Srei Equipment Finance Limited
December 14, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings[8]	Rating Action
Long-term Bank Facilities	15,854.21	**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	1,058.00	**CARE A4+; Credit watch with negative implications (A Four Plus; Credit Watch with Negative Implications)**	**Revised from CARE A3+; Credit Watch with Developing Implications (A Three Plus; 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 (Rs. Three Hundred Fifty Two crore and Fifteen 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)**
Proposed Non-Convertible Debenture issue	**0.30 (Rs. Thirty lakh only)**		
Unsecured Subordinated Tier II NCDs (Series IV, V, VII, & IX)	**109.80 (Rs. One Hundred Nine crore and Eighty 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)**
Perpetual debt (Series I)	**37.50 (Rs. Thirty seven crore and fifty lakh only)**	**CARE BB-; Credit watch with Negative implications (Double B minus; under credit watch with Negative Implications)**	**Revised from CARE BBB; Credit Watch with Developing Implications (Triple B Minus; Credit Watch with Developing Implications)**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to Srei Equipment Finance Limited (SEFL) takes into account the further deterioration in the liquidity position and fund raising ability of the company which has substantially impacted the credit risk profile of the company. The company has witnessed significant stretch on liquidity in the current year due to impact of Covid-19 on collections. 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 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%. The company has also been approached by a large proportion of its borrowers for restructuring.

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

The company had approached the lenders for restructuring of its bank facilities (including transferred from Srei Infrastructure Finance Limited) as per the NCLT Order dated October 21, 2020.

However, the current development with respect to the Special Audit initiated by RBI for both the holding company viz. Srei Infrastructure Finance Limited (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 of the company and may also impact the implementation of the Scheme of Arrangement proposed by SEFL. CARE had noted that the company has not been able to raise funds in the current year even though it had sanctions in hand.

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 company 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 company.

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 profitability of the company during Q2FY21 (refers to the period July 1 2020 to September 30, 2020). The decline in profitability of SEFL was primarily due to decrease in Net Interest Income (NII) as a result of increase in finance cost despite stable interest income. The decline in profitability was also due to increase in operating expenses during the quarter. The credit costs were stable during the quarter and the company is yet to create additional provisions for impact of Covid-19. The company 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. The company 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.122,83 crore amounting to around 34% of total assets. Accordingly, in case of increase in credit costs given the collection efficiency, the profitability may be further impacted and subsequently impact the capitalisation which is just above the regulatory requirement. The limited capital buffer and stretched liquidity has also resulted in muted disbursements and de-growth in Assets under Management (AUM).

The ratings were earlier placed on credit watch with developing implications due to the uncertainty with respect to the outcome of the above mentioned NCLT order dated October 21, 2020 received by SEFL for the Scheme of Arrangement filed by it.

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 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 credit risk profile of the company. Meanwhile, CARE understands that the lenders have maintained status quo in terms of reporting on the account of the company even in case of overdues.
Accordingly, CARE has placed the ratings of SEFL 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 company. 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 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 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.
The ratings factor in SEFL's established position in construction and mining equipment (CME) financing segment and sizeable loan Assets under Management (AUM).

Rating Sensitivities

Positive Factors: Factors that could lead to positive rating action/upgrade

- Substantial Improvement in collection efficiency and liquidity position of the company
- 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 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.
- Any adverse outcome of the ongoing special audit or Scheme of Arrangement proposed by the company

Detailed description of the key rating drivers

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. The liquidation of such exposures is likely to get delayed in the current scenario.
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 with further decrease during Q2FY21

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 provisions/write-offs for the year increased significantly from Rs.532 crore in FY19 to Rs.730 crore in FY20. With lower pre-provisioning profit 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.22 crore on total income of Rs.2,417 crore in H1FY21 vis-à-vis net profit of Rs.85 crore on total income of Rs.2,105 crore in H1FY20. The profitability decreased q-o-q and company reported net profit of Rs.2 crore on total income of Rs.1,226 crore in Q2FY21 vis-à-vis net profit of Rs.20 crore on total income of Rs.1,191 crore in Q1FY21. The profitability was impacted due to lower NII with higher interest costs and operating expenses during the quarter.

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 increased further and stood at Rs.3,619 crore and Rs.2,444 crore as on September 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.
Access to securitisation market supports the funding requirements of the company. 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
Sizeable 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. SEFL has established presence in the CME financing space and had a sizeable 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.
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. 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 company has stretched liquidity 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 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. The resource raising ability has been further impacted due to the recent developments with respect to the special audit.

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

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 A4+; Credit Watch with Negative Implications
Term Loan-Long Term	-	-	-	Dec'25	4,534.21	CARE BB+; Credit Watch with Negative Implications
Fund-based - LT-Cash Credit	-	-	-	-	11,320.00	CARE BB+; Credit Watch with Negative Implications
Debentures-Non Convertible Debentures	INE881J07DG4	13-Jun-14	10.92%	13-Jun-24	10.00	CARE BB+; Credit Watch with Negative Implications
Debentures-Non Convertible Debentures	INE881J07DH2	20-Jun-14	10.90%	20-Jun-24	10.00	CARE BB+; Credit Watch with Negative Implications
Debentures-Non Convertible Debentures	INE881J07DX9	11-May-15	10.25%	11-May-22	32.15	CARE BB+; Credit Watch with Negative Implications
Proposed Non-Convertible Debentures	-	-	-	-	0.30	CARE BB+; Credit Watch with Negative Implications
Debentures-Non Convertible Debentures	INE881J07FV8	30-Jan-19	10.50%	30-Jan-24	300.00	CARE BB+; Credit Watch with Negative Implications
Subordinate Debt	INE881J08177	24-Jan-13	11.25%	24-Jan-23	9.00	CARE BB; Credit Watch with Negative Implications
Subordinate Debt	INE881J08219	07-May-13	11.25%	07-May-23	20.80	CARE BB; Credit Watch with Negative Implications
Subordinate Debt	INE881J08284	16-Mar-15	11.00%	16-Mar-25	5.00	CARE BB; Credit Watch with Negative Implications
Subordinate Debt	INE881J08540	10-Mar-17	10.45%	10-Mar-24	75.00	CARE BB; Credit Watch with Negative Implications
Debt-Perpetual Debt	INE881J08136	30-Dec-11	12.50%	-	37.50	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.	Non-fund-based - ST-BG/LC	ST	1058.00	CARE A4+ (Under Credit watch with Negative Implications)	1)CARE A3+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE A3+ (01-Sep-20) 3)CARE A2+ (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A2+ (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A1 (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A1+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (25-Sep-18) 3)CARE A1+ (06-Jul-18)	1)CARE A1+ (13-Jul-17) 2)CARE A1+ (24-Apr-17)
2.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	-	1)Withdrawn (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
3.	Debt-Non-convertible Debenture/Subordinate Debt	LT	-	-	-	1)Withdrawn (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA- (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	1)CARE A+; Positive (13-Jul-17)
4.	Term Loan-Long Term	LT	4534.21	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19)	1)CARE AA-; Positive (13-Jul-17) 2)CARE

					2)CARE BBB+; Stable (01-Sep-20) 3)CARE A (Under Credit watch with Negative Implications) (07-May-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)	2)CARE AA; Stable (25-Sep-18) 3)CARE AA; Stable (06-Jul-18)	AA-; Stable (24-Apr-17)
5.	Debt-Subordinate Debt	LT	9.00	CARE BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB; Stable (01-Sep-20) 3)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 BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB; Stable (01-Sep-20) 3)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 BB+ (Under Credit watch with Negative	1)CARE BBB+ (Under Credit watch with Developing	1)CARE A (Under Credit watch with Negative	1)CARE AA (Under Credit watch with Developing	1)CARE AA-; Positive (13-Jul-

				Implications)	Implications) (09-Nov-20) 2)CARE BBB+; Stable (01-Sep-20) 3)CARE A (Under Credit watch with Negative Implications) (07-May-20)	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)	Implications) (29-Jan-19) 2)CARE AA; Stable (25-Sep-18) 3)CARE AA; Stable (06-Jul-18)	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 BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+; Stable (01-Sep-20) 3)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	1)CARE AA-; Positive (13-Jul-17)

10.	Debt-Perpetual Debt	LT	37.50	CARE BB- (Under Credit watch with Negative Implications)	1)CARE BBB- (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB-; Stable (01-Sep-20) 3)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 BB (Under Credit watch with Negative Implications)	1)CARE BBB (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB; Stable (01-Sep-20) 3)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 BB+ (Under Credit	1)CARE BBB+ (Under Credit	1)CARE A (Under Credit	1)CARE AA (Under Credit	1)CARE AA-;

				watch with Negative Implications)	watch with Developing Implications) (09-Nov-20) 2)CARE BBB+; Stable (01-Sep-20) 3)CARE A (Under Credit watch with Negative Implications) (07-May-20)	watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (06-Jul-18)	Positive (13-Jul-17)
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 BB (Under Credit	1)CARE BBB (Under Credit	1)CARE A- (Under Credit	1)CARE AA- (Under Credit	1)CARE A+;

				watch with Negative Implications)	watch with Developing Implications) (09-Nov-20) 2)CARE BBB; Stable (01-Sep-20) 3)CARE A- (Under Credit watch with Negative Implications) (07-May-20)	watch with Negative Implications) (27-Feb-20) 2)CARE A (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE A+ (Under Credit watch with Negative Implications) (28-Jun-19)	watch with Developing Implications) (29-Jan-19) 2)CARE AA-; Stable (06-Jul-18)	Positive (13-Jul-17)
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)Withdrawn (09-Nov-20) 2)CARE BBB+; Stable (01-Sep-20) 3)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	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)

						Implications) (28-Jun-19)		
21.	Term Loan-Short Term	ST	-	-	-	1)Withdrawn (28-Jun-19)	1)CARE A1+ (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE A1+ (25-Sep-18) 3)CARE A1+ (06-Jul-18)	-
22.	Debentures-Non Convertible Debentures	LT	300.00	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20) 2)CARE BBB+; Stable (01-Sep-20) 3)CARE A (Under Credit watch with Negative Implications) (07-May-20)	1)CARE A (Under Credit watch with Negative Implications) (27-Feb-20) 2)CARE A+ (Under Credit watch with Negative Implications) (13-Aug-19) 3)CARE AA- (Under Credit watch with Negative Implications) (28-Jun-19)	1)CARE AA (Under Credit watch with Developing Implications) (29-Jan-19) 2)CARE AA; Stable (13-Dec-18)	-
23.	Debentures-Non Convertible Debentures	LT	0.30	CARE BB+ (Under Credit watch with Negative Implications)	1)CARE BBB+ (Under Credit watch with Developing Implications) (09-Nov-20)	-	-	-

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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