

## Srei Infrastructure Finance Limited

December 14, 2020

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long term Bank Facilities	10,772.71	CARE BB+; Credit watch with Negative Implications (Double B Plus; Under Credit Watch with Negative Implications)	Revised from CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)
Short term Bank Facilities	345.00	CARE A4+; Credit watch with Negative Implications (A Four Plus; Credit Watch with Negative Implications)	Revised from CARE A2; Credit Watch with Developing Implications (A Two; Credit Watch with Developing Implications)
<b>Total</b>	<b>11,117.71</b> (Rs. Eleven Thousand One Hundred Seventeen Crore and Seventy One Lakh only)		
Long term infrastructure bond	20.22 (Rs. Twenty crore and Twenty Two lakh only)	CARE BB+; Credit watch with Negative Implications (Double B Plus; Under Credit Watch with Negative Implications)	Revised from CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)
Non-Convertible Debenture issue (Series II, IV, V)	95.90 (reduced from 184.24) (Rs. Ninety Five Crore and Ninety Lakh only)	CARE BB+; Credit watch with Negative Implications (Double B Plus; Under Credit Watch with Negative Implications)	Revised from CARE BBB+; Credit Watch with Developing Implications (Triple B Plus; Credit Watch with Developing Implications)
Unsecured Subordinated Tier II NCDs (Series IV – VI)	594.51 (reduced from 661.11) (Rs. Five Hundred Ninety Four crore and Fifty One Lakh only)	CARE BB; Credit watch with Negative implications (Double B; under credit watch with Negative Implications)	Revised from CARE BBB; Credit Watch with Developing Implications (Triple B; Credit Watch with Developing Implications)

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

Srei Infrastructure Finance Ltd (SIFL) had given effect to the slump exchange for the transfer of its Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") including external borrowings thereon, to its wholly owned subsidiary Srei Equipment Finance Limited (SEFL) in its accounts for the quarter ended December 31, 2019 with appointed date of October 1, 2019. Though SIFL has transferred the rated debt to SEFL in the financial statements, CARE has continued to rate the debts under SIFL due to the continuing uncertainty involved with the slump exchange in view of consent from all the lenders not being obtained. SEFL has approached NCLT, Kolkata with a Scheme of Arrangement to obtain formal consent from required majority of lenders for the slump exchange and also for restructuring of its liabilities including part of debt transferred from SIFL.

The ratings of SIFL were under credit watch with developing implications pending outcome of the proposed meetings of creditors for considering the Scheme of Arrangement as per NCLT order dated October 21, 2020 received by SEFL.

The revision in the ratings assigned to SIFL takes into account the further deterioration in the liquidity position and fund raising ability which has substantially impacted the consolidated credit risk profile of the company with SEFL. There has been significant stretch on liquidity of SEFL in the current year due to impact of Covid-19 on collections (including transferred book of SIFL). Even after three months from the end of the moratorium period in August 2020 as per the Covid-19 Regulatory Package of the Reserve Bank of India (RBI), the collections have remained significantly impacted as understood by CARE. As

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

indicated by the management, the collections in October 2020 and November 2020 remained more or less in line with September 2020 which was around 50%. SEFL (including transferred book of SIFL) has also been approached by a large proportion of its borrowers for restructuring.

SEFL had approached the lenders for restructuring of its bank facilities (including transferred from SIFL) as per the NCLT Order dated October 21, 2020.

However, the current development with respect to the Special Audit initiated by RBI for both SIFL and SEFL (as has been informed by SIFL to the stock exchanges) and concerns on the outcome of the same have impacted the fund raising ability and may also impact the implementation of the Scheme of Arrangement proposed by SEFL. CARE had noted that SEFL has not been able to raise funds in the current year even though it had sanctions in hand. Further, SIFL has not accrued the interest on its outstanding perpetual debt for FY21 after taking consent of the investors for waiver of interest for the year.

The inability to raise funds along with stressed collection efficiency and significant proportion of customers approaching for restructuring had led to stretched liquidity. The recent developments could create further stress for the group if there is delay in realignment of liabilities with cash flows.

There has also been sharp rise in yields on some of the traded instruments of SEFL, indicating increased market concerns on the credit risk profile of the group.

SEFL also has substantial off-book exposure in the form of subordinated assets for securitisation transactions. As per market information, ongoing decline has been reported in quality of the senior pools in view of the impact of Covid-19 and restructuring proposals from borrowers. This might lead to dip in the cash collateral/quality of subordinated assets and further reduce the cash availability.

The ratings also take note of the significant decline in the consolidated profitability of the company during Q2FY21 (refers to the period July 1 2020 to September 30, 2020). The decline in profitability was primarily due to decrease in Net Interest Income (NII) as a result of increase in finance cost despite stable interest income. The credit costs were relatively stable during the quarter and the company is yet to create additional provisions for impact of Covid-19. SEFL is in process of carrying out complete review and reconciliation of the accounts that opted for moratorium and to whom the moratorium was granted and the corresponding provisioning to be done. SEFL, in light of the interim order of the Honorable Supreme Court of India has not classified accounts as Non-Performing Assets (NPA) as on September 30, 2020 which was not NPA as of August 31, 2020. The outstanding as on September 30, 2020 on account of all cases where moratorium benefit was extended by the company upto August 31, 2020 in SMA/Overdue category was significant at about Rs.12,283 crore amounting to around 33% of total assets. Accordingly, in case of increase in credit costs given the collection efficiency, the consolidated profitability may be further impacted. The limited capital buffer and stretched liquidity in SEFL has also resulted in muted disbursements and de-growth in Assets under Management (AUM).

SEFL had approached NCLT with a Scheme of Arrangement to obtain 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 SIFL. Further, in the Scheme, it is mentioned that pursuant to the circulars issued by 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 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.

The consensus of creditors in the above proposed meetings is critical for the consolidated credit risk profile of the company amidst stressed liquidity position. As understood by CARE, there is no clarity as yet on the stance of the consortium on the slump exchange and restructuring scheme. A likely delay and lack of unanimity among the creditors in view of recent happenings may further impact the consolidated credit risk profile of the company. Meanwhile, CARE understands that the lenders have maintained status quo in terms of reporting on the accounts of the group even in case of overdues.

Accordingly, CARE has placed the ratings of SIFL under credit watch with negative implications pending outcome of the special audit initiated by RBI and above proposed meetings of creditors for considering the Scheme of Arrangement amidst stressed liquidity position of the group. CARE would continue to monitor the developments in this regard and will take a view on the ratings on the outcome of the above events.

The ratings remain constrained due to subdued profitability, high gearing, limited availability of liquidity buffers with concentrated resource profile and continued stressed asset quality with significant exposure to entities under the same management or related to the promoter group. There is additional stress on asset quality in the current year due to nationwide disruptions caused by the outbreak of covid-19. The group had availed and also offered moratorium to its customers in terms of the Covid-19 Regulatory Package of RBI. The collections 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.

The ratings also factor in the established position in construction and mining equipment (CME) financing segment and sizable loan Assets under Management (AUM)).

CARE has withdrawn the ratings assigned to Series III and Series VI (Tranche XVI & XIX) of Unsecured NCDs and series VIII of Secured NCDs of SIFL with immediate effect, as SIFL 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 collection efficiency and liquidity position
- 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/downgrade***

- Further increase in overall gearing.
- Further increase in total vulnerable assets to networth.
- Further decline in profitability.
- Deterioration in liquidity profile.
- Any adverse outcome of the ongoing special audit or Scheme of Arrangement proposed by SEFL

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

#### **Key Rating Weaknesses**

##### ***Subdued profitability with further decrease during Q2FY21***

On a consolidated basis, SIFL's total income decreased by 8% from Rs.6,517 crore in FY19 to Rs.5,974 crore in FY20 with decrease in interest income and other operating income. The decrease in interest income of the company was primarily on account of impact of decline in the yield on advances in FY20. The interest cost of the company increased significantly in FY20 despite lower borrowings with increase in cost of borrowings given subdued resource mobilization scenario and reduced short term lower cost borrowings. Thus, consolidated Net Interest Income (NII) contracted from Rs.1,907 crore in FY19 to Rs.1,286 crore in FY20. NIM also declined significantly from 4.72% in FY19 to 3.31% in FY20. With lower pre-provisioning operating profit and increase in credit costs from Rs.698 crore in FY19 to Rs.819 crore in FY20, the PAT was significantly lower at Rs.89 crore in FY20 vis-à-vis Rs.487 crore in FY19. Consequently, the return indicators i.e. ROTA and RONW also deteriorated.

The company reported net profit of Rs.28 crore on total income of Rs.2,397 crore in H1FY21 vis-à-vis net profit of Rs.98 crore on total income of Rs.3,004 crore in H1FY20. The profitability decreased substantially in Q2FY21 due to lower NII and other operating income.

On a standalone basis, the company now mainly derives income in the form of fee and commission income, rental income and income from investments. It reported PAT of Rs.14 crore on total income of Rs.114 crore in FY20 (with net profit from discontinued operations of Rs.21.30 crore in FY20 as against net profit from discontinued operations of Rs.125 crore in FY19).

The company reported net profit of Rs.4 crore on total income of Rs.40 crore in H1FY21 vis-à-vis net profit of Rs.7 crore on total income of Rs.59 crore in H1FY20.

##### ***Continued stressed asset quality***

The consolidated asset quality continued to remain stressed with Gross stage III and Net Stage III assets as a percentage of advances at 10.51% and 7.19% respectively as on March 31, 2020 (13.19% and 10.56% respectively as on March 31, 2019). It deteriorated from 9.45% and 6.82% as on December 31, 2020. Net Stage III assets to networth improved from 80.65% as on March 31, 2019 to 58.02% as March 31, 2020 (deteriorated from 48.14% as on December 31, 2020).

The gross stage III assets and net stage III assets increased further as on September 30, 2020 and the Gross stage III and Net stage III percentage further deteriorated to 11.61% and 8.15% respectively as on September 30, 2020.

Furthermore, the consolidated loan portfolio 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. These include significant advances to projects under the same management or related to the group. The top 20 advances of SEFL accounted for 29% of net advances (excl. operating lease) as on March 31, 2020.

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.

The infrastructure loan portfolio of SIFL which was 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. The liquidation of such exposures is likely to get delayed in the current scenario.

### **High overall gearing**

The capitalisation of the company on a standalone basis improved pursuant to impact of slump exchange. The overall CAR improved from 15.57% as on March 31, 2019 to 21.39% as on March 31, 2020.

However, the consolidated capital structure continued to remain leveraged and overall gearing stood at 8.55x as on March 31, 2020 as against 8.62x as on March 31, 2019.

On a standalone basis, SIFL has transferred majority of its borrowing to SEFL pursuant to the slump exchange. SIFL only had borrowings of Rs.814 crore as on March 31, 2020 and the overall gearing improved to 0.29x as on March 31, 2020 (4.13x as on March 31, 2019).

### **Concentrated resource profile**

The resource profile of the lending subsidiary SEFL remained concentrated as on March 31, 2020 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.

Access to securitisation market supports the funding requirements. The increase in delinquencies in securitized pools may also result in decrease in the cash collaterals and further liquidity stress for 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.

### **Key Rating Strengths**

#### ***Sizable loan AUM and established presence in CME financing***

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.

SIFL on a consolidated basis continues to have a sizeable AUM though the net Loan AUM (incl. off-book assets) reduced marginally to Rs.38,700 crore as on March 31, 2020 as against Rs.39,559 crore as on March 31, 2019. The key subsidiary, SEFL has established presence in the CME financing space.

The combined disbursement made by SEFL (including SIFL), however, 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 in SEFL. 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.

### Liquidity: Stretched

The liquidity remains stretched with low level of free cash and cash equivalents and the fund based working capital limits continue to remain almost fully utilised. The collections of SEFL (including transferred book of SIFL) 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, SEFL only has the option of restructuring in its assets and not in liabilities which has impacted the Asset Liability Maturity (ALM) profile. SEFL 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.

SEFL 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. SEFL 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. The resource raising ability has been further impacted due to the recent developments with respect to the special audit.

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

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

### Applicable Criteria

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

[Criteria for Short Term Instruments](#)

[Rating Methodology: Consolidation](#)

[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](#)

[Policy on withdrawal of ratings](#)

### About the Company

SIFL, a three decade old Kolkata-based NBFC, has been engaged in leasing and hire-purchase/hypothecation financing of heavy construction equipment and financing of infrastructure related projects. Pursuant to forming a 50:50 joint venture (JV) with BNP Paribas Lease Group (BPLG), SIFL divested a major part of its equipment financing and leasing business to SEFL. Post divestment, SIFL is engaged in project financing and infrastructure project advisory. SIFL is classified as 'NBFC-IFC' by RBI and it has also received 'Public Finance Institution' status from the Ministry of Corporate Affairs, GoI.

In June 2016, SIFL acquired the 50% stake of BPLG in SEFL, resulting in SEFL becoming a 100% subsidiary of SIFL and BPLG acquiring 5% stake of SIFL against its shareholding in SEFL. The Lending Business, Interest Earning Business & Lease Business of SIFL merged with SEFL w.e.f October 1, 2019 pursuant to the slump exchange.

Consolidated Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total income	6,516.58	5,974.44
PAT	486.77	88.75
Interest coverage (times)	1.16	1.03
Total Assets	40,000.89	37,749.08
Net NPA (%)	10.56	7.19
ROTA (%)	1.21	0.23

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 Facilities/Instruments

Name of the	ISIN	Date of Issue	Coupon	Maturity	Size of the Issue	Rating assigned
						along with Rating Outlook
Non-fund-based - ST-BG/LC	-	-	-	-	345.00	CARE A4+; Credit Watch With Negative Implications
Fund-based - LT-Cash Credit	-	-	-	-	8685.00	CARE BB+; Credit Watch With Negative Implications
Term Loan-Long Term	-	-	-	Dec'24	2087.71	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07PQ5	29-Oct-11	11.90%	29-Oct-21	30.00	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07PL6	09-Sep-11	11.90%	09-Sep-21	10.00	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07RC1	24-Jan-13	11.50%	24-Jan-23	0.40	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07QD1	08-Jun-12	11.40%	08-Jun-22	0.70	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07QM2	31-Jul-12	11.40%	31-Jul-22	1.30	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07SD7	29-Nov-13	11.10%	29-Nov-23	4.50	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07QS9	05-Oct-12	11.35%	05-Oct-22	20.00	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07TE3	10-Jun-14	11.40%	10-Jun-24	10.00	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07TP9	09-Dec-14	10.05%	09-Dec-24	19.00	CARE BB+; Credit Watch With Negative Implications
Debentures-Non Convertible Debentures	INE872A07TT1	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07TU9	-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE872A07TV7	-	-	-	0.00	Withdrawn
Bond	INE872A07PV5	22-Mar-12	8.90%	22-Mar-22	2.86	CARE BB+; Credit Watch With Negative Implications
Bond	INE872A07PY9	22-Mar-12	8.90%	22-Mar-22	7.69	CARE BB+; Credit Watch With Negative Implications
Bond	INE872A07PZ6	22-Mar-12	9.15%	22-Mar-27	2.16	CARE BB+; Credit Watch With Negative Implications
Bond	INE872A07QA7	22-Mar-	9.15%	22-Mar-	7.51	CARE BB+; Credit Watch

		12		27		With Negative Implications
Debt debt	– Subordinate INE872A08BE9	-	-	-	0.00	Withdrawn
Debt debt	– Subordinate INE872A08BT7	-	-	-	0.00	Withdrawn
Debt debt	– Subordinate INE872A08BX9	23-Dec-11	11.90%	23-Dec-21	69.05	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08BZ4	11-Jan-12	11.90%	11-Jan-22	66.00	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CA5	12-Jan-12	11.90%	12-Jan-22	84.10	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	20.00	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CB3	30-Mar-12	11.40%	30-Mar-22	100.00	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CD9	01-Jun-12	11.50%	01-Jun-22	11.30	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CF4	31-Jul-12	11.50%	31-Jul-22	12.06	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CO6	16-Jan-13	11.70%	16-Jan-23	2.50	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CP3	16-Jan-13	11.85%	16-Jan-23	70.00	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	27.51	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CH0	28-Sep-12	11.70%	28-Sep-22	28.90	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CJ6	18-Oct-12	11.70%	18-Oct-22	10.60	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CL2	31-Oct-12	11.70%	31-Oct-22	4.90	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CQ1	24-Jan-13	11.80%	24-Jan-23	13.19	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CT5	28-Jan-13	11.80%	28-Jan-23	7.00	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CW9	01-Mar-13	11.25%	01-Mar-23	17.50	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08CY5	28-Mar-13	11.25%	28-Mar-23	16.50	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08DA3	-	-	-	0.00	Withdrawn
Debt debt	– Subordinate INE872A08DB1	29-Jun-13	10.75%	29-Jun-23	10.40	CARE BB; Credit Watch With Negative Implications
Debt debt	– Subordinate INE872A08DGO	-	-	-	0.00	Withdrawn
Debt debt	– Subordinate INE872A08DH8	17-Jul-13	10.75%	17-Jul-23	23.00	CARE BB; 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 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.	Fixed Deposit	-	-	-	-	-	-	-
2.	Bonds-Unsecured Redeemable	LT	-	-	-	-	-	1)Withdrawn (03-May-17)
3.	Non-fund-based - ST-BG/LC	ST	345.00	CARE A4+ (Under Credit watch with Negative Implications)	1)CARE A2 (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE A2 (Under Credit watch with Developing Implications) (07-May-20)	1)CARE A2 (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A2+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (06-Jul-18)	1)CARE A1+ (05-Jan-18) 2)CARE A1+ (12-Jul-17) 3)CARE A1+ (03-May-17)
4.	Fund-based - LT-Cash Credit	LT	8685.00	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (05-Jan-18) 2)CARE A+; Stable (12-Jul-17) 3)CARE A+; Stable (03-May-17)
5.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	1)Withdrawn (30-Apr-20)	1)CARE BBB (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)



6.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)
7.	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	1)Withdrawn (30-Apr-20)	1)CARE A2 (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A2+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (26-Oct-18) 3)CARE A1+ (06-Jul-18)	1)CARE A1+ (12-Jul-17) 2)CARE A1+ (03-May-17)
8.	Debentures-Non Convertible Debentures	LT	40.40	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
9.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
10.	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn

								(03-May-17)
11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-May-17)
12.	Debt-Subordinate Debt	LT	239.15	CARE BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)
13.	Debt-Non-convertible Debenture/Subordinate Debt	LT	223.37	CARE BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)
14.	Bonds	LT	20.22	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
15.	Debentures-Non Convertible Debentures	LT	6.50	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications)	1)CARE A+ (Under Credit watch with Developing Implications)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)

					(09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	(27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	(29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	
16.	Term Loan-Long Term	LT	2087.71	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (05-Jan-18) 2)CARE A+; Stable (12-Jul-17) 3)CARE A+; Stable (03-May-17)
17.	Debt-Non-convertible Debenture/Subordinate Debt	LT	131.99	CARE BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE BBB+ (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A; Stable (06-Jul-18)	1)CARE A; Stable (12-Jul-17) 2)CARE A; Stable (03-May-17)
18.	Debentures-Non Convertible Debentures	LT	49.00	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
19.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (07-May-20)	1)CARE BBB+ (Under Credit watch	1)CARE A+ (Under Credit watch	1)CARE A+; Stable (12-Jul-17)

						with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	2)CARE A+; Stable (03-May-17)
20.	Bonds-Secured Redeemable Bonds	-	-	-	-	-	-	-
21.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
22.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
23.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
24.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (30-Apr-20)	1)CARE BBB+ (Under Credit watch with Developing	1)CARE A+ (Under Credit watch with Developing	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable

						Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	(03-May-17)
25.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
26.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-May-17)
27.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
28.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (30-Apr-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)
29.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications)	1)CARE A+ (Under Credit watch with Developing Implications)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)

						(27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	(29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	
30.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+ (Under Credit watch with Developing Implications) (07-May-20)	1)CARE BBB+ (Under Credit watch with Developing Implications) (27-Feb-20) 2)CARE A- (Under Credit watch with Negative Implications) (13-Aug-19)	1)CARE A+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (12-Jul-17) 2)CARE A+; Stable (03-May-17)

**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.	Bonds	Simple
2.	Debentures-Non Convertible Debentures	Simple
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](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.

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