

**No. CARE/HRO/RL/2020-21/1830**

**Shri Chandrashekhar Paruchuri**

**Vice President (Finance)**

**IKF Finance Limited**

40-1-144, 3rd floor, Corporate centre,

MG Road

Vijayawada

Andhra Pradesh (New) 500010

December 29, 2020

**Confidential**

Dear Sir,

**Credit rating for proposed debt Instruments**

Please refer to your request for rating of proposed long-term instruments aggregating to Rs.125 crore of your Company. The proposed instruments would have tenure of seven years.

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

| Sr. No. | Instrument                 | Amount<br>(Rs. crore)                                                                | Rating <sup>1</sup>                              | Rating Action |
|---------|----------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------|---------------|
| 1.      | Non-Convertible Debentures | 50.00                                                                                | CARE A; Stable<br>(Single A; Outlook:<br>Stable) | Assigned      |
| 2.      | Non-Convertible Debentures | 50.00                                                                                | CARE A; Stable<br>(Single A; Outlook:<br>Stable) | Assigned      |
| 3.      | Subordinate Debt           | 25.00                                                                                | CARE A; Stable<br>(Single A; Outlook:<br>Stable) | Assigned      |
|         | <b>Total Instruments</b>   | <b>125.00</b><br><b>(Rs. One Hundred</b><br><b>Twenty-Five Crore</b><br><b>Only)</b> |                                                  |               |

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 i.e December 29, 2020

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:

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

**CARE Ratings Ltd.**

| 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 possible. In any case, if we do not hear from you by December 30, 2020 we will proceed on the basis that you have no comments to offer.
8. CARE 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 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 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 so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE 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 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.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
12. CARE 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.

**CARE Ratings Ltd.**

Thanking you,

Yours faithfully,



**[Tej Kiran G]**  
**Deputy Manager**  
tej.kiran@careratings.com



**[Puja Jalan]**  
**Senior Manager**  
Puja.jalan@careratings.com

Encl.: As above

**Disclaimer**

CARE's ratings 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo 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 is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'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.

**CARE Ratings Ltd.**

**Annexure**  
**Press Release**  
**Ratings**

| Facilities/Instruments             | Amount<br>(Rs. crore)                                            | Ratings                                        | Rating Action |
|------------------------------------|------------------------------------------------------------------|------------------------------------------------|---------------|
| Non-Convertible Debentures         | 50.00                                                            | CARE A; Stable<br>(Single A; Outlook: Stable ) | Assigned      |
| Non-Convertible Debentures         | 50.00                                                            | CARE A; Stable<br>(Single A; Outlook: Stable ) | Assigned      |
| Subordinate Debt                   | 25.00                                                            | CARE A; Stable<br>(Single A; Outlook: Stable ) | Assigned      |
| <b>Total Long Term Instruments</b> | <b>125.00</b><br><b>(Rs. One Hundred Twenty-Five Crore Only)</b> |                                                |               |

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The rating assigned to Non-Convertible Debenture issues and Sub-Ordinated Debt issue of IKF Finance Limited (IKF) continue to derive strength from experienced promoters and management team with a balanced growth & risk policy adopted by the promoter, long and established track record of operations in the lending business with a strong brand image, seasoned and gradual growth in portfolio over the past several years while maintaining satisfactory asset quality, diversified resource & funding profile, well-defined credit and recovery policy with strong collection systems adopted, comfortable capital adequacy and leverage position aided by periodic infusion of equity and healthy profitability indicators.

The rating is constrained by regional concentration of the portfolio despite multi-state presence, relatively moderate size of the NBFC, inherent risks associated with its borrower profile mostly being self-employed in the informal segment, exposure to higher ticket SME Segment, which although is on an declining trajectory, delinquencies higher in the softer buckets and competitive nature of industry coupled with inherent regulatory risk. The rating takes the note of moderation in asset quality and collections during H1FY21, though the collections have been improving monthly from April 2020 to November 2020.

**Rating sensitivities**

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

- Sustainable improvement in asset quality and improvement in delinquencies in softer buckets.
- Growth in scale of operations with expansion of portfolio and network base while maintaining profitability and capitalisation at comfortable levels
- Improving diversification of the loan book geographically

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

- Deterioration in the asset equality with the GNPA above 6% and there by impacting profitability for an extended period
- Deviation of portfolio ageing from historical levels for an extended period.
- Collections not reaching pre-covid levels by March 2021.
- Moderation of the capital structure with weakening of overall gearing ratio to more than 4.5 times on a sustainable basis
- Aggressive growth/migration of portfolio to segments which lack seasoning benefits.
- Deviation in envisaged portfolio contribution from relatively riskier SME segment

**Detailed description of the key rating drivers**

**Key Rating Strengths**

**CARE Ratings Ltd.**

**Established track record and experienced management team:** IKF has a long track record of about three decades in the vehicle financing segment. Mr. V.G.K. Prasad (Managing Director) has established experience of more than three decades and the business operations of IKF has benefited from his long established track record in the auto finance segment and the vast industry network developed over the years. He has also been associated with various other Industry Associations and has been the President of Federation of Indian Hire Purchase Associations (FIHPA). His cautious risk management policies with balanced approach of growth vs risk has been instrumental in the growth of the company. The second generation has taken over the business operations in a large way with Ms. K Vasumathi Devi, Executive Director (daughter of Mr. V.G.K. Prasad) handling Business, Credit, Collections, HR & IT operations. They are well supported by a team of qualified and experienced management team.

**Well defined credit policy and improving MIS system:** IKF has presence in commercial vehicle, construction equipment, three wheeler/four wheeler segments and in the SME financing segment as well. However, it has a well-defined credit policy for each of the segment and with a view to manage the growing scale of operation and exposure in each of the segment, the company has been improving its technology platform. Its loan origination and credit appraisal processes are now tab based resulting in improved efficiency and better underwriting process. The company has implemented a customized state-of-the-art mobile collection module (Tab based system) software for ease of underwriting process and to ensure lower turn-around time.

Further, IKF has strengthened its collection system by establishing stringent credit underwriting processes with early delinquency checks, establishing bucket-wise collection, and strengthening its collection team by hiring professionals with substantial experience in the domain

***Moderately diversified resource profile with scope for improvement***

Term loans from banks and financial institutions constituted around 54% of the total borrowings as on March 31, 2020 (PY: 53%). Working capital facilities from banks constituted around 20% (PY: 15%) of the total borrowings as on March 31, 2020, followed by Securitisation 16% (PY: 11%), NCDs and Sub Debt at 6% (PY: 12%) and 5% (PY: 3%) respectively. The company also raises funds via Commercial Paper on a limited basis with aggregate fund of Rs.17 raised via CP in FY20 (PY: ni). During June 2020 –November 2020, the company has raised about Rs.365 crore from banks and financial institutions via the TLTRO/PCG window/Term loans which has shored up the liquidity and also enabled the company to commence fresh disbursements

***Growth in AUM and healthy profitability profile***

The AUM witnessed a growth of 7% from Rs. 1,227 crore as on March 31, 2019 to Rs.1,315 crore as on March 31, 2020. Disbursements stood at Rs.745 crore in FY20 as against Rs.779 crew in FY19.The portfolio is spread across Commercial Vehicle (CV) 29.85%, Construction Equipment 22.05%, and SME segment 14.50%. Within CV, the share of HCV is around 50% and the remaining to LCV and MCV segment. The company has largely a seasoned portfolio with long presence in HCV segment, however the company has been increasing the share of LCV and MCV segment. The disbursements to AUM stood

at 63% during FY20. AUM grew by 7.71% during H1FY21 from Rs. 1,282 crore as on September 30, 2019 to Rs. 1,381 crore as on September 30, 2020

IKF has a healthy profitability profile with NIM improving from 6.39% in FY19 to 6.62% in FY20 mainly on account of increase in yield on advances from 16.41% in FY19 to 16.83% in FY20. Cost of fund stood at 11.74% in FY20 as against 11.41% in FY19. With increase in per branch portfolio, the operating expenses to average assets declined from 3.29% in FY19 to 2.71% in FY20. Credit costs also declined from 1.06% in FY19 to 1.23% in FY20. ROTA improved marginally from 1.72% in FY19 to 2.09% in FY20.

During H1FY21, the company has reported a profit of Rs.16 crore on a total income of Rs.106 crore

### ***Comfortable capitalisation***

Aided by regular capital infusion by promoters and P-E investors, over the last few years, IKF has been able to maintain capital adequacy at comfortable levels. Total CAR as on March 31, 2020 stood at 21.19% as against 20.86% as on March 31, 2019. This apart, leverage has also been at satisfactory level with overall gearing at 3.63x as on Mar. 31, 2020. However, the same may witnessed weakening in the event of slower deployment of funds raised in current fiscal. CAR as on September 30, 2020 stood at 21.75%

### **Key Rating Weaknesses**

#### **Moderation of asset quality during H1FY21**

The asset quality has seen moderation during H1FY21. Gross Stage III asset and Net Stage III assets have increased to 4.70% and 3.39% as on September 30, 2020 (without considering the relaxation provided by RBI as per order of Honorable Supreme court) from 2.69% and 1.93% as on March 31, 2020 on the account of Covid-19. Historically, the GNPA level of IKF has shown seasonality wherein GNPA levels have increasing in June & September quarter with improving in March & December quarter. With the collections improving, the asset quality is expected to improve by March 2021 which would remain a key monitorable

#### ***Relatively high delinquencies in softer bucket***

The asset quality although has shown improvement during quarter ending March 2020, however the delinquencies in the on-time portfolio continues to be higher which has been the trend historically. During the quarter ending September 30, 2020, on time portfolio has seen further moderation, however portfolio in 30+ bracket has shown improvement.

Further, over the last 4 years the company was able to recover 80% of the opening NPAs, either by up gradation of the accounts or sale of reposed vehicles. The company has been taking steps to reduce delinquencies in the hard buckets with now gradually focusing towards softer buckets. The ability of the company to further improve the asset quality, arrest slippages and prune down the delinquencies in the softer buckets will remain a key rating factor.

### ***Modest scale of operations***

IKF has been in the vehicle finance business since 1991, despite having a track record close to three decades, the size of operation remained moderate with a net-worth size of Rs.292 crore as on March 31, 2020 and portfolio size of Rs.1,315 crore

as on same date. Though being modest in size, the company has been able to register continuous growth with comfortable capitalization and asset quality.

***Geographical concentration risk:***

IKF expanded its operations over the last few years by setting up branches in new geographies and the company is operating in nine states covering Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan. Nevertheless, the portfolio is concentrated in South India.

The 5 southern states constituted around 70% of the AUM as on March 31, 2020 as against 74% of AUM as on March 31, 2019. Top 2 states Andhra Pradesh and Telangana constituted around 56% of the portfolio as on March 31, 2020 against 57% as on March 31, 2019. IKF's portfolio is expected to remain concentrated in the South India states, especially in Andhra and Telangana in the medium term.

***Exposure to SME Financing***

IKF had been expanding its presence in the SME financing segment over the last few years, with the same contributing 14.50% of AUM as on Mar.31, 2020 reduced from 21.80% previous year, in line with the management strategy to reduce the exposure. The management as per its strategy has been reducing the exposure which along with higher advances being given by the banks to SME segment at relatively better rates has also reduced the contribution. For IKF, the segment is backed by high security cover of about 1.4x (primary & collateral put together) and is expected to be reduced further to 10% by FY22, given company's focus on asset financing going forward.

***Impact of COVID 19***

The business operation of NBFCs have been initially impacted due to COVID crisis with slowdown of collections and disbursements at halt. In line with industry phenomenon, the collection efficiency during April, 2020 and May, 2020 stood at 15% and 16% respectively. With the lockdown easing the collection efficiency has been improving on a month on month basis and stood at about 85% in November 2020 (108% considering prepayments). Going forwards the credit costs are expected to increase due to slow down of the economic activity due to Covid-19 and resumption of repayments for borrowers post moratorium. The ability of the company to bring back the total collections to the pre-covid levels would be important for managing the liquidity.

The company has extended moratorium to all the customers who have requested moratorium during April- May 2020 and on a case to case basis for June July 2020 - August 2020. In view of the Covid-19 outbreak the company has slowed down the disbursements from March 2020. The company disbursed around Rs.151 crore during H1FY21 as against Rs.358 crore during H1FY20.

***Liquidity: Adequate***

IKF's ALM profile is adequate with no cumulative mismatches in any of the time buckets due to the relatively short nature of its loans as against longer tenure of its borrowings as on September 30, 2020. The company has extended the moratorium to its clients on April – August 2020. IKF has a debt obligation of Rs.314.39 crore (assuming Rollover of cash credit limits) for the period between December 2020 to November 2021 as against the liquidity backup of Rs.275 crore (including unavailed

cash credit). The company has revised its ALM policy wherein they will be maintain two months of required liquidity in the form of liquid assets (cash in current account/liquid mutual funds) as against maintaining in cash credit previously. The liquid funds (Rs.60 crore) as on December 28, 2020 (excluding cash credit) covers about 2 months debt servicing

The company availed moratorium from few lenders for the period April - May 2020. For the second phase (June 2020 to August 2020), IKF has availed moratorium from five lenders who have not given approval for opting out of moratorium.

**Analytical approach:** Standalone

**Applicable Criteria**

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

[CARE Policy on Default Recognition](#)

[Rating Methodology- Non Banking Finance Companies](#)

[Financial ratios - Financial Sector](#)

#### About the Company

Incorporated in 1991 as Indra Keela Financiers Private Limited, IKF is registered as an asset financing company and non-deposit taking NBFC with RBI, and is primarily engaged in the business of vehicle and SME segment financing. The company has presence across nine states viz. Andhra Pradesh, Telangana, Gujarat, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Kerala, and Rajasthan.

The company is promoted by Mr. V.G.K. Prasad (Managing Director), who has more than three decades of experience in the industry. Furthermore, equity stake of 39.6% in IKF is held by two funds (India Business Excellence Fund II and IIA) managed by Motilal Oswal Private Equity (MOPE), the Private Equity (P-E) arm of Motilal Oswal Financial Services Limited

| Brief Financials (Rs. crore) | FY19 (A) | FY20 (A) |
|------------------------------|----------|----------|
| Total operating income       | 155      | 206      |
| PAT                          | 18       | 28       |
| Interest coverage (times)    | 1.29     | 1.33     |
| Total Assets                 | 1241     | 1417     |
| Net NPA (%)                  | 2.88     | 1.93     |
| ROTA (%)                     | 1.72     | 2.09     |

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

**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 |
|--------------------------------------------------|------|------------------|-------------|---------------|-------------------------------|-------------------------------------------|
| Debentures-Non Convertible Debentures (Proposed) | -    | -                | -           | -             | 50.00                         | CARE A; Stable                            |
| Debentures-Non Convertible Debentures (Proposed) | -    | -                | -           | -             | 50.00                         | CARE A; Stable                            |

**CARE Ratings Ltd.**

| Name of the Instrument           | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|----------------------------------|------|------------------|-------------|---------------|-------------------------------|-------------------------------------------|
| Debt-Subordinate Debt (Proposed) | -    | -                | -           | -             | 25.00                         | 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 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              | -                              | -              | -                                         | -                                                            | -                                         | 1)Withdrawn (08-Jan-18)                                                      |
| 2.      | Fund-based - LT-Cash Credit            | LT              | 400.00                         | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)              | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) | 1)CARE A; Stable (04-Mar-19)              | 1)CARE A-; Stable (08-Jan-18)                                                |
| 3.      | Commercial Paper                       | ST              | -                              | -              | -                                         | -                                                            | -                                         | 1)Withdrawn (08-Jan-18)                                                      |
| 4.      | Commercial Paper                       | ST              | -                              | -              | -                                         | 1)Withdrawn (11-Mar-20)<br>2)CARE A1 (23-Aug-19)             | 1)CARE A1 (04-Mar-19)                     | 1)CARE A2+ (22-Feb-18)<br>2)CARE A2+ (08-Jan-18)                             |
| 5.      | Debentures-Non Convertible Debentures  | LT              | 6.00                           | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)              | 1)CARE A; Stable (17-Mar-20)                                 | 1)CARE A; Stable (04-Mar-19)              | 1)CARE A-; Stable (08-Jan-18)<br>2)CARE A-; Stable (17-May-17)               |
| 6.      | Fund-based - LT-Term Loan              | LT              | 665.00                         | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)              | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) | 1)CARE A; Stable (04-Mar-19)              | 1)CARE A-; Stable (08-Jan-18)                                                |
| 7.      | Non-fund-based - ST-Bank Guarantees    | ST              | -                              | -              | -                                         | 1)Withdrawn (01-Apr-19)                                      | 1)CARE A1 (04-Mar-19)                     | 1)CARE A2+ (08-Jan-18)                                                       |
| 8.      | Debentures-Non Convertible Debentures  | LT              | -                              | -              | 1)Withdrawn (07-Oct-20)                   | 1)CARE PP-MLD A; Stable (17-Mar-20)                          | 1)CARE PP-MLD A; Stable (04-Mar-19)       | 1)CARE PP MLD A-; Stable (08-Jan-18)<br>2)CARE PP MLD A-; Stable (17-May-17) |

**CARE Ratings Ltd.**

|     |                                       |    |        |                |                                                              |                                                              |                                                               |                               |
|-----|---------------------------------------|----|--------|----------------|--------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| 9.  | Debentures-Non Convertible Debentures | LT | -      | -              | -                                                            | 1)Withdrawn (17-Mar-20)                                      | 1)CARE A; Stable (04-Mar-19)                                  | 1)CARE A-; Stable (28-Mar-18) |
| 10. | Debentures-Non Convertible Debentures | LT | -      | -              | -                                                            | 1)Withdrawn (17-Mar-20)                                      | 1)CARE A; Stable (04-Mar-19)<br>2)CARE A-; Stable (09-Jul-18) | -                             |
| 11. | Debentures-Non Convertible Debentures | LT | -      | -              | 1)Withdrawn (07-Oct-20)                                      | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (01-Apr-19) | -                                                             | -                             |
| 12. | Debentures-Non Convertible Debentures | LT | 10.50  | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)                                 | 1)CARE A; Stable (17-Mar-20)<br>2)CARE A; Stable (26-Jun-19) | -                                                             | -                             |
| 13. | Commercial Paper                      | ST | -      | -              | -                                                            | 1)Withdrawn (11-Mar-20)                                      | -                                                             | -                             |
| 14. | Debentures-Non Convertible Debentures | LT | 100.00 | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (12-Jun-20) | -                                                            | -                                                             | -                             |
| 15. | Debentures-Non Convertible Debentures | LT | 125.00 | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (20-Jul-20) | -                                                            | -                                                             | -                             |
| 16. | Debentures-Non Convertible Debentures | LT | 30.00  | CARE A; Stable | 1)CARE A; Stable (07-Oct-20)<br>2)CARE A; Stable (24-Aug-20) | -                                                            | -                                                             | -                             |
| 17. | Debentures-Non Convertible Debentures | LT | 50.00  | CARE A; Stable | -                                                            | -                                                            | -                                                             | -                             |
| 18. | Debentures-Non Convertible Debentures | LT | 50.00  | CARE A; Stable | -                                                            | -                                                            | -                                                             | -                             |
| 19. | Debt-Subordinate Debt                 | LT | 25.00  | CARE A; Stable | -                                                            | -                                                            | -                                                             | -                             |

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**

**Annexure 4: Complexity level of various instruments rated for this Company**

| Sr. No. | Name of the Instrument                | Complexity Level |
|---------|---------------------------------------|------------------|
| 1.      | Debentures-Non Convertible Debentures | Simple           |
| 2.      | Debt-Subordinate Debt                 | 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](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no.: +91-22-6837 4424

Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Puja Jalan

Contact no.: +91-9160001511

Email ID: [puja.jalan@careratings.com](mailto:puja.jalan@careratings.com)

### Relationship Contact

Ramesh Bob

Contact no.: + 91-90520 00521

Email ID: [ramesh.bob@careratings.com](mailto:ramesh.bob@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.

#### Disclaimer

CARE's ratings 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo 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 is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'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.careratings.com](http://www.careratings.com)**

**CARE Ratings Ltd.**

CARE Ratings Ltd.

---

401, Ashoka Scintilla, 3-6-520, Himayat Nagar, Hyderabad - 500 029  
Tel: +040-67937400/410