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 *for any clarifications*

Explanatory notes regarding rating symbols of CARE

Symbol	Explanation	Symbol	Symbol	Explanation		*Symbol*	
CARE A1	Superior	CARE AAA	CARE AAA (FD)	Best Quality	High Investment Grade	CCt 1	Very high project execution capability[
CARE A2	Strong	CARE AA	CARE AA (FD)	High Quality	-do-	CCt 2	High project execution capability
CARE A3	Adequate	CARE A	CARE A (FD)	Adequate Safety	Investment Grade	CCt 3	Moderate project execution capability
CARE A4	Risk prone	CARE BBB	CARE BBB (FD)	Moderate Safety	-do-	CCt 4	Inadequate project execution capability
CARE D	Default	CARE BB	CARE BB (FD)	Inadequate safety	Speculative Grade	CCt 5	Poor project execution capability
		CARE B	CARE B (FD)	Risk Prone	-do-		
		CARE C	CARE C (FD)	High Risk	Poor Grade		
		CARE D	CARE D(FD)	Default	-do-		

Disclaimer

CAREs ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the Concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings 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.

Sunny View Estates Pvt. Ltd.
March 10, 2021

Ratings

Facilities/Instruments	**Amount (Rs. crore)**	**Ratings**	**Rating Action**
Short Term Bank Facilities	75.00	CARE A3+ (CE) (CWD) [A Three Plus (Credit Enhancement)] (Under Credit watch with Developing Implications)	Revised from CARE A2+ (CE) [A Two Plus (Credit Enhancement)]; Revision in credit watch from Negative Implications to Developing Implications
Total Bank Facilities	**75.00 (Rs. Seventy-Five Crore Only)**		
Non Convertible Debentures	200.00	CARE BBB (CE) (CWD) [Triple B (Credit Enhancement)] (Under Credit watch with Developing Implications)	Revised from CARE A- (CE) [Single A Minus (Credit Enhancement)]; Revision in credit watch from Negative Implications to Developing Implications
Total Long Term Instruments	**200.00 (Rs. Two Hundred Crore Only)**		

Details of instruments/facilities in Annexure-1
^Credit enhancement in the form of an unconditional, irrevocable and revolving DSRA Guarantee provided by Shapoorji Pallonji and Company Private Limited (SPCPL, rated CARE BBB / CARE A3+; under Credit Watch with Developing Implications)

Unsupported Rating [4]	**CARE BB- (Double B Minus) / A4 (A Four)**

Note : Unsupported Rating does not factor in the explicit credit enhancement

Detailed Rationale & Key Rating Drivers for the credit enhanced debt
The revision in the ratings assigned to the Long Term Non-Convertible Debentures (NCDs) and bank facilities of Sunny View Estates Private Limited (Sunny View) follows revision in the ratings of credit enhancement provider i.e. Shapoorji Pallonji & Company Private Limited (SPCPL) to 'CARE BBB/CARE A3+; under credit watch with developing implications' from 'CARE A-/CARE A2+; under credit watch with negative implications'. The ratings continue to derive comfort from the credit enhancement in the form of unconditional, irrevocable and revolving Debt Service Reserve Account (DSRA) guarantee provided by SPCPL as well as structured payment mechanism (SPM) designed to ensure the timely servicing of the debt and interest due to the instrument. CARE also notes that the obligation of the CE provider includes all the payouts as defined under the Facility Agreement including interest payments, principal amounts as well as all outstanding secured obligations payable, arising out of any Event of Default or Early Redemptions also. The company applied for OTR for long term loan of Rs. 75 cr which has been invoked and implemented. As a part of resolution plan, company will meet its debt obligation through its own project cashflows. Company is also looking to refinance existing debt with foreign investor.
Any variation in the credit profile of the credit enhancement provider i.e. SPCPL as well as non-adherence to the Structured Payment Mechanism would be the key rating sensitivities.

Key Rating Drivers of Sunny View Estates Pvt. Ltd.
The unsupported rating takes into account low occupancy levels due to Covid-19 pandemic resulting into negligible cash flow from operations as well as high tenant concentration risk with only three tenants accounting for 60% of the leased area as on March 03, 2021. Ability of the company to improve occupancy levels and generate positive cash flow from operations as well as monetizing the assets would be the key rating sensitivities. The implications of the exit of any of the existing tenants will also remain a key rating monitorable.

[4] *As stipulated vide SEBI circular no SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 dated June 13, 2019. As per this circular, the suffix 'CE' (Credit Enhancement) is assigned to the ratings with explicit external credit enhancement, against the earlier used suffix 'SO' (Structured Obligation).*

Detailed Rationale & Key Rating Drivers of Credit Enhancement Provider - Shapoorji Pallonji & Company Private Limited (SPCPL)

The ratings assigned to the Non-Convertible Debentures and Commercial Paper of Shapoorji Pallonji and Company Private Limited (SPCPL), continue to derive strength from the presence of the experienced promoter group, strong customer base and healthy revenue visibility with well-diversified order book, improved industry outlook in the near to medium term and enhanced profitability for FY2020.

However, the rating strengths continue to be tempered by higher than envisaged deterioration in the operational and financial performance for FY20 and 9MFY21 since the onset of Covid-19 pandemic. The ratings also factor multiple qualified observations by the auditors for FY20 and impairments to investments, loans and advances, the deterioration in the financial flexibility enjoyed by the company and the group in the past. Further, the earlier envisaged promoter-level fund raising plans have entered a deadlock on account of the ongoing litigation with the Tata group. As on February 20, 2021 the matter is sub-judice and the order is reserved.

Consequently, SPCPL applied for the One Time Restructuring (OTR) facility (under the RBI guidelines issued on August 6, 2020 and September 7, 2020) on September 17, 2020 and not made any payments due to the lenders (including investors of CP issues) post application under OTR. The OTR was invoked on October 26, 2020 and the Inter Creditor Agreement (ICA) was signed by all the eligible lenders by November 24, 2020. However, the final resolution plan has been circulated to the lenders for approval, and is expected to be implemented within the regulatory timelines, i.e. 180 days from the date of invocation. Consequently, the ratings continue to remain under ‘Credit Watch with Developing Implications’. The timely approval of all the lenders and implementation of the plan continues to be a key rating monitorable. CARE is constantly monitoring the progress of the OTR implementation and the credit watch will be resolved thereon.

The ratings continue to be further tempered by the leveraged capital structure, substantial off-balance sheet exposure in the form of corporate guarantees and other financial support extended to its group companies and high collection period.

<u>Rating Sensitivities</u>

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

- Overall gearing ratio of SPCPL reducing below 2.5x.
- Favourable resolution of the dispute with Tata group

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

- Delay in implementation of the OTR.
- Inability of SPCPL to achieve success in its asset monetization plans and refinancing plans within envisaged timeframes, resulting in OTR failure

Detailed description of the key rating drivers

Key Rating Strengths

Experienced promoter group: The SP Group is one of the India’s oldest and well reputed business groups in the construction, infrastructure and real estate space, with more than 154 years history. As the group’s flagship company, SPCPL benefits from vast experience of its qualified promoters and management as well as from the group’s resourcefulness and ability to raise fund through capital market instruments. The promoters also infused funds aggregating Rs.1740 crore during FY2019 and Rs.1968 crore during FY2020. The group also raised funds through IPO of Sterling & Wilson Solar Ltd. in FY2020.

SP Group articulated over a period of time its intent to deleverage SPCPL and its group companies and augment the long-term resources; the promoters had conveyed their continued support by way of proposed fund infusion of approximately USD 1.4 billion during H1FY21, which was unsuccessful due to ongoing legal dispute with the Tata group pending resolution at Hon’ble Supreme Court. CARE notes that timely and favourable outcome of the case will restore the financial flexibility of the SP group at a faster pace. Contrarily any adverse outcome or unprecedented delay in settlement of the same will further jeopardize the recovery pace for the group and SPCPL in particular.

Strong customer base and healthy revenue visibility over the medium term with well-diversified order book: Over the years, SPCPL has demonstrated its ability to execute large scale complex projects in various domains – both in India as well as overseas; and has thereby developed long standing relationships with strong and reputed clientele enabling it to get repeat business from most of these reputable clients. On a standalone level, the construction business remains the mainstay of SPCPL, accounting for over 90% of SPCPL’s revenues. The order book stood at Rs.37,363 crore as on December 31, 2020 (as against Rs.41,533 crore as on December 31, 2019), which is 3.38 times of construction revenue for FY20, thereby imparting strong revenue visibility over the next 3-4 years in the company’s core business. SPCPL’s order book is largely dominated by non-group clients (~95% of the order book), thereby reflecting its minimal dependence on the prospects/performance of its group companies. Margins are likely to be stable with new orders in line with past. Most of the contracts entered contain cost escalation clauses to protect margins.

At a consolidated level, order book was approximately Rs.1,00,000 crore as on March 31, 2020 and Rs.1,06,545 crore as on December 31, 2020, which is 2.57 times of consolidated revenue during FY20.

Industry outlook: Given the construction sector's high labour intensity and reliance on complex supply chains and sub-contractor networks, disruptions to project activity have been and will be inevitable on account of constant lockdowns opted by governments across the globe to contain the virus. There is an expectation for investments into new projects from private sector to slow down owing to both operational restrictions as well as uncertainty over the strength of the current economy. The COVID-19-led slowdown has hurt the construction industry. However, the impact has been restricted to deferring of new ordering activity by two quarters. Most infrastructure companies make the bulk of their annual sales and new orders in the fourth quarter of a fiscal year, which have now been deferred by two quarters, since the start of the pandemic and the subsequent lockdown across countries.

The Reserve Bank of India had issued several circulars to give relief to individuals and businesses impacted due to the pandemic in order relieve the financial stress from the economy and its subjects. The Government of India has further announced INR 20 trillion stimulus to revive the badly hit economy, which includes aids for the construction industry as well, amongst several others. In a big relief for the construction workers, the state governments have been directed to utilize the welfare fund with a corpus of INR 310 billion. RBI's decision to cut lending rates by 75 basis points, INR 300 billion liquidity infusion in the non-banking sector and the government's proposed investments in the infrastructure segment are all expected to provide the necessary tailwind to facilitate the construction sector's recovery. Furthermore, the government has also instructed all central agencies like Railways, Central Public Works Department to provide an extension of the deadline, up to six months, with no costs to the contractor. Such stimulus package could prevent an upward cripple effect on major EPC players. Further, the sharp hike in capital expenditure allocation to Rs.5.54 lakh crore proposed in the Union Budget will lead to new projects announcements across infrastructure sectors which will aid the construction companies. The special mechanism to enable states to spend on infrastructure will also help in new order flows from which construction companies will be benefitted in terms of building their order books.

Key Rating Weaknesses

Deterioration in the high financial flexibility enjoyed in the past: SP Group holds several land parcels in the country with market value which offers substantive appreciation over its book value at present, part of which is expected to be monetised in the near future to improve its financial profile. Accordingly, the company has large number of long-term investments held through its subsidiaries, JVs and associates in diverse fields such as real estate, electrical contracting, water purification, infrastructure development, etc. some of which the company plans to monetise by way of stake sale to private equity investors. Furthermore, the promoters of Shapoorji Pallonji group are the single largest stakeholder of Tata Sons Private Limited with 18.37% stake. While in the past the SP Group monetized this holding by pledging it, the recent effort has seen a roadblock in the form of the ongoing litigation with the Tata group at the Hon'ble Supreme Court. As on February 20, 2021, the matter is sub-judice and the order is reserved.

Consequent to these developments CARE Ratings believes that there is a significant deterioration in the financial flexibility enjoyed by the group under the given circumstances. Timely resolution of ongoing dispute with TSPL along with successful asset monetisation will be critical for SPCPL to meet its debt obligations and operational requirements.

Deterioration in the operating performance in FY2020; albeit improvement in profitability margins: With robust order book and execution of the same during FY19, total operating income of SPCPL on a standalone basis, registered growth of about 37% to Rs.13,206 crore in FY19 from about Rs.9,673 crore in FY18. But, due to the stay on construction activities in Andhra Pradesh and the covid-19 lockdown in the last week of March 2020, revenue from operations declined in FY2020 to Rs.9,770 crore. However, PAT Margins improved by 413 bps to 6.92% in FY20 from 2.79% in FY19. On a consolidated basis, as per the provisional financials shared by the management, total operating income of SPCPL registered a de-growth of about 16% to Rs.41,400 crore in FY20 from about Rs.49,332 crore in FY19. Further, the PBILDT margin declined from 7.77% in FY19 to 7.10% in FY20.

The impact of Covid-19 on the business operations is evident from the decline observed by SPCPL in H1FY21 over H1FY20. The revenue from operations declined by ~52% from Rs.4,576 crore during H1FY20 to Rs.2,193 crore during H1FY21. Further, as against an EBITDA margin (for business operations, excluding other operating income) of 3.5% in H1FY20, the corresponding EBITDA margin reduced to -1.18% in H1FY21. While nearly 65% work is executed in H2 and nearly 35% in Q4, further underperformance in H2Fy21 will be a negative rating monitorable.

Missed payment of CPs post applying for One Time Restructuring (OTR): As per various emails received from the Issuing and Paying Agent (IPA), SPCPL had defaulted on repayment of Commercial papers due on and after September 25, 2020. On account of the significant impact of the delays in the promoter funding and of Covid-19 pandemic on the cash flows of SP group, SPCPL applied for the One Time Restructuring (OTR) facility vide its letter dated September 17, 2020 to all of its lenders, under RBI guidelines issued on August 6, 2020 and September 7, 2020.

Further, as per management, SPCPL had been advised to not remit any payments post initiation of the OTR process i.e. on September 17, 2020. In line with CARE Ratings' Criteria on the 'Analytical treatment for one-time restructuring due to Covid-19 related stress', the non-payment of a capital market instrument had not been considered as a default as the OTR application was made before due date to the investor, which is a banking institution. The OTR was invoked on October 26, 2020 and ICA was signed by November 24, 2020. However, the final resolution plan has been circulated to the lenders for approval, and is expected to be implemented within the regulatory timelines, i.e. 180 days from the date of invocation. On time approval and implementation of the resolution plan is a precursor for recovery of the group and SPCPL in particular.

Highly leveraged capital structure with substantial off-balance sheet exposure in the form of corporate guarantees and financial support extended to group companies; albeit reduction from earlier levels: On a standalone basis, SPCPL relied on debt to infuse equity in projects at SPV level. As such, total borrowing on standalone level has seen continued increase from Rs.9,762 crore as on March 31, 2018 (including mobilization advances of Rs.2,149 crore, Promoter Loans of Rs.134 crore and Preference Share Capital of Rs.100 crore), to Rs.11,745 crore as on March 31, 2019 (including mobilization advances of Rs. 2,252 crore, Promoter Loans of Rs.1,374 crore and Preference Share Capital of Rs.100 crore) and to Rs.15,778 crore to March 31, 2020 (including mobilization advances of Rs.2,351 crore, Promoter Loans of Rs.3,342 crore and Preference Share Capital of Rs.58 crore). The capital structure of the company, declined further to 3.86 times as on March 31, 2020 from 3.45 times as on March 31, 2019. During FY2020, promoters have infused Rs.1,968 crore to support the liquidity. However, as per the resolution plan, part of the promoter loans and preference share capital aggregating Rs.2,724 crore is proposed to be converted to perpetual debt by end of FY21. Further, as per the broad contours to the resolution plan as shared by the lenders, substantial prepayment of debt is envisaged out of monetization of assets held by SPCPL.
SPCPL has a substantial off-balance sheet exposure to its group companies in the form of corporate guarantees and other financial support extended to group companies. As on December 31, 2020, guarantees extended by SPCPL (financial and performance) including DSRA principal stood at around Rs.6,613 crore. However, including Letter of Comforts, these have reduced by 18% i.e ~ Rs.12,100 crore as on March 31, 2019, to ~ Rs.8,800 crore as at end of 9MFY21. During 9MFY21, financial guarantees (including DSRA principal, excluding performance guarantees) have reduced by Rs.834 crore, by refinancing the corresponding guaranteed debt with non-guaranteed debt.

High collection period: SPCPL had a high collection period of 133 days for the year ended March 31, 2018, which had marginally improved to 117 days for the year ended March 31, 2019, leading to an improvement in the working capital cycle to 33 days (FY19) from 41 days (FY18). However, the collection period increased substantially to 182 days for the year ended March 31, 2020, leading to an increase in the working capital cycle to 52 days in FY2020. As on December 31, 2020, SPCPL had outstanding debtors of Rs.3,233 crore, of which, Rs.2,187 crore (including retention money of Rs.935 crore) is outstanding for more than 365 days and Rs.563 crore is outstanding for less than 180 days.

Liquidity: Stretched
As on December 31, 2020, SPCPL had a standalone unencumbered cash and bank balance of Rs.529 crore and unutilized fund-based limits of Rs.20 crore. However, the covid-19 pandemic and the on-going litigation with the Tata group restricting the ability to raise funds by pledging the promoter stake held in TSPL, led to deterioration in the financial flexibility of SPCPL. As a result of the above developments, SPCPL had applied for the One Time Restructuring (OTR) facility based on guidelines prescribed by the RBI. While the OTR was invoked on October 26, 2020 and ICA was signed on November 24, 2020, the final resolution plan has been circulated to the lenders for approval, and is expected to be implemented within the regulatory timelines, i.e. 180 days from the date of invocation. The monetization events as envisaged under the resolution plan will be vital to improve the liquidity position of the company and the group.

Analytical approach:
Credit Enhancement provider: While SPCPL's core operations are EPC in nature, it is also the holding company for its various group companies. Consequently, it has extended substantial financial support to its subsidiaries/associates/JVs, in the form of investments/guarantees which are also factored in the credit assessment.
Unsupported rating: Standalone

Applicable Criteria
Analytical Treatment of Restructuring - COVID
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology – Factoring Linkages Parent Sub JV Group
Rating Methodology – Construction Sector
Rating of Short Term Instruments
Rating of loans by investment holding companies
Financial Ratios – Non-financial sector
Liquidity Analysis of Non-Financial Sector Entities
Rating Methodology for real estate sector
Criteria for Credit enhanced debt

About the CE Provider – SPCPL

SPCPL is the holding-cum-operating and the flagship company of the SP Group. SPCPL is equally held by Mr. Shapoor P. Mistry and Mr Cyrus P. Mistry through the group's investment companies.

The SP Group is an extensive conglomerate with business interests in several sectors such as real estate, coal mining, power, ports, roads, biofuels & agriculture, shipping & logistics, consumer products and textiles amongst others. Most of groups businesses are held by SPCPL as subsidiaries, JVs and associates. During its more than 154 years of operations, the SP Group has built diverse civil and engineering structures like factories, nuclear waste handling establishments, stadiums and auditoriums, airports, hospitals, hotels, housing complexes, water treatment plants, roads, power plants and floating production storage and offloading around the world.

About the Company – Sunny View Estates Pvt. Ltd.

Sunny View is a wholly owned subsidiary of SPCPL. Shapoorji Pallonji group (SP group) has been developing 9 commercial spaces with focus on IT/ITeS under the brand 'SP Infocity'. The SP Infocity-Mohali in the state of Punjab has been constructed by Sunny View. The project comprises of two towers with aggregate leasable area of 5.68 lakh sq.ft.

The project is located in Quark City SEZ, at a distance of around 15 kms from the Chandigarh International Airport and around 12 kms from the Chandigarh Railway Station having a regional and national connectivity. It comprises of:

- One Independent building dedicated for IT/ITeS admeasuring 2.50 lakhs sq.ft (2.00 lakh sqft occupied)
- One Independent building dedicated for IT SEZ admeasuring 3.18 lakhs sq.ft (1.18 sq ft occupied)

Brief Financials of SPCPL(Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	13,206	9,770
PBILDT	1,550	1,132
PAT	368	676
Overall gearing (times)	3.45	3.86
Interest coverage (times)	1.82	0.91

A: Audited; Note: Financials are classified as per CARE's internal standards

Brief Financials of Sunny View (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	7.44	28.69
PBILDT	-2.56	20.79
PAT	-26.49	-27.05
Overall gearing (times)	-ve	-ve
Interest coverage (times)	-ve	0.45

A: Audited; Note: Financials are classified as per CARE's internal standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - ST-Term loan		-	-	Sep 2022	75.00	CARE A3+ (CE) (CWD)
Un Supported Rating-Long term/ Short Term		-	-	-	0.00	CARE BB-/ A4
Debentures-Non Convertible Debentures	INE195S08025	January 23, 2018	11.75%	April 12, 2021	200.00	CARE BBB (CE) (CWD)

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.	Debentures-Non Convertible Debentures	LT	200.00	CARE BBB (CE) (CWD)	1)CARE A- (CE) (CWN) (14-Oct-20)	1)CARE A+ (CE) (CWD) (12-Dec-19) 2)CARE AA- (SO) (CWD) (07-Jun-19) 3)CARE AA (SO) (CWD) (05-Apr-19)	1)CARE AA (SO) (CWD) (11-Dec-18)	1)CARE AA+ (SO); Stable (06-Feb-18)
2.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (14-Oct-20)	1)CARE A+ (CE) (CWD) (12-Dec-19) 2)CARE AA- (SO) (CWD) (07-Jun-19) 3)CARE AA (SO) (CWD) (05-Apr-19)	1)CARE AA (SO) (CWD) (11-Dec-18) 2)CARE AA+ (SO); Stable (11-Jul-18) 3)Provisional CARE AA+ (SO); Stable (22-May-18)	-
3.	Un Supported	LT	0.00	CARE	1)CARE BB-	1)CARE BB	-	-

	Rating			BB-	(14-Oct-20)	(12-Dec-19)		
4.	Fund-based - ST-Term loan	ST	75.00	CARE A3+ (CE) (CWD)	1)CARE A2+ (CE) (CWN) (14-Oct-20) 2)CARE A1+ (CE) (CWD) (19-May-20) 3)Provisional CARE A1+ (CE) (CWD) (21-Apr-20)	-	-	-
5.	Un Supported Rating-Un Supported Rating (Short Term)	ST	0.00	CARE A4	1)CARE A4 (14-Oct-20) 2)CARE A4 (19-May-20) 3)CARE A4 (21-Apr-20)	-	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument

Name of the Instrument (NCD)	Detailed explanation
E. Financial covenants	
I. Non-Convertible Debentures (NCDs)	• No External Debt can be raised without written consent of Debenture Holders. • At any point of time, 3 months Interest and Principal due and payable in next one month should be maintained in DSRA account on ongoing basis till final Redemption of NCD.
II. Short term Bank Facilities	• No further debt can be raised without written consent of the Lender • At any point of time, 4 months Interest and Principal due and payable in next 2 months should be maintained in Debt Service Reserve Account (DSRA) on ongoing basis till repayment of this Facility
F. Non-Financial covenants	
I. Non-Convertible Debentures (NCDs)	• SPCPL at all points in time shall exercise management control and maintain minimum shareholding of 76% during the tenure of the NCD.
II. Short Term Bank Facilities	• Borrower shall not raise any external debt on the Secured assets and/or create any encumbrance on the Secured assets of this Facility including the cashflows • Any group company/promoter debt to be subordinated to this Facility

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.	Fund-based - ST-Term loan	Simple
3.	Un Supported Rating	Simple
4.	Un Supported Rating-Un Supported Rating (Short Term)	Simple

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Contact us

Media Contact
Mradul Mishra
Contact no. – +91-22-6754 3573
Email ID – mradul.mishra@careratings.com

Analyst Contact
Group Head Name - Rajashree Murkute
Group Head Contact no.- 022-6837 4474
Group Head Email ID- rajashree.murkute@careratings.com

Relationship Contact
Name: Saikat Roy
Contact no. : +91-22-6754 3404
Email ID : saikat.roy@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.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**