

CARE/HO/RL/2019-20/3050

Mr. Ranjan Ghosh

MD and CEO

Centrum Financial Services Limited,

Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (E), Mumbai – 400 098

October 01, 2019

Confidential

Dear Sir,

Credit rating for Principal Protected Market Linked Debenture

On the basis of recent developments including operational and financial performance of your company for FY19 and Q1FY20, our Rating Committee has reviewed the following rating:

Instrument	Rated Amount (Rs. crore)	O/s amount as on Sept 30,2019 (Rs. crore)	Unutilised amount (Rs. crore)	Rating ¹	Rating Action
Principle Protected Market Linked Debenture.	450 (Rupees Four Hundred and fifty crore only)	391.22 (Rupees Three Hundred and ninety one crores and twenty two lakhs only)	58.78 (Rupees Fifty eight crores and seventy eight lakhs only)	CARE PP-MLD A-; Negative (PP-MLD Single A Minus; Outlook: Negative)	Reaffirmed and Outlook revised from 'Stable' to 'Negative'

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months.
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- 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	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

							Trustee	
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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.
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 debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. 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. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

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.

Thanking you,

Yours faithfully,



[Shailee Sanghvi]
Deputy Manager

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[Ravi Kumar]
Associate Director

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Encl.: As above

Disclaimer

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

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is 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/HO/RL/2019-20/1784

Mr. Ranjan Ghosh

MD and CEO

Centrum Financial Services Limited,

Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (E), Mumbai – 400 098

November 13, 2019

Dear Sir,

Rating of Bank facilities

Please refer to our letters dated September 30, 2019 on the above subject.

2. The rationale for the ratings is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
3. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - II**.

If you have any further clarifications, you are welcome too approach us.

Thanking you,

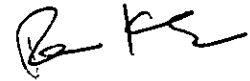
Yours faithfully,



[Shailee Sanghvi]

Deputy Manager

Shailee.sanghvi@careratings.com



[Ravi Kumar Dasari]

AGM

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Encl: As above

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Annexure-I
Rating Rationale

Centrum Financial Services Limited(CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	450	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Long term bank facilities	300	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Commercial Paper	200	CARE A2+ [A Two Plus]	Reaffirmed
Total	950 (Rs. Nine hundred and fifty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating reaffirmation factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL). The ratings are however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The ratings also take into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/ HFC sector. The ratings factor in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook has been revised to 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Detailed description of the key rating drivers

Key Rating Strengths

Established presence of the group in the financial services segment

CFSL was 100% subsidiary of Centrum Capital Limited (CCL). However, the entire shareholding of CFSL was sold by Centrum Capital Limited (CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The centrum group has presence across various segments

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including institutional business (investment banking, institutional broking), wealth management business (private wealth, insurance broking), lending businesses (affordable housing, NBFC and microfinance) and asset management business. Centrum Wealth Management is amongst the top private wealth management firms in India of which the asset under service as on Sept 30, 2019 stood at Rs.21,026 crores. It is also because of the established presence of Centrum Wealth Management that the company has been able to raise MLD every month of Rs.25-30 crores through HNI investors. The group has set-up Centrum Housing Financial Ltd (CHFL) for offering affordable housing loans and a non-banking finance company, Centrum Financial Services Limited (CFSL) for offering business loans to small and medium enterprises and Centrum MicroCredit Pvt Ltd for providing loans to un-served and under-served borrowers operating small businesses in semi-urban areas.

Experienced management

The centrum group is being led by Mr. Jaspal Bindra former Asia Pacific CEO at Standard Chartered Bank in the role of Executive Chairman of Centrum group.

Mr. Ranjan Ghosh is the MD of CFSL since 2016. He is the former MD and Global Head of Banks, Financial Institutions Group for Standard Chartered Bank. Mr. Saurabh Srivastava is the Head – Credit Risk. He has 15+ years of Experience in the Banking across various functional roles with MNCs and Leading NBFCs like HSBC and Aditya Birla Finance. Each of the business segments is managed by experienced people in the relevant segments.

Comfortable capital adequacy levels

The tangible networth stood at Rs.292.98 crores as on March 31, 2019 as against Rs.168 crores as on March 31, 2018. CCL has infused equity of Rs.60 crores in FY18 and Rs.140 crores as equity and Compulsory convertible debentures (CCD's) in FY19. CCL has earlier committed a total equity infusion of Rs. 450 crores ie Rs. 150 crores in FY19 and Rs. 300 crores in FY20 in CFSL, the visibility of the cashflows was seen due to the proceeds of ~Rs. 900 crores received from the stake sale of Centrum Direct Limited. In light of the challenging funding environment for NBFCs, CFSL recalibrated its growth plans whereby the equity funding requirement came down from what was initially envisaged. However, the visibility of funds for equity infusion, which was evident at the parent level last year, has reduced substantially. Hence, the company/promoter will have to raise resources to meet their capital requirement in future and this remains a key rating monitorable.

In FY19, Total Capital Adequacy Ratio (CAR) stood at 23.01% (against the regulatory requirement of 15%) with Tier I CAR at 21.44%. The overall gearing stood at 3.33x times as on March 31, 2019 as compared to 2.04 times as on March 31, 2018.

Key Rating Weaknesses

Portfolio concentration & seasoning of new products

As on March 31, 2019, the outstanding portfolio stood at Rs.1134 crores as against Rs.343 crores as on March 31, 2018. In FY18, CFSL had envisaged a certain portfolio mix focused with diversification of book across different asset classes primarily being commercial finance, financial institutions, supply chain and real estate. However,

in FY19 CFSL bought the supply chain portfolio (with relatively granular ticket size loans) from L&T Finance Limited which constitutes almost 54% of the outstanding book as on March 31, 2019.

In case of real estate portfolio, almost 40% of the book is in the last stage of completion and the sales velocity of this book is also high which helps to derive comfort. In case of FI's portfolio, as on March 31, 2019, exposure to MFI's is 73.4% of the total financial intermediary portfolio, however it being a relatively riskier asset class on account of event risks, asset quality performance and its impact on profitability will be key rating monitorable. In the commercial finance portfolio as on March 31, 2019, top 10 exposures contribute to 56.74% of the tangible networth, 45.47% of the outstanding commercial finance portfolio and 14.66% of the total outstanding book. Maximum single borrower concentration is at 2.20% which is below the regulatory requirement of RBI at 15%. Besides, LAS being a small portfolio has an average security cover of at least 2x at all times. However, this business is not expected to be scaled up.

The supply chain business being competitive in nature, it is imperative for CFSL to access funding at relatively lower rates to maintain the spreads on an on-going basis, With current scenario in the NBFC sector, with lower funding availability and higher cost of funds, CFSL ability to do the same needs to be monitored.

Going forward, CFSL intends to diversify its portfolio with lower ticket sizes in the SCF and MSMSE portfolio. Company is primarily focusing on expanding its portfolio through supply chain through alternate business models and financing including co-lending method, MSME financing and lending to financial institutions mainly MFI's. These new products lines are expected to improve the granularity of the overall portfolio, however the asset quality performances of these new segments through the cycles remains to be seen.

Small size of operations

As CFSL is in early years of operations, the size of business is small and the seasoning of portfolio is limited. As a result, its asset quality performance through different economic cycles and geographies is yet to be established. The portfolio outstanding as on March 31, 2019 is Rs. 1134 crore. Even though the seasoning of the portfolio is low, CFSL portfolio is over-collateralised generally 1.2x or 2x of the loan amount for the exposures in commercial finance, real estate and Financial Intermediary segment. Even in case of LAS, the company has a cover of at least 2x at all times. Besides, supply chain being a short term loan churns faster and the ability to scale up the book along with reasonable yields continues to remain a key monitorable. As on March 31, 2019, GNPA and NNPA stood comfortable at 1.40% and 1.26% respectively.

Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The

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yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore . Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March,2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The company is positive across all time brackets as on March 31, 2019. Company has been able to raise MLD's of Rs.25-30 crores each month and has also raised CP of Rs.25 crores. Also, company has cash balance of Rs.102.30 crores as on March 31, 2019. As on March 31, 2019, the borrowings upto 1 year stands at Rs.818.50 crores.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Rating Methodology: Factoring Linkages in Ratings

Financial ratios – Financial sector

CARE's criteria for Housing Finance Companies

About the Company

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore

Financial Performance

(Rs. Crore)

Particulars	FY 2017	FY 2018	FY 2019
	12M, A	12M, A	12M, A
P&L:			

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Interest income	36	45	85
Fee Income	-	6	5
Other income	3	19	10
Total income	39	70	101
Interest expenses	12	46	65
Employee Expenses	2	10	21
Admin Expenses	16	8	8
Depreciation	0	1	1
Total operating expenses	17	19	30
Indirect Expense			
Provisions	0	3	5
Total expenses	30	68	35
PBT	9	3	1
PAT	5	0.39	0.48
Bal sheet:			
Tangible Net worth	111	168	292
Borrowings	298	342	975
Total Assets	429	557	1,385
Investments	34	38	39
Loans	324	334	1,134
Cash and Bank	47	73	102
Ratios (%)			
Overall gearing	2.70	2.04	3.33
Interest coverage	1.68	1.06	1.21
CAR (%)	-	37.34	23.01
Tier I CAR (%)	-	37.04	21.44
Total Income / Average Total Assets	11.81	14.36	10.33
Interest Income/ Avg. Interest earning assets (A)	14.12	12.99	12.36
Interest / Avg. Borrowed Funds (B)	6.14	14.25	9.92
Interest spread (A-B)	7.98	(1.26)	2.08
Net Interest Margin	7.14	(0.04)	2.67
Interest Income /Avg Total Assets	10.95	10.42	9.29
Other Income/Avg total Assets	0.87	3.94	1.03
Finance Cost/Avg Total Assets	3.81	9.30	6.71
Operating Expenses/Average Total Assets	5.31	3.82	3.10
Provisions /Avg Total Assets	0.09	0.67	0.52
Tax /Avg Total Assets	2.60	0.57	0.00
ROTA (PAT / Average Total Assets)	1.68	0.08	0.05
RONW	5.02	0.28	-
Gross NPA %	-	0.48	1.40
Net NPA %	-	-	1.26

*Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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.

[This follows our brief rationale published on October 09, 2019]

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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

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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.

Annexure 1- Instrument Details

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue	Rating assigned along with Rating Outlook
				(Rs. crore)	
Bank Facilities – Cash Credit	-	-	-	20	CARE A-;Negative
Bank Facilities- Term Loan	-	-	-	97.53	CARE A-;Negative
Bank Facilities- Proposed	-	-	-	182.47	CARE A-;Negative
Commercial Paper	-	-	-	200	CARE A2+
Principle Protected- Market Linked Debentures	08-Oct-2018	-	06-Nov-2020	23.50	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Oct-2018	-	23-Nov-2020	5.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Nov-2018	-	12-May-2022	19.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Nov-2018	-	23-Nov-2020	4.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Dec-2018	-	14-Jun-2022	13.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Dec-2018	-	23-Nov-2020	4.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Dec-2018	-	23-Nov-2020	8.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Jan-2019	-	23-Nov-2020	2.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Jan-2019	-	23-Nov-2020	1.39	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jan-2019	-	04-Aug-2022	18.93	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jan-2019	-	04-Aug-2022	23.43	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Feb-2019	-	04-Aug-2022	5.37	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Feb-2019	-	23-Nov-2020	2.34	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Feb-2019	-	17-Jun-2020	22.82	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Feb-2019	-	04-Aug-2022	14.84	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Mar-2019	-	17-Jun-2020	5.64	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	15-Mar-2019	-	04-Aug-2022	2.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Mar-2019	-	17-Jun-2020	8.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Mar-2019	-	04-Aug-2022	11.35	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Mar-2019	-	17-Jun-2020	1.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Apr-2019	-	17-Jun-2020	3.99	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Apr-2019	-	04-Aug-2022	5.61	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Apr-2019	-	17-Jun-2020	2.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-Apr-2019	-	01-Nov-2022	15.94	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Apr-2019	-	17-Jun-2020	5.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Apr-2019	-	04-Aug-2022	2.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-May-2019	-	04-Aug-2022	2.06	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-May-2019	-	17-Jun-2020	2.04	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-May-2019	-	01-Nov-2022	5.68	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	07-Jun-2019	-	04-Aug-2022	6.25	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jun-2019	-	04-Aug-2022	2.66	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	14-Jun-2019	-	15-Dec-2020	2.70	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	21-Jun-2019	-	28-Oct-2021	7.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Jun-2019	-	01-Nov-2022	2.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Jun-2019	-	04-Aug-2022	6.30	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	04-Jul-2019	-	15-Dec-2020	4.83	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jul-2019	-	04-Aug-2022	2.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-Jul-2019	-	01-Nov-2022	1.77	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Jul-2019	-	15-Dec-2020	6.56	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Jul-2019	-	15-Dec-2020	5.02	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	25-Jul-2019	-	04-Aug-2022	4.18	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Jul-2019	-	15-Dec-2020	4.65	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Jul-2019	-	15-Dec-2020	2.53	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jul-2019	-	04-Aug-2022	7.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	01-Aug-2019	-	15-Dec-2020	2.03	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Aug-2019	-	04-Aug-2022	3.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Aug-2019	-	15-Dec-2020	4.71	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Aug-2019	-	01-Nov-2022	2.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Aug-2019	-	15-Dec-2020	4.46	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Aug-2019	-	04-Aug-2022	6.98	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Aug-2019	-	15-Dec-2020	5.86	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Aug-2019	-	04-Aug-2022	5.72	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Sep-2019	-	15-Dec-2020	2.54	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	09-Sep-2019	-	15-Dec-2020	3.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Sep-2019	-	04-Aug-2022	6.33	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	13-Sep-2019	-	15-Dec-2020	4.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	18-Sep-2019	-	15-Dec-2020	1.59	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Sep-2019	-	15-Dec-2020	2.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Sep-2019	-	28-Apr-2023	5.97	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Sep-2019	-	15-Dec-2020	1.85	CARE PP-MLD A-; Negative
Proposed Principle Protected- Market Linked Debentures	-	-	-	58.78	CARE PP-MLD A-; Negative

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	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	300.00	CARE A-; Negative	-	1. CARE A-; Stable (06-Jul-18)	-	-
2.	Commercial Paper	ST	200.00	CARE A2+	-	1. CARE A2+ (21-Sep-18)	-	-

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						2.CARE A2+ (24-Aug-18)		
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (26-Sept-18)	-	-
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable (13-May-19)	-	-	-

Annexure-II

Centrum Financial Services Limited (CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	450	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Long term bank facilities	300	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Commercial Paper	200	CARE A2+ [A Two Plus]	Reaffirmed
Total	950 (Rs. Nine hundred and fifty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale of CFSL

The rating reaffirmation factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL).

The ratings are however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The ratings also take into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/ HFC sector.

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The ratings factor in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook has been revised to 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Detailed description of the key rating drivers of CFSL

Key rating strengths

Established presence of the group in the financial services segment

CFSL was 100% subsidiary of Centrum Capital Limited (CCL). However, the entire shareholding of CFSL was sold by Centrum Capital Limited (CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The centrum group has presence across various segments including institutional business (investment banking, institutional broking), wealth management business (private wealth, insurance broking), lending businesses (affordable housing, NBFC and microfinance) and asset management business. Centrum Wealth Management is amongst the top private wealth management firms in India of which the asset under service as on Sept 30, 2019 stood at Rs.21,026 crores. It is also because of the established presence of Centrum Wealth Management that the company has been able to raise MLD every month of Rs.25-30 crores through HNI investors. The group has set-up Centrum Housing Financial Ltd (CHFL) for offering affordable housing loans and a non-banking finance company, Centrum Financial Services Limited (CFSL) for offering business loans to small and medium enterprises and Centrum MicroCredit Pvt Ltd for providing loans to un-served and under-served borrowers operating small businesses in semi-urban areas.

Experienced management

The centrum group is being led by Mr. Jaspal Bindra former Asia Pacific CEO at Standard Chartered Bank in the role of Executive Chairman of Centrum group.

Mr. Ranjan Ghosh is the MD of CFSL since 2016. He is the former MD and Global Head of Banks, Financial Institutions Group for Standard Chartered Bank. Mr. Saurabh Srivastava is the Head – Credit Risk. He has 15+ years of Experience in the Banking across various functional roles with MNCs and Leading NBFCs like HSBC and Aditya Birla Finance. Each of the business segments is managed by experienced people in the relevant segments.

Comfortable capital adequacy levels

The tangible networth stood at Rs.292.98 crores as on March 31, 2019 as against Rs.168 crores as on March 31, 2018. CCL has infused equity of Rs.60 crores in FY18 and Rs.140 crores as equity and Compulsory convertible debentures (CCD's) in FY19. CCL has earlier committed a total equity infusion of Rs. 450 crores ie Rs. 150 crores in FY19 and Rs. 300 crores in FY20 in CFSL, the visibility of the cashflows was seen due to the proceeds of ~Rs.

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900 crores received from the stake sale of Centrum Direct Limited. In light of the challenging funding environment for NBFCs, CFSL recalibrated its growth plans whereby the equity funding requirement came down from what was initially envisaged. However, the visibility of funds for equity infusion, which was evident at the parent level last year, has reduced substantially. Hence, the company/promoter will have to raise resources to meet their capital requirement in future and this remains a key rating monitorable.

In FY19, Total Capital Adequacy Ratio (CAR) stood at 23.01% (against the regulatory requirement of 15%) with Tier I CAR at 21.44%. The overall gearing stood at 3.33x times as on March 31, 2019 as compared to 2.04 times as on March 31, 2018.

Key rating weaknesses

Portfolio concentration & seasoning of new products

As on March 31, 2019, the outstanding portfolio stood at Rs.1134 crores as against Rs.343 crores as on March 31, 2018. In FY18, CFSL had envisaged a certain portfolio mix focused with diversification of book across different asset classes primarily being commercial finance, financial institutions, supply chain and real estate. However, in FY19 CFSL bought the supply chain portfolio (with relatively granular ticket size loans) from L&T Finance Limited which constitutes almost 54% of the outstanding book as on March 31, 2019.

In case of real estate portfolio, almost 40% of the book is in the last stage of completion and the sales velocity of this book is also high which helps to derive comfort. In case of FI's portfolio, as on March 31, 2019, exposure to MFI's is 73.4% of the total financial intermediary portfolio, however it being a relatively riskier asset class on account of event risks, asset quality performance and its impact on profitability will be key rating monitorable.

In the commercial finance portfolio as on March 31, 2019, top 10 exposures contribute to 56.74% of the tangible networth, 45.47% of the outstanding commercial finance portfolio and 14.66% of the total outstanding book. Maximum single borrower concentration is at 2.20% which is below the regulatory requirement of RBI at 15%.

Besides, LAS being a small portfolio has an average security cover of atleast 2x at all times. However, this business is not expected to be scaled up.

The supply chain business being competitive in nature, it is imperative for CFSL to access funding at relatively lower rates to maintain the spreads on an on-going basis, With current scenario in the NBFC sector, with lower funding availability and higher cost of funds, CFSL ability to do the same needs to be monitored.

Going forward, CFSL intends to diversify its portfolio with lower ticket sizes in the SCF and MSMSE portfolio. Company is primarily focusing on expanding its portfolio through supply chain through alternate business models and financing including co-lending method, MSME financing and lending to financial institutions mainly MFI's. These new products lines are expected to improve the granularity of the overall portfolio, however the asset quality performances of these new segments through the cycles remains to be seen.

Small size of operations

As CFSL is in early years of operations, the size of business is small and the seasoning of portfolio is limited. As a result, its asset quality performance through different economic cycles and geographies is yet to be established. The portfolio outstanding as on March 31, 2019 is Rs. 1134 crore. Even though the seasoning of the portfolio is

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low, CFSL portfolio is over-collateralised generally 1.2x or 2x of the loan amount for the exposures in commercial finance, real estate and Financial Intermediary segment. Even in case of LAS, the company has a cover of at least 2x at all times. Besides, supply chain being a short term loan churns faster and the ability to scale up the book along with reasonable yields continues to remain a key monitorable. As on March 31,2019, GNPA and NNPA stood comfortable at 1.40% and 1.26% respectively.

Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore . Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March,2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The company is positive across all time brackets as on March 31, 2019. Company has been able to raise MLD's of Rs.25-30 crores each month and has also raised CP of Rs.25 crores. Also, company has cash balance of Rs.102.30 crores as on March 31, 2019. As on March 31, 2019, the borrowings upto 1 year stands at Rs.818.50 crores.

Analytical approach: Standalone approach with support from promoters considered.

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Non Banking Financial Companies

Financial ratios – Financial Sector

Factor Linkages in Ratings

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About the Company

CFSL

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore.

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total income	70.46	101.94
PAT	0.39	0.48
Interest coverage (times)	1.06	1.21
Tangible Net worth	168.15	292.98
Loans outstanding	342.41	1133.5
Total Assets	557.50	1385.94
ROTA (%)	0.08	0.05

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

Annexure 1- Instrument Details

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bank Facilities – Cash Credit	-	-	-	20	CARE A-;Negative
Bank Facilities- Term Loan	-	-	-	97.53	CARE A-;Negative
Bank Facilities- Proposed	-	-	-	182.47	CARE A-;Negative
Commercial Paper	-	-	-	200	CARE A2+
Principle Protected- Market Linked Debentures	08-Oct-2018	-	06-Nov-2020	23.50	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Oct-2018	-	23-Nov-2020	5.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Nov-2018	-	12-May-2022	19.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Nov-2018	-	23-Nov-2020	4.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Dec-2018	-	14-Jun-2022	13.15	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Dec-2018	-	23-Nov-2020	4.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Dec-2018	-	23-Nov-2020	8.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Jan-2019	-	23-Nov-2020	2.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Jan-2019	-	23-Nov-2020	1.39	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jan-2019	-	04-Aug-2022	18.93	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jan-2019	-	04-Aug-2022	23.43	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Feb-2019	-	04-Aug-2022	5.37	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Feb-2019	-	23-Nov-2020	2.34	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Feb-2019	-	17-Jun-2020	22.82	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Feb-2019	-	04-Aug-2022	14.84	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Mar-2019	-	17-Jun-2020	5.64	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Mar-2019	-	04-Aug-2022	2.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Mar-2019	-	17-Jun-2020	8.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Mar-2019	-	04-Aug-2022	11.35	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Mar-2019	-	17-Jun-2020	1.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Apr-2019	-	17-Jun-2020	3.99	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Apr-2019	-	04-Aug-2022	5.61	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Apr-2019	-	17-Jun-2020	2.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-Apr-2019	-	01-Nov-2022	15.94	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Apr-2019	-	17-Jun-2020	5.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Apr-2019	-	04-Aug-2022	2.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-May-2019	-	04-Aug-2022	2.06	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-May-2019	-	17-Jun-2020	2.04	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	30-May-2019	-	01-Nov-2022	5.68	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	07-Jun-2019	-	04-Aug-2022	6.25	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jun-2019	-	04-Aug-2022	2.66	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	14-Jun-2019	-	15-Dec-2020	2.70	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	21-Jun-2019	-	28-Oct-2021	7.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Jun-2019	-	01-Nov-2022	2.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Jun-2019	-	04-Aug-2022	6.30	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	04-Jul-2019	-	15-Dec-2020	4.83	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jul-2019	-	04-Aug-2022	2.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-Jul-2019	-	01-Nov-2022	1.77	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Jul-2019	-	15-Dec-2020	6.56	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Jul-2019	-	15-Dec-2020	5.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jul-2019	-	04-Aug-2022	4.18	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Jul-2019	-	15-Dec-2020	4.65	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Jul-2019	-	15-Dec-2020	2.53	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jul-2019	-	04-Aug-2022	7.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	01-Aug-2019	-	15-Dec-2020	2.03	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Aug-2019	-	04-Aug-2022	3.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Aug-2019	-	15-Dec-2020	4.71	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Aug-2019	-	01-Nov-2022	2.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Aug-2019	-	15-Dec-2020	4.46	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Aug-2019	-	04-Aug-2022	6.98	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Aug-2019	-	15-Dec-2020	5.86	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Aug-2019	-	04-Aug-2022	5.72	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Sep-2019	-	15-Dec-2020	2.54	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	09-Sep-2019	-	15-Dec-2020	3.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Sep-2019	-	04-Aug-2022	6.33	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	13-Sep-2019	-	15-Dec-2020	4.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	18-Sep-2019	-	15-Dec-2020	1.59	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Sep-2019	-	15-Dec-2020	2.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Sep-2019	-	28-Apr-2023	5.97	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Sep-2019	-	15-Dec-2020	1.85	CARE PP-MLD A-; Negative
Proposed Principle Protected- Market Linked Debentures	-	-	-	58.78	CARE PP-MLD A-; Negative

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	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	300.00	CARE A-; Negative	-	1. CARE A-; Stable (06-Jul-18)	-	-
2.	Commercial Paper	ST	200.00	CARE A2+	-	1.CARE A2+ (21-Sep-18) 2.CARE A2+ (24-Aug-18)	-	-
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (26-Sept-18)	-	-
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable (13-May-19)	-	-	-

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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About CARE Ratings:

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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.

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