13        | 11.25%      | 24-Jan-23     | 9.00                          | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 07-May-13        | 11.25%      | 07-May-23     | 20.80                         | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 27-Sep-13        | 11.00%      | 27-Sep-20     | 16.00                         | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 16-Mar-15        | 11.00%      | 16-Mar-25     | 5.00                          | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 31-Mar-15        | 11.00%      | 30-Jun-20     | 14.00                         | CARE A; Credit Watch with Negative Implications  |
| Tier II-Unsecured NCD       | 31-Mar-15        | 11.00%      | 30-Jun-20     | 22.00                         | CARE A; Credit Watch with                        |

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook        |
|------------------------|------------------|-------------|---------------|-------------------------------|--|
|                        |                  |             |               |                               | Negative Implications                            |
| Tier II-Unsecured NCD  | 10-Mar-17        | 10.45%      | 10-Mar-24     | 75.00                         | CARE A; Credit Watch with Negative Implications  |
| Debt-Perpetual Debt    | 30-Dec-11        | 12.50%      | -             | 37.50                         | CARE A-; Credit Watch with Negative Implications |
| CP                     | -                | -           | 7-364 days    | 1,500.00                      | CARE A1; Credit Watch with Negative Implications |

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument/Bank Facilities          | Current Ratings |                                |   | Rating history   |  |  |  |
|---------|---|-----------------|--------------------------------|---|--|--|--|--|
|         |   | Type            | Amount Outstanding (Rs. crore) | Rating  | Date(s) & Rating(s) assigned in 2019-2020                              | Date(s) & Rating(s) assigned in 2018-2019  | Date(s) & Rating(s) assigned in 2017-2018              | Date(s) & Rating(s) assigned in 2016-2017  |
| 1.      | Bonds-Secured Redeemable Bonds                  | LT              | -                              | -   | -  | -  | -  | 1)Withdrawn (05-May-16)  |
| 2.      | Non-fund-based - ST-BG/LC                       | ST              | 1058.00                        | CARE A1 (Under Credit watch with Negative Implications) | 1)CARE A1+ (Under Credit watch with Negative Implications) (28-Jun-19) | 1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19)<br>2)CARE A1+ (25-Sep-18)<br>3)CARE A1+ (06-Jul-18) | 1)CARE A1+ (13-Jul-17)<br>2)CARE A1+ (24-Apr-17)       | 1)CARE A1+ (24-Mar-17)<br>2)CARE A1+ (14-Nov-16)<br>3)CARE A1+ (20-Jul-16)         |
| 3.      | Debt-Non-convertible Debenture/Subordinate Debt | LT              | -                              | -   | -  | 1)Withdrawn (06-Jul-18)  | 1)CARE A+; Positive (13-Jul-17)                        | 1)CARE A+; Stable (24-Mar-17)<br>2)CARE A+ (20-Jul-16)                             |
| 4.      | Debt-Non-convertible Debenture/Subordinate Debt | LT              | 100.00                         | CARE A (Under Credit watch with Negative Implications)  | 1)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)  | 1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19)<br>2)CARE AA-; Stable (06-Jul-18)                   | 1)CARE A+; Positive (13-Jul-17)                        | 1)CARE A+; Stable (24-Mar-17)<br>2)CARE A+ (20-Jul-16)                             |
| 5.      | Term Loan-Long Term                             | LT              | 4547.54                        | CARE A+ (Under Credit watch with Negative Implications) | 1)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19) | 1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19)<br>2)CARE AA; Stable                                 | 1)CARE AA-; Positive (13-Jul-17)<br>2)CARE AA-; Stable | 1)CARE AA-; Stable (24-Mar-17)<br>2)CARE AA- (14-Nov-16)<br>3)CARE AA- (20-Jul-16) |

|     |   |    |          |   |   |  |  |  |
|-----|---|----|----------|---|---|--|--|--|
|     |   |    |          |   |   | (25-Sep-18)<br>3)CARE AA;<br>Stable<br>(06-Jul-18)   | (24-Apr-17)  |  |
| 6.  | Debt-Non-convertible<br>Debenture/Subordinate<br>Debt | LT | 34.50    | CARE A (Under<br>Credit watch<br>with Negative<br>Implications)     | 1)CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19)  | 1)CARE AA-<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18)                                      | 1)CARE<br>A+;<br>Positive<br>(13-Jul-17)   | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)                                |
| 7.  | Debt-Non-convertible<br>Debenture/Subordinate<br>Debt | LT | 20.80    | CARE A (Under<br>Credit watch<br>with Negative<br>Implications)     | 1)CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19)  | 1)CARE AA-<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18)                                      | 1)CARE<br>A+;<br>Positive<br>(13-Jul-17)   | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)                                |
| 8.  | Fund-based - LT-Cash<br>Credit                        | LT | 12000.00 | CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications) | 1)CARE AA-<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19) | 1)CARE AA<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA;<br>Stable<br>(25-Sep-18)<br>3)CARE AA;<br>Stable<br>(06-Jul-18) | 1)CARE<br>AA-;<br>Positive<br>(13-Jul-17)<br>2)CARE<br>AA-;<br>Stable<br>(24-Apr-17) | 1)CARE AA-;<br>Stable<br>(24-Mar-17)<br>2)CARE AA-<br>(14-Nov-16)<br>3)CARE AA-<br>(20-Jul-16) |
| 9.  | Debt-Non-convertible<br>Debenture/Subordinate<br>Debt | LT | 74.50    | CARE A (Under<br>Credit watch<br>with Negative<br>Implications)     | 1)CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19)  | 1)CARE AA-<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18)                                      | 1)CARE<br>A+;<br>Positive<br>(13-Jul-17)   | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)                                |
| 10. | Bonds-Unsecured<br>Redeemable                         | LT | -        | -   | -   | -  | -  | 1)Withdrawn<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)   |
| 11. | Debentures-Non<br>Convertible Debentures              | LT | 20.00    | CARE A+<br>(Under Credit<br>watch with<br>Negative                  | 1)CARE AA-<br>(Under Credit<br>watch with<br>Negative                                 | 1)CARE AA<br>(Under Credit<br>watch with<br>Developing   | 1)CARE<br>AA-;<br>Positive<br>(13-Jul-   | 1)CARE AA-;<br>Stable<br>(24-Mar-17)<br>2)CARE AA-   |

|     |   |    |       |   |   |   |   |   |
|-----|---|----|-------|---|---|---|---|---|
|     |   |    |       | Implications)   | Implications)<br>(28-Jun-19)  | Implications)<br>(29-Jan-19)<br>2)CARE AA;<br>Stable<br>(06-Jul-18)   | 17)   | (14-Nov-16)<br>3)CARE AA-<br>(20-Jul-16)                          |
| 12. | Debt-Perpetual Debt                                   | LT | 37.50 | CARE A-<br>(Under Credit<br>watch with<br>Negative<br>Implications) | 1)CARE A<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19)   | 1)CARE A+<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE A+;<br>Stable<br>(06-Jul-18)   | 1)CARE A;<br>Positive<br>(13-Jul-<br>17)      | 1)CARE A;<br>Stable<br>(24-Mar-17)<br>2)CARE A<br>(20-Jul-16)     |
| 13. | Term Loan-Long Term                                   | LT | -     | -   | -   | -   | -   | 1)Withdrawn<br>(20-Jul-16)  |
| 14. | Debt-Non-convertible<br>Debenture/Subordinate<br>Debt | LT | -     | -   | -   | 1)Withdrawn<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18)  | 1)CARE<br>A+;<br>Positive<br>(13-Jul-<br>17)  | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)   |
| 15. | Debt-Non-convertible<br>Debenture/Subordinate<br>Debt | LT | 35.00 | CARE A (Under<br>Credit watch<br>with Negative<br>Implications)     | 1)CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19)  | 1)CARE AA-<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18) | 1)CARE<br>A+;<br>Positive<br>(13-Jul-<br>17)  | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)   |
| 16. | Debentures-Non<br>Convertible Debentures              | LT | -     | -   | -   | 1)Withdrawn<br>(06-Jul-18)  | 1)CARE<br>AA-;<br>Positive<br>(13-Jul-<br>17) | 1)CARE AA-;<br>Stable<br>(24-Mar-17)<br>2)CARE AA-<br>(20-Jul-16) |
| 17. | Debentures-Non<br>Convertible Debentures              | LT | -     | -   | -   | -   | -   | 1)Withdrawn<br>(20-Jul-16)  |
| 18. | Debentures-Non<br>Convertible Debentures              | LT | 64.16 | CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications) | 1)CARE AA-<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19) | 1)CARE AA<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA;<br>Stable<br>(06-Jul-18)   | 1)CARE<br>AA-;<br>Positive<br>(13-Jul-<br>17) | 1)CARE AA-;<br>Stable<br>(24-Mar-17)<br>2)CARE AA-<br>(20-Jul-16) |
| 19. | Debentures-Non<br>Convertible Debentures              | LT | -     | -   | -   | 1)Withdrawn<br>(29-Jan-19)<br>2)CARE AA;  | 1)CARE<br>AA-;<br>Positive                    | 1)CARE AA-;<br>Stable<br>(24-Mar-17)                              |



|     |   |       |         |   |   |   |  |  |
|-----|---|-------|---------|---|---|---|--|--|
|     |   |       |         |   |   | Stable<br>(06-Jul-18)   | (13-Jul-17)  | 2)CARE AA-<br>(20-Jul-16)  |
| 20. | LT/ST Instrument-Secured redeemable bonds       | LT/ST | -       | -   | -   | 1)Withdrawn<br>(29-Jan-19)<br>2)CARE AA;<br>Stable / CARE A1+<br>(06-Jul-18)  | 1)CARE AA-;<br>AA-;<br>Positive /<br>CARE A1+<br>(13-Jul-17) | 1)CARE AA-;<br>Stable / CARE A1+<br>(24-Mar-17)<br>2)CARE AA- /<br>CARE A1+<br>(23-Aug-16) |
| 21. | Debt-Non-convertible Debenture/Subordinate Debt | LT    | 22.00   | CARE A (Under Credit watch with Negative Implications)  | 1)CARE A+ (Under Credit watch with Negative Implications)<br>(28-Jun-19)  | 1)CARE AA- (Under Credit watch with Developing Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18) | 1)CARE A+;<br>Positive<br>(13-Jul-17)                        | 1)CARE A+;<br>Stable<br>(24-Mar-17)<br>2)CARE A+<br>(20-Jul-16)                            |
| 22. | Debentures-Non Convertible Debentures           | LT    | -       | -   | -   | -   | -  | 1)Withdrawn<br>(05-May-16)   |
| 23. | Bonds-Secured Redeemable Bonds                  | LT    | -       | -   | -   | -   | -  | 1)Withdrawn<br>(05-May-16)   |
| 24. | Bonds-Secured Redeemable Bonds                  | LT    | -       | -   | -   | -   | -  | 1)Withdrawn<br>(05-May-16)   |
| 25. | Debt-Subordinate Debt                           | LT    | 75.00   | CARE A (Under Credit watch with Negative Implications)  | 1)CARE A+ (Under Credit watch with Negative Implications)<br>(28-Jun-19)  | 1)CARE AA- (Under Credit watch with Developing Implications)<br>(29-Jan-19)<br>2)CARE AA-;<br>Stable<br>(06-Jul-18) | 1)CARE A+;<br>Positive<br>(13-Jul-17)                        | 1)CARE A+;<br>Stable<br>(24-Mar-17)  |
| 26. | Commercial Paper                                | ST    | 1500.00 | CARE A1 (Under Credit watch with Negative Implications) | 1)CARE A1+ (Under Credit watch with Negative Implications)<br>(28-Jun-19) | 1)CARE A1+ (Under Credit watch with Developing Implications)<br>(29-Jan-19)<br>2)CARE A1+<br>(06-Jul-18)            | 1)CARE A1+<br>(26-Sep-17)                                    | -  |
| 27. | Debentures-Non Convertible Debentures           | LT    | 150.00  | CARE A+ (Under Credit watch with Negative Implications) | 1)CARE AA- (Under Credit watch with Negative Implications)<br>(28-Jun-19) | 1)CARE AA (Under Credit watch with Developing Implications)<br>(29-Jan-19)<br>2)CARE AA;<br>Stable                  | 1)CARE AA-;<br>Positive<br>(09-Oct-17)                       | -  |

|     |  |    |        |   |   |   |   |   |
|-----|--|----|--------|---|---|---|---|---|
|     |  |    |        |   |   | (06-Jul-18)   |   |   |
| 28. | Term Loan-Short Term                     | ST | -      | -   | 1)Withdrawn<br>(28-Jun-19)  | 1)CARE A1+<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE A1+<br>(25-Sep-18)<br>3)CARE A1+<br>(06-Jul-18) | - | - |
| 29. | Debentures-Non<br>Convertible Debentures | LT | 300.00 | CARE A+<br>(Under Credit<br>watch with<br>Negative<br>Implications) | 1)CARE AA-<br>(Under Credit<br>watch with<br>Negative<br>Implications)<br>(28-Jun-19) | 1)CARE AA<br>(Under Credit<br>watch with<br>Developing<br>Implications)<br>(29-Jan-19)<br>2)CARE AA;<br>Stable<br>(13-Dec-18)                     | - | - |

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no.: +91-22-6837 4424

Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Name: Ms Mamta Muklania

Contact no.: 033-4018 1651/98304 07120

Email ID: [mamta.khemka@careratings.com](mailto:mamta.khemka@careratings.com)

### Business Development Contact

Name: Mr. Lalit Sikaria

Contact no.: 033-40181607

Email ID: [lalit.sikaria@careratings.com](mailto:lalit.sikaria@careratings.com)

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**