

Avanse Financial Services Limited
September 29, 2020

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Non-Convertible Debentures	445 (Rupees Four Hundred and Forty Five Crore only)	CARE A+; Stable [Single A Plus; Outlook :Stable]	Reaffirmed
	655 (Rupees Six Hundred and Fifty Five Crore only)	CARE A+; Stable [Single A Plus; Outlook :Stable]	Reaffirmed
Long term bank facilities	1945 (Rupees One Thousand Nine Hundred and Forty Five Crore only)	CARE A+; Stable [Single A Plus; Outlook :Stable]	Reaffirmed
	255 (Rupees Two Hundred and Fifty Five Crore only)	CARE A+; Stable [Single A Plus; Outlook :Stable]	Reaffirmed
Subordinate Debt	75 (Rupees Seventy Five Crore only)	CARE A; Stable [Single A, Outlook: Stable]	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale of Avanse Financial Services Ltd (AFSL)

The rating factors in AFSL's financial and managerial support from reputed and established institutional investor, experienced board and management team, comfortable capitalization and gearing levels, and comfortable asset quality with moderate track record. The equity infusion made by the institutional investor (Warburg Pincus) during FY20 has improved the capitalization levels of AFSL substantially enabling it to further improve its ability to scale up operations and absorb any asset quality shocks.

The company is focussing on financing in the education sector with rundown of its legacy portfolio of MSME and Financial Institution segments. The company has established its presence in financing overseas students and is making efforts to diversify into other segments of education financing including loan to educational institutions and students pursuing courses through edutech platforms. AFSL has been able to maintain its asset quality consistently due to the expertise achieved in niche segment of education financing. However, in FY20, the company experienced moderation in asset quality with GNPA % increasing to 1.76% in FY20 from 0.17% in FY19 primarily with increase in delinquencies in the discontinued business which are MSME and high ticket Education Institution Loan (EIL) above the ticket size of Rs.5 crore and loans to higher education institutions (Colleges). However, asset quality performance in the EIL segment as well as financing students pursuing courses through edutech platforms needs to be monitored over a period of time.

The ratings remain constrained due to moderate profitability levels with further moderation in FY20 and risks arising on account of geographical concentration with students going to common destination for higher studies. However, the company is making conscious effort to diversify its lending to other destination as well.

In H1FY21 the company was able to raise around Rs.250 crores through the debt capital market, Rs.110 crores through External Commercial Borrowings and Rs.50 crores through bank loans.

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

- Substantial support in the form of equity infusion by the promoters.
- Improvement in financial performance with sustained ROTA above 2%
- Improvement in asset quality with GNPA less than 1%

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

- Lack of capital commitment and infusion of equity from the institutional investor during the time of stress for the company
- Further deterioration in asset quality with GNPA above 2% and any prolonged and significant deterioration in asset quality on account of COVID-19 outbreak

- Increase in gearing levels beyond 5x
- Increase in the proportion of wholesale portfolio beyond 40% with substantial increase in average ticket size from current levels in FY20

Detailed description of the key rating drivers of AFSL

Key rating strengths

Financial and managerial support from reputed and established institutional investor

Warburg Pincus LLC is a US based Private equity firm with offices in USA, India, China, Brazil and Europe. Established over 50 years ago, Warburg Pincus has invested over \$84 billion in more than 900 companies across 40+ countries around the world. Warburg Pincus Group has more than \$5 billion in the financial services space. It currently holds 80% of AFSL after the completion of transaction on 30th July, 2019 and the balance share of 20% is retained with International Finance Corporation (IFC). Post the completion of transaction in July 2019, Warburg Pincus and IFC have collectively infused Rs.300 crore as growth capital into AFSL. Previously, in FY19, IFC infused Rs.65 crore in AFSL. Thus, the flow of regular equity has augmented AFSL's capital base and has provided it with necessary funds for growth along with improving its liquidity position.

Experienced board and management team

The company is headed by a four-member board of directors which includes Mr. Narendra Ostawal as a Non-Executive Director and Ms. Vijayalakshmi R. Iyer, Mr. Neeraj Swaroop and Ms. Savita Mahajan as Independent Directors. Mr. Narendra Ostawal is a Managing Director of Warburg Pincus India Private Limited and leads the investment evaluation in the financial services sector and was associated with various investments of Warburg Pincus group including erstwhile Capital First Limited and AU Small Finance Bank Limited etc. Ms. Vijayalakshmi R. Iyer is a former member (Finance & Investment) of IRDAI and Chairperson & Managing Director (CMD) of Bank of India (BOI) with nearly four decades of service and contributions to the Indian financial sector. Mr. Neeraj Swaroop is a professional with over 36 years of experience; 27 years in Financial Services and 9 years in Consumer Goods (FMCG). He has built and led businesses across geographies in Asia. Ms. Savita Mahajan is former Deputy Dean at the Indian School of Business (ISB), India. She was associated with the ISB for 14 years since its inception in 2001 and was responsible for building its second campus at Mohali, Punjab, as its Chief Executive Officer.

The operations of the company are managed by a team of professionals led by Mr. Amit Gainda (Chief Executive Officer of AFSL) who has vast experience in the financial services and mortgage business. He is being associated with AFSL since April 1, 2017. Prior to joining Avanse, he was working with Dewan Housing Finance Corporation Limited as President – SME & Mortgage Loan Business. Mr. Rahul Bhapkar is the Chief Financial Officer (CFO) of AFSL who has an experience of over 12 years in finance. Prior to joining Avanse, he was working with Wadhawan Global Capital Pvt. Ltd. as VP - Strategy. Mr. Samir Mohanty, is the Chief Operations Officer (COO), with over 20 years of experience in IT, operations and collections. Previously, he was associated with Tata Capital and Tata Motors.

In H1FY21, Mr. Swayam Sen has joined the organization as Chief People Officer (CPO). He has over 20 years of experience in people practice, administration and CSR. Prior to joining Avanse, he was associated with HDFC Bank, ICICI Bank, L&T Ltd, RBL Bank and Barclays.

Comfortable capitalization and gearing levels

The tangible net-worth stood at Rs. 881.66 crores as on March 31st, 2020 as against Rs.563.32 crore as on March 31st, 2019. The rise is on account of capital infusion of Rs.300 crores by Warburg Pincus and IFC collectively post the completion of deal with Warburg Pincus. As on March 31, 2020 the CAR and Tier-I CAR stood comfortable at 32.12% and 29.55% respectively with sufficient cushion available over regulatory CAR and Tier-1 CAR. The gearing levels improved from 4.15x in FY19 to 2.76x in FY20 on account of capital infusion. As on 30th June, 2020, gearing stood at 2.7x.

As indicated by the management, on steady state basis the gearing shall not be allowed to go beyond 5x levels.

Comfortable asset quality

The selective lending model coupled with a specialized approach and primarily focused either on students going abroad with very high employability or students opting for courses in premier institutes in India, has helped AFSL in maintaining its asset quality. Credit Evaluation of education loan is fully based on student led approach where primary importance is given to student's characteristics such as past academics, entrance test scores, course selection, university ranking, employability potential; to name a few. Similarly, for the EIL business, credit evaluation is based on various parameters: vintage of the institution and promoter, affiliation, institute (k-12 or k-12 & diversified), no. of enrolled students, inspection of infrastructure facilities of the institute, financials, credit history, etc.

As on March 31st, 2019, Gross and Net Stage 3 assets stood at 0.17% and 0.13% respectively. This has increased to 1.76% and 0.94% as on March 31st, 2020. This increase in Stage 3 assets is due to one account of discontinued segment of EIL and some accounts of discontinued MSME lending slipping into NPA category. The resolution process for the accounts is under-progress. The EIL account that has turned NPA is backed by a bank guarantee which the company is expecting to recover.

The company has already stopped lending in the EIL segment with ticket size above Rs.5 crore and will now focus on lending to schools. Lending to financial institutions and MSME has also been already discontinued by the company. However, seasoning of the portfolio continues to remain low.

Moderate track record

The loan book showed a y-o-y decrease of 4% from 2957 crores as on March 31, 2019 to Rs.2838 crores as on March 31, 2020. Post September 2018 till the completion of shareholding change transaction, the disbursements of the company had slowed down. Also the company has discontinued MSME and Lending to Financial Institution. Disbursements have started to pick up post the completion of transaction with Warburg Pincus.

The digital segment was started in FY19. AFSL has tied up with BYJU's and lends loans to the parents of the students who have taken up courses at BYJUS. Also, it has tied up with Propelld and other similar digital marketplaces providing financing to students & working professionals for vocational training and skill enhancement programs. It has a tie-up with 120+ Institutes. Total disbursements for digital segments in FY20 stood at Rs.362 crores as against Rs.52 crores in FY19 and total portfolio outstanding stood at Rs.193 crore as on March 31st, 2020 as against Rs.47 crores in FY19.

65% of the Education loan business is sourced through the education consultant, 20% through digital marketing and 15% through direct sales. Similarly, the EIL segment is majorly sourced through Direct Sales Agent (~98%).

Key rating weaknesses

Moderate profitability levels

As on March 31, 2020, PAT stood at Rs.21.53 crore on a total income of Rs.433.78 crore. In FY19 PAT stood at Rs.27.29 crore on a total income of Rs.420.30 crores. This decrease in PAT is due to exceptional items. During FY20, the outgoing shareholder had sold its stake to Olive Vine Investment Ltd and for the same, the company had incurred a one-time expense towards professional and other services and also incurred a fee for significant modification of terms of insurance distribution agreement aggregating to Rs.28.57 crores. The same is considered as exceptional items. Yield on advances stood at 13.25% in FY20 as against 15.51% in FY19. This decrease in yield is due to reduction in the loan portfolio. NIM has also shown a dip from 5.93% in FY19 to 4.32% in FY20.

Finance cost has increased from Rs.240.15 crore in FY19 to Rs.248.88 crore in FY20. As on March 31, 2020, ROTA and RONW stood at 0.63% and 2.98% respectively as against 0.97% and 5.22% reported as on March 31, 2019. Improvement in profitability will be key rating monitorable going forward.

Moderate Scale of Operations

The company had commenced its operations in January 2013 and has a relatively moderate track record of operations. Total loan outstanding stood at Rs. 2,838 crore at the end of FY20 and disbursement for FY20 was Rs. 1061 crore. Also apart from educational loans, company has also partnered with BYJUS and Propelld to lend loans to students or working professionals who take up courses at these online platforms. The book has low seasoning on account of the asset class that the company is operating in, which is of a longer tenure and the proportion of assets originated of the existing AUM are higher in the recent few years

Majority of exposure to only single asset class

AFSL is primarily present into education loans. This brings in concentration risk as any fall in demand for educational loan may severely impact the operations and profitability of the company. Also, educational loans have seasonal demand based upon the admission procedures in various institutions. During FY15, AFSL has diversified into education institution loans. Education Infrastructure loans at the end of FY20 stood at Rs. 803 crore which is 29% of total loan book. These loans are basically provided for expanding the existing educational institutions for construction, expansion, improvement, purchase of equipment / facility, as well as to meet working capital requirements. The company has also started Social Infrastructure lending segment (SIL). The funding under this segment caters to the need of affordable segment of schools primarily being in Tier2-Tier5 cities to fulfil the CAPEX needs of these schools or purchase of equipment/furniture. The average tenure of these loans would be 8 years with average IRR of 17.92%. Also, Company has discontinued with MSME and Lending to Financial Institution loans and wants to focus only in the educational space. This shall only make the portfolio granular in nature going forward. Having said that, it has entered into primarily two tie-ups ie with BYJUS and Propelld and provides short tenure loans to students and working professionals taking up courses at these online platforms. This measure shall not only open doors for tapping new opportunities in the educational space for AFSL but shall also increase its profitability going forward considering the increase in demand of online education in India.

Liquidity – Adequate

As on March 31st, 2020, the company had positive cumulative mismatches up to 1year time bucket as well as for longer tenure buckets. The inflows from advances for next 1 year stands at Rs.413.99 crore and debt repayments for next 1 year

stands at Rs.510.96 crore. However, the company has cash and liquid investments of Rs.772 crores. The company's resource raising capability from various sources provides adequate comfort.

Covid-19 Impact:

The overall portfolio under moratorium was 50% in the month of April 2020 which came down to 24% in the month of August 2020. Majority of the moratorium constitute the EIL segment. This is because the cash-flows of the education institutions were impacted due to the shutdown of schools and colleges. However, the company was able to bring down the moratorium in this segment from 82% in April 2020 to 45% in August 2020. Disbursements in the EL-digital segment was pretty good in the COVID scenario as well due to increase demand in online education and has come back on track to pre-covid level. The disbursements are happening monthly on an average of about Rs.20 crores due to rise in the online education demand. In the EL segment, the company is able to see the demand. COVID has not impacted the demand in this segment. The only reason for low disbursement has been the deferment in timelines due to the closure of embassies. However, slowly the embassies are opening up and disbursements are happening. The new sanctions to disbursements on the EIL side are currently on hold unless the schools reopen.

In Q1FY21 the overall disbursements of the company were around Rs.73 crores and in the month of July itself the company was able to make overall disbursement of Rs.77 crores. On an overall portfolio basis, the collections have remained stable at 95%.

The company has not sought moratorium from any of its lenders.

Analytical approach: Standalone

Applicable Criteria

[CARE's Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

[Policy of Default Recognition](#)

[Rating Methodology- NBFC](#)

[Financial ratios – Financial Sector](#)

About the Company

Avanse Financial Services Ltd.

Avanse Financial Services Ltd. (AFSL) was formed in August 1992 and was known as Abhivruddhi Holdings Pvt. Ltd. (AHPL). Dewan Housing Finance Corporation Ltd. (DHFL) & other promoter group entities bought 100% stake in AHPL in July 2012 and commenced education loan business from January, 2013. International Finance Corporation (IFC) acquired 20% stake in company for Rs.12.75 crore in July 2013. On February 7, 2014, the name of the company was changed from Avanse Financial Services Private Limited to "Avanse Financial Services Limited". In March 2019, DHFL and WGC Group entered into a definitive agreement to sell 80% of its stake in Avanse to Olive Vine Investment Ltd an affiliate of the Warbug Pincus Group. The deal was completed on 30th July, 2019.

AFSL is engaged in the business of providing education loan for the purpose of higher studies both in India and abroad and for professional/ executive courses to working professional and also to Education Institutions and schools for their Working Capital and Growth Capital requirements. AFSL started its business operations in January, 2013. The Company now has 11 main branches and 5 sales representative offices as on 31st March,2020.

Brief Financials* (Rs. crore)	FY19(A)	FY20 (A)
Total income	420.31	433.78
PAT	27.26	21.53
Overall Gearing (times)	4.15	2.76
Total Assets	3144.74	3639.43
Gross Stage 3 Assets (%)	0.17	1.76
ROTA (%) (PAT/Average Total Assets)	0.97	0.63

A: Audited *Financials as per IND-AS

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

ISIN No.	Name of the Instrument/Facility	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
-	Fund based - LT- Cash credit (bank facilities)	-	-	-	25.00	CARE A+; Stable
-	Fund based-LT- Cash credit (bank facilities) (Proposed)	-	-	-	165.00	CARE A+; Stable
-	Fund based - LT- Term loan (bank facilities)	-	-	-	1531.41	CARE A+; Stable
	Fund based-LT-Term loan (bank facilities) (Proposed)	-	-	-	478.59	CARE A+; Stable
INE087P07022	Non-convertible debentures	31-Jul-15	10.10%	31-Jul-25	25.00	CARE A+; Stable
INE087P07030	Non-convertible debentures	07-Aug-15	10.05%	08-Aug-22	10.00	CARE A+; Stable
INE087P07048	Non-convertible debentures	07-Aug-15	10.10%	07-Aug-25	15.00	CARE A+; Stable
INE087P07055	Non-convertible debentures	26-Oct-15	9.55%	26-Oct-20	10.00	CARE A+; Stable
INE087P07063	Non-convertible debentures	26-Feb-16	9.65%	26-Feb-23	10.00	CARE A+; Stable
INE087P07089	Non-convertible debentures	03-Nov-17	8.65%	02-Nov-20	25.00	CARE A+; Stable
INE087P07105	Non-convertible debentures	12-Jul-18	SBI MCLR LINKED	12-July-21	250.00	CARE A+; Stable
INE087P07113	Non-convertible debentures	12-Dec-19	11.40%	09-Dec-22	195.00	CARE A+; Stable
INE087P07121	Non-convertible debentures	18-Dec-19	11.40%	16-Dec-22	105.00	CARE A+; Stable
INE087P07139	Non-convertible debentures	24-Jun-20	9.50%	23-Jun-23	50.00	CARE A+; Stable
INE087P07147	Non-convertible debentures	07-Jul-20	9.50%	21-Apr-23	50.00	CARE A+; Stable
INE087P07154	Non-convertible debentures	10-Jul-20	8.75%	10-Jun-22	150.00	CARE A+; Stable
-	Non-convertible debentures (Proposed)	-	-	-	205	CARE A+; Stable
INE087P08012	Subordinate-debt	16-Mar-16	10.50%	16-Mar-24	25.00	CARE A; Stable
INE087P08020	Subordinate-debt	30-Jun-17	9.50%	30-Jun-27	25.00	CARE A; Stable
INE087P08038	Subordinate-debt	27-Dec-17	9.35%	27-Dec-27	25.00	CARE A; Stable
-	Subordinate- debt (Proposed)	-	-	-	0.00	CARE A; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history		
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	1375.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (18-May-18) 2)CARE AA+ (SO); Stable (05-Apr-18) 3)CARE AA+ (SO); Stable (06-Jul-18) 4)CARE AA+ (SO); Stable (17-Jul-18) 5)CARE AA+ (SO); Stable (7-Aug-18) 6)CARE AA+ (SO); Stable (28-Sept-18) 7) CARE AA+ (SO); Stable (28-Dec-18) 8)CARE AA (SO) (Credit watch with developing implications) (06-Feb-19) 9)CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA+ (SO); Stable (13-Feb-18) 2)CARE AA+ (SO); Stable (12-Jan-18) 3)CARE AA+ (SO); Stable (29-Dec-17) 4)CARE AA+ (SO); Stable (24-Nov-17) 5)CARE AA+ (SO); Stable (18-Oct-17) 6)CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable (05-Sep-17) 8)CARE AA+ (SO); Stable (08-Aug-17) 9)CARE AA+ (SO); Stable (12-Jul-17) 10)CARE AA+ (SO); Stable (16-May-17)

2.	Debtentures-Non Convertible Debtentures	LT	95.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (06-Jul-18) 2)CARE AA+ (SO); Stable (25-Jul-18) 3)CARE AA (SO) (Credit watch with developing implications) (06-Feb-19) 4) CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA+ (SO); Stable (09-Nov-17) 2)CARE AA+ (SO); Stable (12-Jul-17)
3.	Fund-based - LT-Cash Credit	LT	190.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (18-May-18) 2)CARE AA+ (SO); Stable (05-Apr-18) 3)CARE AA+ (SO); Stable (06-Jul-18) 4)CARE AA+ (SO); Stable (17-Jul-18) 5)CARE AA+ (SO); Stable (7-Aug-18) 6)CARE AA+ (SO); Stable (28-Sept-18) 7) CARE AA+ (SO); Stable (28-Dec-18) 8) CARE AA (SO) (Credit watch with developing implications) (06-Feb-19) 9) CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA+ (SO); Stable (13-Feb-18) 2)CARE AA+ (SO); Stable (12-Jan-18) 3)CARE AA+ (SO); Stable (29-Dec-17) 4)CARE AA+ (SO); Stable (24-Nov-17) 5)CARE AA+ (SO); Stable (18-Oct-17) 6)CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable (05-Sep-17) 8)CARE AA+ (SO); Stable (08-Aug-17) 9)CARE AA+ (SO); Stable (12-Jul-17) 10)CARE AA+ (SO); Stable (16-May-17)
4.	Term Loan-Long Term	LT	255.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19)	1)Provisional CARE AA+ (SO); Stable (18-May-18) 2)Provisional CARE AA+ (SO); Stable	1)Provisional CARE AA+ (SO); Stable (13-Feb-18) 2)Provisional CARE AA+ (SO); Stable

					2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	(05-Apr-18) 3)Provisional CARE AA+ (SO); Stable (06-Jul-18) 4)Provisional CARE AA+ (SO); Stable (17-Jul-18) 5)Provisional CARE AA+ (SO); Stable (7-Aug-18) 6)Provisional CARE AA+ (SO); Stable (28-Sept-18) 7) Provisional CARE AA+ (SO); Stable (28-Dec-18) 8) Provisional CARE AA (SO) (Credit watch with developing implications (06-Feb-19) 9) Provisional CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	(12-Jan-18) 3)Provisional CARE AA+ (SO); Stable (29-Dec-17) 4)Provisional CARE AA+ (SO); Stable (24-Nov-17) 5)Provisional CARE AA+ (SO); Stable (18-Oct-17) 6)Provisional CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable (05-Sep-17) 8)Provisional CARE AA+ (SO); Stable (08-Aug-17) 9)Provisional CARE AA+ (SO); Stable (12-Jul-17) 10)Provisional CARE AA+ (SO); Stable (16-May-17)
5.	Debentures-Non Convertible Debentures	LT	55.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)Provisional CARE AA+ (SO); Stable (06-Jul-18) 2)Provisional CARE AA+ (SO); Stable (25-Jul-18) 3) Provisional CARE AA (SO) (Credit watch with developing implications (06-Feb-19) 4)Provisional CARE A+(SO) (Credit watch with developing implications) (12-Mar-19)	1)Provisional CARE AA+ (SO); Stable (09-Nov-17) 2)Provisional CARE AA+ (SO); Stable (12-Jul-17)
6.	Debt-Subordinate Debt	LT	25.00	CARE A; Stable	1)CARE A (Credit watch with developing implications) (05-Apr-19) 2)CARE A; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA (SO); Stable (06-Jul-18) 2)CARE AA- (SO) (Credit watch with developing implications (06-Feb-19) 3) CARE A (SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA (SO); Stable (29-Dec-17) 2)CARE AA (SO); Stable (12-Jul-17)

7.	Fund-based - LT-Term Loan	LT	138.00	CARE A+; Stable	<p>1)CARE A+ (Credit watch with developing implications) (05-Apr-19)</p> <p>2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)</p>	<p>1)CARE AA+ (SO); Stable (18-May-18)</p> <p>2)CARE AA+ (SO); Stable (05-Apr-18)</p> <p>3)CARE AA+ (SO); Stable (06-Jul-18)</p> <p>4)CARE AA+ (SO); Stable (17-Jul-18)</p> <p>5)CARE AA+ (SO); Stable (7-Aug-18)</p> <p>6)CARE AA+ (SO); Stable (28-Sept-18)</p> <p>7) CARE AA+ (SO); Stable (28-Dec-18)</p> <p>8)CARE AA (SO) (Credit watch with developing implications) (06-Feb-19)</p> <p>9)CARE A+(SO)(credit watch with developing implications) (12-Mar-19)</p>	<p>1)CARE AA+ (SO); Stable (13-Feb-18)</p> <p>2)CARE AA+ (SO); Stable (12-Jan-18)</p> <p>3)CARE AA+ (SO); Stable (29-Dec-17)</p> <p>4)CARE AA+ (SO); Stable (24-Nov-17)</p> <p>5)CARE AA+ (SO); Stable (18-Oct-17)</p> <p>6)CARE AA+ (SO); Stable (04-Oct-17)</p> <p>7)CARE AA+ (SO); Stable (05-Sep-17)</p> <p>8)CARE AA+ (SO); Stable (08-Aug-17)</p> <p>9)CARE AA+ (SO); Stable (12-Jul-17)</p> <p>10)CARE AA+ (SO); Stable (16-May-17)</p>
8.	Fund-based - LT-Term Loan	LT	107.00	CARE A+; Stable	<p>1)CARE A+ (Credit watch with developing implications) (05-Apr-19)</p> <p>2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)</p>	<p>1)CARE AA+ (SO); Stable (18-May-18)</p> <p>2)CARE AA+ (SO); Stable (05-Apr-18)</p> <p>3)CARE AA+ (SO); Stable (06-Jul-18)</p> <p>4)CARE AA+ (SO); Stable (17-Jul-18)</p> <p>5)CARE AA+ (SO); Stable (7-Aug-18)</p> <p>6)CARE AA+ (SO); Stable (28-Sept-18)</p> <p>7) CARE AA+ (SO); Stable (28-Dec-18)</p> <p>8)CARE AA (SO) (Credit watch with developing implications) (06-Feb-19)</p> <p>9)CARE A+(SO)(Credit</p>	<p>1)CARE AA+ (SO); Stable (13-Feb-18)</p> <p>2)CARE AA+ (SO); Stable (12-Jan-18)</p> <p>3)CARE AA+ (SO); Stable (29-Dec-17)</p> <p>4)CARE AA+ (SO); Stable (24-Nov-17)</p> <p>5)CARE AA+ (SO); Stable (18-Oct-17)</p> <p>6)CARE AA+ (SO); Stable (04-Oct-17)</p> <p>7)CARE AA+ (SO); Stable (05-Sep-17)</p> <p>8)CARE AA+ (SO); Stable (08-Aug-17)</p> <p>9)CARE AA+ (SO); Stable (12-Jul-17)</p>

						watch with developing implications) (12-Mar-19)	10)CARE AA+ (SO); Stable (16-May-17)
9.	Fund-based - LT-Term Loan	LT	21.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (18-May-18) 2)CARE AA+ (SO); Stable (05-Apr-18) 3)CARE AA+ (SO); Stable (06-Jul-18) 4)CARE AA+ (SO); Stable (17-Jul-18) 5)CARE AA+ (SO); Stable (7-Aug-18) 6)CARE AA+ (SO); Stable (28-Sept-18) 7) CARE AA+ (SO); Stable (28-Dec-18) 8)CARE AA (SO) (Credit watch with developing implications (06-Feb-19) 9)CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA+ (SO); Stable (13-Feb-18) 2)CARE AA+ (SO); Stable (12-Jan-18) 3)CARE AA+ (SO); Stable (29-Dec-17) 4)CARE AA+ (SO); Stable (24-Nov-17) 5)CARE AA+ (SO); Stable (18-Oct-17) 6)CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable (05-Sep-17) 8)CARE AA+ (SO); Stable (08-Aug-17) 9)CARE AA+ (SO); Stable (12-Jul-17) 10)CARE AA+ (SO); Stable (16-May-17)
10.	Fund-based - LT-Term Loan	LT	63.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (18-May-18) 2)CARE AA+ (SO); Stable (05-Apr-18) 3)CARE AA+ (SO); Stable (06-Jul-18) 4)CARE AA+ (SO); Stable (17-Jul-18) 5)CARE AA+ (SO); Stable (7-Aug-18) 6)CARE AA+ (SO); Stable (28-Sept-18) 7) CARE AA+ (SO); Stable	1)CARE AA+ (SO); Stable (13-Feb-18) 2)CARE AA+ (SO); Stable (12-Jan-18) 3)CARE AA+ (SO); Stable (29-Dec-17) 4)CARE AA+ (SO); Stable (24-Nov-17) 5)CARE AA+ (SO); Stable (18-Oct-17) 6)CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable

						(28-Dec-18) 8)CARE AA (SO) (Credit watch with developing implications (06-Feb-19) 9)CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	(05-Sep-17) 8)CARE AA+ (SO); Stable (08-Aug-17) 9)CARE AA+ (SO); Stable (12-Jul-17) 10)CARE AA+ (SO); Stable (16-May-17)
11.	Debentures-Non Convertible Debentures	LT	50.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (06-Jul-18) 2)CARE AA+ (SO); Stable (25-Jul-18) 3)CARE AA (SO) (Credit watch with developing implications) (06-Feb-19) 4)CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA+ (SO); Stable (09-Nov-17) 2)CARE AA+ (SO); Stable (12-Jul-17)
12.	Debentures-Non Convertible Debentures	LT	100.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)Provisional CARE AA+ (SO); Stable (06-Jul-18) 2)Provisional CARE AA+ (SO); Stable (25-Jul-18) 3)Provisional CARE AA (SO) (Credit watch with developing implications) (06-Feb-19) 4)Provisional CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	1)Provisional CARE AA+ (SO); Stable (09-Nov-17) 2)Provisional CARE AA+ (SO); Stable (12-Jul-17)
13.	Fund-based - LT-Term Loan	LT	51.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA+ (SO); Stable (18-May-18) 2)CARE AA+ (SO); Stable (05-Apr-18) 3)CARE AA+ (SO); Stable (06-Jul-18) 4)CARE AA+ (SO); Stable (17-Jul-18)	1)CARE AA+ (SO); Stable (13-Feb-18) 2)CARE AA+ (SO); Stable (12-Jan-18) 3)CARE AA+ (SO); Stable (29-Dec-17) 4)CARE AA+ (SO); Stable (24-Nov-17)

						5)CARE AA+ (SO); Stable (7-Aug-18) 6)CARE AA+ (SO); Stable (28-Sept-18) 7) CARE AA+ (SO); Stable (28-Dec-18) 8)CARE AA (SO) (Credit watch with developing implications (06-Feb-19) 9)CARE A+(SO)(Credit watch with developing implications) (12-Mar-19)	5)CARE AA+ (SO); Stable (18-Oct-17) 6)CARE AA+ (SO); Stable (04-Oct-17) 7)CARE AA+ (SO); Stable (05-Sep-17) 8)CARE AA+ (SO); Stable (08-Aug-17) 9)CARE AA+ (SO) (12-Jul-17) 10)CARE AA+ (SO) (16-May-17)
14.	Debt-Subordinate Debt	LT	25.00	CARE A; Stable	1)CARE A (Credit watch with developing implications) (05-Apr-19) 2)CARE A; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA (SO); Stable (06-Jul-18) 2)CARE AA- (SO) (Credit watch with developing implications (06-Feb-19) 3)CARE A(SO)(credit watch with developing implications) (12-Mar-19)	1)CARE AA (SO); Stable (29-Dec-17) 2)Provisional CARE AA (SO); Stable (12-Jul-17)
15.	Debt-Subordinate Debt	LT	25.00	CARE A; Stable	1)CARE A (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA (SO); Stable (06-Jul-18) 2)CARE AA- (SO) (Credit watch with developing implications (06-Feb-19) 3)CARE A(SO)(Credit watch with developing implications) (12-Mar-19)	1)CARE AA (SO); Stable (29-Dec-17) 2)CARE AA (SO); Stable (12-Jul-17)
16.	Debentures-Non Convertible Debentures	LT	300.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)Provisional CARE AA+ (SO); Stable (06-Jul-18) 2)CARE AA+ (SO); Stable (25-Jul-18) 2)CARE AA(SO) (Credit watch with developing implications (06-Feb-19) 3)CARE A+(SO) (Credit	1)Provisional CARE AA+ (SO); Stable (24-Nov-17)

						watch with developing implications) (12-Mar-19)	
17.	Debentures-Non Convertible Debentures	LT	500.00	CARE A+; Stable	1)CARE A+ (Credit watch with developing implications) (05-Apr-19) 2)CARE A+; Stable (removed from credit watch and rating reaffirmed) (26-Sept-19)	1)CARE AA(SO) (Credit watch with developing implications) (06-Feb-19) 2)CARE A+(SO) (Credit watch with developing implications) (12-Mar-19)	

Annexure 3: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Bank Facilities- Term loan	Simple
2	Bank Facilities- Cash Credit	Simple
3	Long Term Instruments- Non-Convertible Debentures	Simple
4	Long Term Instruments- Subordinate Debt	Complex

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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(For more details please refer to our rationale for the entity published on October 23, 2019)

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