29th July 2022

The Manager
Listing Department
BSE Limited, P.J. Towers,
Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

Sub: Intimation of Credit Rating

Pursuant to the provisions of Regulation 51 (2) read with Part B of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that CARE Ratings Limited has assigned following rating for the Market Linked Debentures of the Company:

Credit Rating Agency	Instrument	Amount	Rating Action	Rating; Outlook
CARE Ratings Limited	Market Linked Debentures	Rs. 200 crore (Rupees Two Hundred Crore)	Assigned	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)

We have also enclosed the press release issued by CARE Ratings Limited for your reference and record.

Kindly take the above on record and oblige.

Thanking You,

For Avanse Financial Services Limited
VIKAS PURUSHOTTAM TAREKAR
Digitally signed by VIKAS PURUSHOTTAM TAREKAR
Date: 2022.07.29 11:37:10 +05'30'
Vikas Tarekar
Company Secretary

No. CARE/BRO/RL/2022-23/1109

Shri Vineet Mahajan
Chief Financial Officer
Avanse Financial Services Limited
001 & 002 Fulcrum, A Wing,Ground Floor,
Sahar Road, Next to Hyatt Regency, Andheri (East),
Mumbai
Maharashtra 400099

July 29, 2022

Confidential

Dear Sir,

Credit rating for proposed Market Linked Debenture issue

Please refer to your request for rating of proposed Market Linked Debenture issue aggregating to Rs.200 crore of your Company.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Assigned
2.	Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Assigned
	Total Instruments	200.00 (Rs. Two Hundred Crore Only)		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is July 28, 2022).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

possible. In any case, if we do not hear from you by July 29, 2022, we will proceed on the basis that you have no any comments to offer.

8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

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

11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

12. Our ratings are **not** recommendations to buy, sell or hold any securities.

13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

Tony Mathew
Lead Analyst
tony.mathew@careedge.in

Sudhakar P
Director
p.sudhakar@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Avanse Financial Services Limited

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[2]	Rating Action
Long Term Bank Facilities	3,700.00 (Enhanced from 2,200.00)	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Total Bank Facilities	**3,700.00 (Rs. Three Thousand Seven Hundred Crore Only)**		
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	1,300.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	95.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	55.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	50.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	100.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	300.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	500.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	400.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Assigned
Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Assigned
Total Long Term Instruments	**3,075.00 (Rs. Three Thousand Seventy-Five Crore Only)**		
Commercial Paper	150.00	CARE A1+ (A One Plus)	Reaffirmed
Total Short Term Instruments	**150.00 (Rs. One Hundred Fifty Crore Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The reaffirmation of the ratings of the long-term bank facilities and various debt instruments of Avanse Financial Services Limited (AFSL) continues to derive strength from its adequate capitalisation levels, comfortable asset quality levels as reflected in relatively low GNPA primarily aided by its presence in education loan segment which continues to have good asset quality. Care Ratings notes that the discontinued segments of lending to MSME and financial institutions (LFI) are the major contributors to

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

the bad loans and the same has been running down. The discontinued segments accounted for 2.5% of the total AUM as on March 31, 2022. Excluding discontinued segments, GNPA stood at 0.54% as on March 31, 2022 as against overall GNPA of 1.29% as on March 31, 2022. The ratings also take note of the improving profitability although the same remains relatively moderate. Improvement in profitability as reflected in improvement in ROTA during FY22 was supported by reduction in cost of funds and improvement in other income supported by higher cross selling which improved from 0.61% in FY21 to 0.87% in FY22. Nevertheless, the ratings continue to be constrained by relatively moderate profitability, relatively moderate size of operations, possibility of asset side risks considering the moderate seasoning of its higher tenure loan book.

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

- Substantial increase in scale as a result of steady growth and significant support in the form of equity infusion by the shareholders along with maintaining higher share of retail loan portfolio.
- Improvement in financial performance with ROTA of 2% or above along with stable asset quality on sustained basis.

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

- Any significant deterioration in asset quality with GNPA above 3%.
- Increase in gearing levels beyond 5x.
- Significant increase in the proportion of wholesale portfolio on a sustained basis.

Outlook: Positive
AUM of the company witnessed moderate growth during the two years period ended March 31, 2021 with AUM growing from Rs.2852 crore as on March 31, 2019 to Rs.3103 crore as on March 31, 2021 on account of reasons including discontinuatuion & run down of MSME and LFI portfolio and COVID-19 induced global slow down in FY21 which resulted in closure of international borders by many foreign countries. With re-opening of international borders and increase in Indian students opting for overseas education, disbursements increased sharply from Rs.977 crore in FY21 to Rs.2950 crore in FY22. Same has resulted in improvement in AUM to Rs.4836 crore as on March 31, 2022. However, AUM size is relatively moderate. Disbursements during Q1FY23 stood around Rs.1364 crore as against Rs.352 crore in Q1FY22. With continuation of momentum in disbursemnets during FY23, AUM is expected to grow significantly. 'Positive' outlook continues to reflect the expectation that company will continue to maintain higher disbursements which will improve its scale of operations significantly in FY23 and result in significant improvement in profitability. Further, AFSL has witnessed significant reduction in average cost of funds in the past two years ended March 2022. While part of which can be attributed to declining trend in rate of interest in the economy, company also benefitted from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. It is to be noted that AFSL is expected to mobilise fresh equity in H2FY23 to support growth in its operations. The outlook may be revised to 'Stable' if there is significant moderation in asset quality and leverage levels exceed 5 times on sustained basis.

Detailed description of the key rating drivers
Key Rating Strengths
Comfortable capitalization and moderate gearing levels: Comfortable capitalization: Total CAR and Tier-1 CAR moderated to 22.96% and 21.61% respectively as on March 31, 2022 (March 31, 2021: 32.74% and 30.49%) on account of significant loan book growth of 55.8% during FY22. However, the same stood well above the regulatory requirements (Total CAR of 15% and Tier I CAR of 10%). The debt/equity ratio moderated to 3.63x as on March 31, 2022 (March 31, 2021: 2.50x). AFSL's shareholders, Warburg Pincus LLC and IFC had collectively infused Rs.300 crore equity during FY20 into AFSL which had led to an increase in the equity base providing the necessary capital for near-to-medium term growth. Looking ahead, CARE Ratings expects gearing to remain moderate in line with its growth strategy in the near term. Further, in order to support its growth company expects to mobilise fresh equity in H2FY23. As a policy, AFSL expects to maintain its gearing below 5 times.

Comfortable asset quality excluding discontinued segments Gross Stage 3 assets witnessed improvement to 1.29% as on March 31, 2022 (March 31, 2021: 1.72%). The net Stage 3 assets however witnessed marginal increase to 0.53% as on March 31, 2022 (March 31, 2021: 0.43%). Provision Coverage Ratio (PCR) moderated from 75.1% in FY21 to 59.3% in FY22. Company had maintained higher PCR during FY21 on account of uncertaininty in the overall economic scenario post second wave of Covid-19 and with improvement in the overall economic scenario and minimal disruption in the business witnessed

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during third wave of Covid-19 company has opted to maintain PCR at this level. The asset quality has been moderately impacted in the last two years owing to some accounts of Micro, Small and Medium Enterprises (MSME) and Lending to Financial Institution (LFI) segment loans slipping into NPA category. Barring these two segments, the Gross Stage 3 assets remained comfortable below 0.54%. It is to be noted that as on March 31, 2022, 90+dpd stood at Rs.77.3 crore of which Rs.52.0 crore corresponds to MSME & LFI segments which were discontinued. The company has remained cautious in lending in the EIL segment also and has been actively focusing on the retail segment (Education Loan [EL] & Digital Loan [EL-Digital]) recently with increase in enrolments to foreign educational universities and priority given to students for considering visa applications. The company's gross stressed assets improved to 6.94% of gross advances as on March 31, 2022 (March 31, 2021: 8.50%) including restructured and ECLGS loans extended. Going forward, asset quality is likely to remain at similar levels in the education loan segment and overall asset quality levels are expected to improve gradually in the medium term with run-down of the MSME and LFI loan portfolio, which at present constitute around 2.5% of the total AUM. Additionally, the asset quality performance of the school funding segment (EIL) will remain a key monitorable.

Asset quality of the education loans (EL) is largely driven by the earnings potential of the students. The asset quality risk is negated to a large extent with company adopting student led approach in its lending practices with estimated earning potential of students derived through combination of academic track record of the student, track record of university, employment opportunities of the course and the region. Company has governance structure in place with regular reviews at all levels. Detailed Key Risk Indicators tracked monthly and addressed, supported by monthly operations committee and Risk review. Continuous monitoring done based on external environment, customer data & bureau trends and analytics driven Early Warning Signals, propensity to bounce models, credit loss forecasting models etc.

Improving liability profile with diversifying resource base and significant improvement in cost of funds: Post new management takeover the company has improved diversification in its liability profile. Company has an established lender base of 29 lenders as on March 31, 2022. Loans from banks form majority of the borrowings constituting 59% of overall borrowings as on March 31, 2022 followed by NCDs (32.5%), Loans from FIs (4.2%), ECB (3.1%) and CP (0.7%). Average cost of funds as reflected in interest expenses/average total borrowings witnessed significant improvement especially capital market borrowings witnessed good reduction in cost in FY22. Company's overall cost of funds have witnessed significant improvement from 10.80% in FY21 to 9.34% in FY22. While part of which can be attributed to declining trend in rate of interest in the economy, company also benefitted from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. NCD borrowing rates have also witnessed significant improvement over the past 2 FYs. Going forward, the ability of the company to diversify its funds further and raise longer tenure borrowings will be closely monitored. Though in the near term cost of funds are expected to go up with trend of raising interest rates, with major portion of assets being linked to variable rate (Avanse Base Rate), AFSL is expected to pass on the increase in interest cost with a lag to protect the spreads.

Key Rating Weaknesses

Moderate profitability, although is on improving trend: ROTA has improved from 1.06% in FY21 (0.63% in FY20) to 1.40% in FY22 primarily driven by reduction in cost of funds and credit costs. Company's cost of funds witnessed improvement from 10.80% in FY21 to 9.34% in FY22, and with higher drop in cost of funds as compared to the yields, Interest spread improved in FY22. Company's operational expenses/ average total assets witnessed improvement at 2.88% during FY22 (FY21: 3.12%) and cost to income (CTI) ratio witnessed improvement during FY22 and stood at 55.39% as against 61.20% during FY21 with increase in scale of operations and pick up in disbursements in FY22. On account of lower provisions made during the year, the credit costs stood lower at 0.42% in FY22 as against 0.62% in FY21. With increased focus on cross selling, other income/avg. assets increased from 0.61% in FY21 to 0.65% in FY22. Consequently, company reported higher ROTA of 1.40% during FY22 as against 1.06% in FY21. Though RONW has improved from 4.20% in FY21 to 6.64% in FY22, it continues to be relatively moderate. Going forward, company's ability to raise funds at competitive rates and exhibit improvement in operational efficiency with reduction in operational expenses/ average total assets would be key to improve earnings from current levels.

Limited seasoning of the loan portfolio: The company had commenced business operations in January 2013. The company's AUM witnessed growth of 55.8% during FY22 and stood at Rs.4836 crore as on March 31, 2022 (March 31, 2021: Rs.3103 crore). However, considering AFSL's average loan book tenure of around 10 years, the seasoning of the loan portfolio is moderate given high loan book growth during FY22 and one full loan cycle yet to be completed in segments other than EL

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and EL digital segment. Segments which have not completed one full loan cycle constituted around 27.4% of AUM as on March 31, 2022.

Product and geographic concentration risk: Product and Geographic Concentration Risk: AFSL is primarily present into education loans exposing it to sector concentration risk as any fall in demand for educational loan may severely impact the disbursements and profitability of the company. Also, educational loans have seasonal demand based upon the admission procedures in various institutions. AFSL has discontinued the MSME and Lending to Financial Institution loan segments after change in the promoters in 2019. Thereafter, the company has been gradually diversifying into the digital segment (financing for e-learning loans) which constitutes around 10% of the AUM as on March 31, 2022. Subsequently, it has partnered directly/indirectly with more than 160 EdTech companies. Geographically, 47.8% of loan portfolio in education loan segment is concentrated in USA followed by Canada (22.8%), UK (10.8%), India (9.8%) and rest constituting 8.9% in education loan book.

Liquidity: Adequate
The company generally maintains liquid balances to cover around 1.5 months of net outflows including disbursements. The free cash & bank balances and liquid investments stood at Rs. 778 crore as on June 30, 2022 (Provisional). As on June 30, 2022, the company had positive cumulative surplus across all maturity-buckets of the Asset Liability Management (ALM) profile (including prepayment assumptions).

Analytical approach: Standalone

Applicable Criteria
CARE's Criteria on assigning Outlook and Credit Watch to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology - Non Banking Finance Companies (NBFCs)
Financial ratios – Financial Sector
Criteria for Short Term Instruments

About the Company
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 a 100% stake in AHPL in July 2012 and commenced education loan business from January 2013. International Finance Corporation (IFC) acquired a 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 AFSL 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 to Education Institutions and schools for their Working Capital and Growth Capital requirements. The Company now has 11 branches across 8 cities in India. The total AUM stood at Rs. 4,836 crore as on March 31, 2022.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	31-03-2022 (A)
Total operating income	433.78	438.89	508.54
PAT	21.52	37.90	63.21
Total Assets	3659.82	3515.65	5500.09
Net Stage 3 Assets (%)	1.02	0.43	0.53
ROTA (%)	0.63	1.06	1.40

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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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 - LT- Cash credit (bank facilities)	-	-	-	-	111.00	CARE A+; Positive
Fund based-LT- Cash credit (bank facilities) (Proposed)	-	-	-	-	79.00	CARE A+; Positive
Fund based - LT- Term loan (bank facilities)	-	-	-	March 2029	2779.56	CARE A+; Positive
Fund based-LT-Term loan (bank facilities) (Proposed)	-	-	-	-	730.44	CARE A+; Positive
Non-convertible debentures	INE087P07022	31-Jul-15	10.10%	31-Jul-25	k	CARE A+; Positive
Non-convertible debentures	INE087P07030	07-Aug-15	10.05%	08-Aug-22	5.00	CARE A+; Positive
Non-convertible debentures	INE087P07048	07-Aug-15	10.10%	07-Aug-25	15.00	CARE A+; Positive
Non-convertible debentures	INE087P07063	26-Feb-16	9.65%	26-Feb-23	10.00	CARE A+; Positive
Non-convertible debentures	INE087P07113	12-Dec-19	11.40%	09-Dec-22	195.00	CARE A+; Positive
Non-convertible debentures	INE087P07121	18-Dec-19	11.40%	16-Dec-22	105.00	CARE A+; Positive
Non-convertible debentures	INE087P07139	24-Jun-20	9.50%	23-Jun-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07147	07-Jul-20	9.50%	21-Apr-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07154	10-Jul-20	8.75%	27-Jul-23	150.0*	CARE A+; Positive
Non-convertible debentures	INE087P07162	27-Jul-21	8.40%	30-Jul-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07170	30-Jul-21	8.40%	26-Aug-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07188	26-Aug-21	8.40%	29-Sep-23	35.0	CARE A+; Positive
Non-convertible debentures	INE087P07196	29-Sep-21	8.40%	31-Jul-25	250.0	CARE A+; Positive
Non-convertible debentures	INE087P07204	24-Mar-22	7.40%	08-Aug-22	150.0	CARE A+; Positive
Non-convertible debentures	INE087P07220	21-Jul-22	9.55%	21-Dec-23	375.0	CARE A+; Positive
Non-convertible debentures	Proposed	-	-	-	260.00	CARE A+; Positive
Non-convertible debentures	Proposed	-	-	-	925.00	CARE A+; Positive
Debentures-Market Linked Debentures	Proposed	-	-	-	100.00	CARE PP-MLD A+; Positive
Debentures-Market Linked Debentures	Proposed	-	-	-	100.00	CARE PP-MLD A+; Positive
Debt-Subordinate Debt	INE087P08020	June 30, 2017	9.50	June 30, 2027	25.00	CARE A+; Positive
Debt-Subordinate Debt	INE087P08038	December 27, 2017	9.35	December 27, 2027	25.00	CARE A+; Positive
Debt-Subordinate Debt	INE087P08012	March 16, 2016	10.50	March 16, 2024	25.00	CARE A+; Positive
Commercial Paper-Commercial Paper (Standalone)		-	-	-	150.00	CARE A1+

*The company has redeemed the instrument.

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned	Date(s) and Rating(s) assigned

					in 2022-2023	in 2021-2022	in 2020-2021	in 2019-2020
1	Fund-based - LT-Term Loan	LT	3510.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
2	Debentures-Non Convertible Debentures	LT	95.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
3	Fund-based - LT-Cash Credit	LT	190.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
4	Term Loan-Long Term	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
5	Debentures-Non Convertible Debentures	LT	55.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
6	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
7	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
8	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)

9	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
10	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
11	Debentures-Non Convertible Debentures	LT	50.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
12	Debentures-Non Convertible Debentures	LT	100.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
13	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
14	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
15	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
16	Debentures-Non Convertible Debentures	LT	300.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
17	Debentures-Non Convertible Debentures	LT	500.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19)

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								2)CARE A+ (CWD) (05-Apr-19)
18	Commercial Paper-Commercial Paper (Standalone)	ST	150.00	CARE A1+	1)CARE A1+ (02-Jun-22)	1)CARE A1+ (21-Sep-21) 2)CARE A1+ (01-Jun-21)	-	-
19	Debentures-Non Convertible Debentures	LT	400.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21) 2)CARE A+; Stable (23-Aug-21)	-	-
20	Debentures-Non Convertible Debentures	LT	1300.00	CARE A+; Positive	1)CARE A+; Positive (02-Jun-22)	-	-	-
21	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD A+; Positive				
22	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD A+; Positive				

*Long Term / Short Term

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

Non-Convertible Debentures	Detailed explanation
A. Financial Covenants	
i. Maintenance of capital adequacy ratio	Capital adequacy ratio (which shall be calculated as per the extant guidelines of the RBI) shall be maintained at minimum 18% (eighteen per cent) during the tenure of the Debentures out of which Tier 1 capital adequacy ratio (which shall be calculated as per the extant guidelines of the RBI) shall be at 13% (thirteen per cent) minimum.
B. Non-financial covenants	
i. Rating-related trigger clause	If the rating of the Debentures is suspended or withdrawn or moved to "issuer not cooperating" category or the long-term rating of the Debentures/Company is downgraded to A- or below (Acceleration Event), the Company shall be required to forthwith and in any event within 7 (Seven) calendar days of the occurrence of an Acceleration Event, provide an intimation, in writing to the Debenture Trustee and the Debenture Holders of the occurrence of such Acceleration Event ("Acceleration Event Intimation"). Upon the occurrence of an Acceleration Event, each Debenture Holder shall have the right but not the obligation to require the Company to redeem the Debentures held by such Debenture Holder ("Acceleration Option"), by provision of a notice in writing to the Company through the Debenture Trustee ("Acceleration Notice"). It is clarified that once the Acceleration Notice is issued by any Debenture Holders as provided for above, the Company shall be irrevocably and unconditionally bound to redeem the Debentures, in respect of which the Acceleration Notice has been issued, in the manner set out below. Upon receipt of an Acceleration Notice, the Company shall be obliged to redeem the Debentures held by the Debenture Holders who have chosen to exercise the Acceleration Option within 15 (Fifteen) calendar days of the date of the Acceleration Notice.

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

Sr No	Name of instrument	Complexity level
1.	Commercial Paper-Commercial Paper (Standalone)	Simple
2.	Debentures-Non-Convertible Debentures	Simple
3.	Debt-Subordinate Debt	Complex
4.	Fund-based - LT-Cash Credit	Simple
5.	Fund-based - LT-Term Loan	Simple
6.	Debentures-Market Linked Debentures	Highly Complex

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

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please click here

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

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

****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**

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