

Hinduja Leyland Finance Limited

September 29, 2021

Ratings

Facilities/Instruments	Amount (Rs. Crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	17,503	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Short-term Bank Facilities	200	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	17,703 (Rs. Seventeen thousand seven hundred three crore only)		
Commercial Paper	1,800	CARE A1+ (A One Plus)	Reaffirmed
Total Short-term Instruments	1,800 (Rs. One thousand eight hundred crore only)		
Non-Convertible Debenture - XVII	150 (reduced from 200)	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - XVIII	500	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - XIX	550	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Non-Convertible Debenture - XIX	300	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Principal Protected Market-linked Debenture - I	100	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Principal Protected Market-linked Debenture - II	100	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - I	-	-	Withdrawn
Subordinated Debt - II	180	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - III	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - IV	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - V	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - VI	200	CARE AA-; Stable [Double A Minus; Outlook: Stable]	Reaffirmed
Subordinated Debt - Principal Protected Market-linked Debenture	150	CARE PP-MLD AA-; Stable [Principal Protected - Market Linked Debenture Double A Minus; Outlook: Stable]	Reaffirmed
Total Long-term Instruments	2,830 (Rs. Two thousand eight hundred thirty crore only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities and various debt instruments of Hinduja Leyland Finance Limited (HLF) continue to factor in the experienced management team of HLF, benefits derived from being a part of the Hinduja group including periodic infusion of equity on need basis, demonstrated ability of HLF to raise funds to support business growth, diversified

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

product profile, geographical diversified loan portfolio and relatively diversified funding profile. The ratings continue to be constrained by moderate profitability, moderate asset quality and capitalization levels.

CARE Ratings has withdrawn the rating assigned to the Subordinated debt issue - I of Hinduja Leyland Finance Limited with immediate effect, as the company has repaid the aforementioned subordinated debt issue in full and there is no amount outstanding under the issue as on date.

Rating Sensitivities

Positive Factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Significant increase in the scale of operations along with improvement in asset quality and profitability parameters on sustained basis

Negative Factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Further moderation in asset quality and delinquency levels with Gross Stage III Assets (on assets under management [AUM] basis) of above 6% on a sustained basis.
- Deterioration in capital adequacy parameters with total capital adequacy ratio (CAR) falling below 16% on a sustained basis.
- Significant deterioration in the credit profile of the parent.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage and benefits derived from being part of the Hinduja group

The Hinduja group, established in Mumbai in 1918, has global presence across 30 countries. The group has presence in various industries including Automotive, Banking & Finance, IT/ ITES and Energy & Chemicals. HLF is the subsidiary of Ashok Leyland Limited (ALL, rated 'CARE AA; Negative/ CARE A1+'), one of the leading players in domestic commercial vehicle segment. HLF is a strategically important subsidiary for ALL and ALL vehicles constitute 34% of HLF's AUM as on March 31, 2021. Being part of the Hinduja group, HLF enjoys significant financial flexibility in terms of mobilizing funds from various sources at competitive rates.

Experienced promoters and senior management team

The Hinduja group has a track record of establishing and successfully running Banking & Finance companies. The experience of the management team in running the similar business is a key strength for HLF. Mr S. Nagarajan is the Executive Vice Chairman and whole-time director of the company. He has over four and half decades of rich experience in the Banking, Automobile and Financial Services industry. Mr Dheeraj Hinduja, chairman of ALL, is also the chairman of HLF. The board of HLF consists of eleven directors, including six independent directors with rich experience in the financial services sector. Also, the company has an experienced senior management team which takes care of the day-to-day operations of the company.

Established credit appraisal, risk monitoring and collection

The branch structure consists of one Branch Manager, one Marketing Executive (M.E) and one Collection Executive. The Marketing Executive (M.E) obtains the applications on pre-printed Proposal Booklet and Proposal Evaluation Form. The Field Investigation is carried out by the Marketing Executive. The Branch Manager or Location Manager will review the proposal. The documents are sent for Approval / Sanction to appropriate authority as per delegation of powers. Post approval and completion of pre-disbursal documentation, loan amount is to be disbursed post creation of the contract and checking of complete file. Credit Audit team will do the review on documents and policy adherence points and give feedback to location for any discrepancies. The collection process has been strengthened by employing larger supervisory levels and launch of a collections app. The collections happen in the form of NACH/Cheque and Cash.

Based on the knowledge and expertise gained in the financial services sector, the management has developed an in-house enterprise IT system. In addition to providing complete information about each account throughout its credit life cycle, the IT system also aids the management in monitoring/reviewing its portfolio on daily basis.

HLF has an associate company, HLF Services Limited which provides employee support to HLF in addition to the on-role employees. As on March 31, 2021, On-role and Off-role employees (through HSL) stood at 1,579 (PY: 1,763) and 5,948 (PY: 3,805), respectively.

Diversified funding profile; however, bank funding remains a major source

HLF's funding profile is well diversified with access towards low cost funding from banks, market instruments like non-convertible debentures (NCDs) and subordinated debt and short-term commercial papers. HLF's bank borrowings are diversified with borrowings from various banks which include a good mix of both public and private sector banks. Also, HLF has CC/WCDL limits of Rs.1,475 crore from various banks.

During FY21 (refers to the period April 1 to March 31), HLF has raised Rs.200 crore under TLTRO 2.0 and Rs.750 crore under PCG 2.0 from various banks. Hence, the share of bank borrowings (including CC/WCDL) increased to 84% of the total borrowings as on March 31, 2021 from 80% as on March 31, 2020. Sub-debt constituted 8% of the total borrowings, followed

by term loan from FIs (SIDBI & Mudra, 5%), NCD (Excluding RBI Schemes, 2%) and PTC (1%) as on March 31, 2021. During FY21, HLF has raised commercial paper issues in very few tranches in comparison with the prior years and outstanding as on March 31, 2021 stood at 0% (PY: 0%).

As on June 30, 2021, share of bank borrowings stood at 81% followed by Sub-debt (8%), term loan from FIs (5%), NCD (3%) and PTC (1%). CP outstanding as on June 30, 2021, continues to remain Nil.

Diversified product portfolio along with geographical diversification

HLF has reported a higher growth in AUM of 37% (FY18) and 32% (FY19) in the past. However, With the slowdown in auto sales (mainly in Commercial Vehicle segment) during the FY20 and FY21 and lockdown because of Covid-19, HLF has reported a modest growth in AUM of 4% and 3% during FY20 and FY21, respectively.

Share of Heavy Commercial Vehicle (HCV) in outstanding loan portfolio continues to remain high at 24% as on March 31, 2021, as against 23% as on March 31, 2020 and share of top three products (HCV, Loan against Property (LAP) and Construction Equipment (CE)) stood at 49% as on March 31, 2021 as against 47% as on March 31, 2020.

HLF has presence across 20 states and AUM of the company is well diversified with top states' (Rajasthan) share stood at 12% as on March 31, 2021. Share of top three states has also improved on a y-o-y basis from 44% as on March 31, 2017 to 31% as on March 31, 2021.

Disbursements de-grew by 34% in FY21 and stood at Rs.9,010 crore during FY21 as against a growth of 18% (FY19) and 31% (FY18) in the prior periods. Disbursements of Used vehicles has only grown and all other products witnessed moderation in disbursements during FY21 in comparison with FY20. With lower disbursement of Rs.1,040 crore during Q1FY22 because of second wave of Covid-19, AUM degrew 5% to Rs.25,824 crore as on June 30, 2021.

Key Rating Weaknesses

Moderate asset quality

Gross Stage III Assets (On AUM basis) and Net Stage III Assets (On AUM basis) have improved from 4.44% and 2.65% as on March 31, 2020 to 4.04% and 2.00% as on March 31, 2021, respectively. 30+ DPD (On AUM basis) has also improved from 24.0% as on March 31, 2020 to 21.6% as on March 31, 2021. The improvement also can be attributed to the combination of availing of moratorium by some its borrowers, restructuring (Rs.330 crore) and extension of ECLGS loans (Rs.540 crore) during FY21 as per various relief measures provided by RBI to the borrowers on account of impact of COVID-19 pandemic. During the same period, quantum of gross repossessed assets witnessed good reduction from Rs.946.66 crore (3.47% of AUM) as on March 31, 2020 to Rs.312.52 crore (1.21% of AUM) as on March 31, 2021. 90+ DPD of Two-wheeler loans remained higher among other products and stood at 13.9% as on March 31, 2021 as against 12.6% as on March 31, 2021. With the outbreak of second wave of Covid-19 and moderation in AUM, Gross Stage III Assets (On AUM basis) and Net Stage III Assets (On AUM basis) has increased to 4.99% and 2.70% as on June 30, 2021. With the higher stress because of Covid-19, HLF increased its provision coverage to 51.38% as on March 31, 2021, from 41.11% as on March 31, 2020. Management overlay as on March 31, 2021, stood at Rs.110 crore.

HLF has restructured loans amounting to Rs.910 crore (3.52% of AUM as on June 30, 2021) as on August 31, 2021, including Rs.330 crore in FY21 and Rs.580 crore in 5mFY21. Provision coverage ratio of repossessed assets also increased to 43.19% (PY: 35.37%) as on March 31, 2021. While quantum of repossessed assets witnessed sharp reduction in FY21 and reportedly in Q1FY22, gross stressed assets as reflected in Stage 3 assets, repossessed assets and restructured portfolio has increased during Q1FY22 broadly in trend with vehicle financing industry. In addition, amount of ECLGS loans stood at Rs.540 crore as on June 30, 2021. In view of COVID-19 pandemic-induced economic weakness, the ability of the company to improve asset quality/contain slippages will be key monitorable.

Moderate capitalization levels

With moderate growth in portfolio and internal accruals during FY21, Total CAR and Tier I CAR remained at 17.98% and 15.30% as on March 31, 2021 as against 17.25% and 14.44% as on March 31, 2020. Overall gearing stood at 4.56x as on March 31, 2021 as compared with 5.24x as on March 31, 2020. Overall gearing (ON AUM basis) stood at 6.66x as on March 31, 2021, as against 7.77x as on March 31, 2020. The Hinduja group has been providing need-based support to the company in the form of fresh equity infusion as and when required.

With the moderation in Loan portfolio during Q1FY22 due to the second wave of Covid-19, Total CAR and Tier I CAR improved to 19.76% and 16.19% as against the regulatory requirement of 15.00% and 10.00%, respectively.

HLF has a wholly-owned subsidiary, Hinduja Housing Finance Limited (HHFL), incorporated in FY16 to operate in the housing finance segment. HLF has been continuously infusing equity to support the growth of HHFL and as on March 31, 2021, HLF has infused Rs.215 crore (including Rs.25 crore in FY21) since inception which is 5.62% of the tangible networth of HLF as on March 31, 2021.

Moderate profitability levels

With the lockdown due to Covid-19 and slower disbursement during H1FY21, yield on advances has moderated from 14.48% during FY20 to 13.04% during FY21. Furthermore, HLF has not charged delayed interest during FY21 and Loans provided under ECLGS has also contributed for the same as rate of interest on the same is capped at 14%. With the increased cash position during FY20 and FY21, NIM moderated to 5.15% during FY21 from 5.63% during FY20.

Owing to the lockdown, Opex improved to 1.22% in FY21 from 1.54% in FY20. Credit cost during FY21 stood at 3.45% as against 3.01% in FY20. With the moderation in NIM and Credit cost, ROTA moderated to 1.27% in FY21 from 1.43% in FY20 despite improvement in opex.

HLF is recognising a portion of the loan book under Fair value through other comprehensive income (FVOCI) under Ind-AS and the company reported fair value change as other comprehensive income of Rs.305 crore (PY: Rs.230 crore) in addition to the PAT of Rs.270 crore (PY: Rs.292 crore) during FY21.

During Q1FY22, the company reported PAT of Rs.70 crore on a total income of Rs.671 crore as against a PAT of Rs.60 crore on a total income of Rs.655 crore during Q1FY21. NIM and ROTA during Q1FY22 stood at 5.00% and 1.20%.

Industry Outlook and Prospects

Commercial vehicle sector was expected to face challenges as lesser movement of vehicles translated to weak earnings for fleet operators in the beginning of FY22. Construction equipment and MHCVs involved in transporting of non-essential commodities and construction are likely to face revenue losses during the lockdown period. However, in view of the Govt's push to ensure the supply of essential commodities, it is expected that vehicles involved in transporting essential commodities will be able to continue the business. Thus, a large portion of LCVs (used in intra-state movement) and some portion of MHCVs (used in inter-state movement) are expected to be functional during the lockdown. However, the impact due to lower industrial and infrastructure-related activities could be adverse on this segment.

Financiers who provide loans to MSME units generally tend to rely on assessment of the estimated (surrogate) cash flows and offer loans at high yield. Lockdowns, disruptions in supply chain and impact on large industries would increase immediate delinquencies in this segment. However, secured MSME loans with collateral security (Property, machinery, etc.) and longer tenure may have the time for eventual recovery and may be more immune to the economic shocks compared to unsecured ones. The impact could vary across sub-segments and ticket sizes.

The outlook for non-banking finance companies (NBFCs) and HFCs has turned negative due to Covid-19 outbreak. The sector which grappled with liability side disruptions could see another wave of challenges, this time in the form of asset quality. While asset quality of NBFCs has witnessed moderation in FY20 and FY21, the impact of second wave of COVID-19 on the asset quality remains to be seen.

Impact of Covid-19

During the first wave of Covid-19, collection efficiency moderated to a low of 41% during April 2021 and it regained to 90% plus in November 2020. During the second wave of COVID-19, it moderated to a low of 64% in May 2021 and it regained immediately to 93% and 91% in June and July 2021, respectively. The complete impact on asset quality and profitability because of the second wave remains to be seen. HLF's performance post first wave in controlling delinquency and liquidity position adds comfort.

Liquidity: Adequate

HLF's ALM stood adequate with no negative cumulative mismatch in any of the time buckets upto 1 year as on June 30, 2021 and repayment obligation (Principal alone) during Q3FY22 stood at Rs.1,520 crore. As on July 31, 2021, the company has free cash and cash equivalents of around Rs.300 crore and unavailed lines of credit (including CC) of Rs.2,625 crore.

During FY21, HLF has availed Rs.4,473.50 crore through Term Loan, Rs.950 crore through NCD (under TLTRO 2.0 & PCG) and Rs.100 crore CC facility from banking system, Rs.850 crore from NBFCs/FIs and Rs.280 crore through NCD/PP-MLD from various investors. The ability of the company to mobilize funds from the banks at a competitive rate adds comfort.

Analytical approach: Standalone approach also factoring in linkages with parent.

HLF enjoys strong operational linkages with access to dealer network of Ashok Leyland Limited (ALL) and common brand name and logo. Apart from the demonstrated track record of equity infusion in the part, HLF also enjoys significant financial flexibility in terms of mobilizing funds from various sources at competitive rates.

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

[Financial Ratios-Financial Sector](#)

[CARE's Rating Methodology for Non-Banking Finance Companies \(NBFCs\)](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology: Notching by Factoring Linkages in Ratings](#)
[Rating Methodology - Market linked Notes](#)
[Policy on Withdrawal of Ratings](#)
About the Company

HLF is a non-deposit accepting systemically important (ND-SI) NBFC based out of Chennai, Tamil Nadu, belonging to the Hinduja group. Established in 2008, HLF started its lending operations in FY11 subsequent to receipt of RBI license in March 2010. The company has been promoted by the group's flagship automobile manufacturing company Ashok Leyland Ltd (ALL, rated 'CARE AA; Negative/ CARE A1+') with the aim of providing funding support to ALL vehicles. HLF's exposure to ALL vehicles stood around 34% of AUM as on March 31, 2021. HLF is also engaged in extending loans to three-wheelers, two-wheelers, SCV (Small commercial vehicles), LCV (Light Commercial Vehicles), tractor, construction equipment, Loan Against Property (LAP) and used CV financing. As on June 30, 2021, shareholding of the Hinduja group in HLF stands at 99.4% wherein ALL is holding 68.8% stake.

During FY21, the company reported a PAT of Rs.270 crore (PY: Rs.292 crore) on a total income of Rs.2,775 crore (PY: Rs.2,927 crore).

Brief Financials (Rs. Crore)	FY20 (A)	FY21 (A)
Total Operating Income	2,927	2,775
PAT	292	270
Interest Coverage (Times)	1.28	1.25
Total Assets	20,760	21,922
Net NPA/stage III (%)	2.65	2.00
ROTA (%)	1.43	1.27

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

Bank Lender details: Please refer Annexure-3

Complexity level of various instruments: Please refer Annexure-4

Covenants of rated instrument / facility: Please refer Annexure-5

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-Long Term	-	-	-	Jun 2026	17503.00	CARE AA-; Stable
Fund-based-Short Term	-	-	-	-	200.00	CARE A1+
Debentures-Non Convertible Debentures-XVII	INE146O07359	-	-	-	0.00	Withdrawn
	INE146O07417	Nov 13, 2020	8.05%	May 13, 2022	100.00	CARE AA-; Stable
Debentures-Non Convertible Debentures-XVIII	INE146O07375	Jun 05, 2020	9.25%	Jun 02, 2023	200.00	CARE AA-; Stable
	INE146O07383	Jul 08, 2020	8.30%	Jan 07, 2022	250.00	CARE AA-; Stable
	INE146O07425	Dec 15, 2020	8.50%	Dec 15, 2023	200.00	CARE AA-; Stable
Debentures-Non Convertible Debentures-XIX	INE146O07391	Aug 07, 2020	8.15%	Feb 07, 2022	300.00	CARE AA-; Stable
	INE146O07441	May 14, 2021	7.95%	Feb 14, 2023	250.00	CARE AA-; Stable
Debentures-Non Convertible Debentures-XX	Proposed	-	-	-	200.00	CARE AA-; Stable
Debentures-Market Linked Debentures-I	INE146O07433	Dec 30, 2020	G-Sec Linked	Jun 28, 2023	55.00	CARE PP-MLD AA-; Stable
	INE146O07458	May 25, 2021	G-Sec	Nov 24, 2023	125.00	CARE PP-MLD AA-; Stable

Debentures-Market Linked Debentures-II			Linked			
	Proposed	-	-	-	20.00	CARE PP-MLD AA-; Stable
Debt-Subordinate Debt-I	INE146O08027	-	-	-	0.00	Withdrawn
	INE146O08019	-	-	-	0.00	Withdrawn
Debt-Subordinate Debt-II	INE146O08092	Jun 23, 2016	11.10%	Apr 08, 2022	180.00	CARE AA-; Stable
Debt-Subordinate Debt-III	INE146O08100	Aug 28, 2017	9.40%	Aug 28, 2024	100.00	CARE AA-; Stable
	INE146O08118	Sep 13, 2017	9.20%	Sep 13, 2024	100.00	CARE AA-; Stable
Debt-Subordinate Debt-IV	INE146O08134	Mar 27, 2018	10.15%	Mar 27, 2025	100.00	CARE AA-; Stable
	INE146O08126	Mar 28, 2018	9.50%	Sep 28, 2023	50.00	CARE AA-; Stable
	INE146O08209	Apr 22, 2021	9.75%	Apr 21, 2028	50.00	CARE AA-; Stable
Debt-Subordinate Debt-V	INE146O08159	Mar 29, 2019	11.60%	Sep 29, 2024	100.00	CARE AA-; Stable
	INE146O08191	Mar 26, 2021	9.75%	Sep 25, 2026	100.00	CARE AA-; Stable
Debt-Subordinate Debt-VI	INE146O08175	Apr 30, 2021	9.75%	Oct 08, 2026	50.00	CARE AA-; Stable
	INE146O08217	Jul 19, 2021	9.70%	Jan 19, 2027	50.00	CARE AA-; Stable
	Proposed	-	-	-	100.00	CARE AA-; Stable
Debt-Subordinated debt - Market Linked Debenture	INE146O08142	Sep 18, 2018	Linked to G-Sec	Sep 17, 2024	150.00	CARE PP-MLD AA-; Stable
Commercial Paper-Commercial Paper (Standalone)		-	-	7 days to 1 Year	1800.00	CARE A1+

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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based-Long Term	LT	17503.00	CARE AA-; Stable	-	1)CARE AA-; Stable (02-Mar-21) 2)CARE AA-; Stable (30-Sep-20) 3)CARE AA-; Stable (03-Jul-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (29-Aug-18) 2)CARE AA-; Stable (27-Jun-18)
2.	Commercial Paper-Commercial Paper (Standalone)	ST	1800.00	CARE A1+	-	1)CARE A1+ (30-Sep-20)	1)CARE A1+ (01-Oct-19) 2)CARE A1+ (29-Aug-19)	1)CARE A1+ (27-Jun-18)
3.	Debt-Subordinate Debt	LT	-	-	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
5.	Debentures-Non Convertible	LT	-	-	-	-	-	1)Withdrawn (27-Jun-18)

	Debentures							
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
8.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
9.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
10.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
12.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
13.	Debt-Subordinate Debt	LT	180.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
14.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
15.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
16.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
17.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
18.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
19.	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
20.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
21.	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
22.	Debentures-Non Convertible Debentures	LT	150.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)

								2)CARE AA-; Stable (09-Apr-18)
23.	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
24.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20)	1)CARE AA-; Stable (01-Oct-19)	1)CARE AA-; Stable (27-Jun-18)
25.	Debt-Subordinated debt - Market Linked Debenture	LT	150.00	CARE PP-MLD AA-; Stable	-	1)CARE PP-MLD AA-; Stable (30-Sep-20)	1)CARE PP-MLD AA-; Stable (01-Oct-19)	1)CARE PP-MLD AA-; Stable (14-Sep-18)
26.	Debentures-Non Convertible Debentures	LT	550.00	CARE AA-; Stable	-	1)CARE AA-; Stable (30-Sep-20) 2)CARE AA-; Stable (03-Jul-20)	-	-
27.	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA-; Stable	-	1)CARE PP-MLD AA-; Stable (29-Dec-20)	-	-
28.	Debentures-Non Convertible Debentures	LT	300.00	CARE AA-; Stable	-	1)CARE AA-; Stable (29-Dec-20)	-	-
29.	Fund-based-Short Term	ST	200.00	CARE A1+	-	1)CARE A1+ (02-Mar-21)	-	-
30.	Debt-Subordinate Debt	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (23-Apr-21)	-	-	-
31.	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA-; Stable	1)CARE PP-MLD AA-; Stable (24-May-21)	-	-	-

Annexure-3: Bank Lender Details: [Click here to view Bank Lender Details](#)

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Commercial Paper-Commercial Paper (Standalone)	Simple
2.	Debentures-Market Linked Debentures	Complex
3.	Debentures-Non Convertible Debentures	Simple
4.	Debt-Subordinate Debt	Simple
5.	Debt-Subordinated debt - Market Linked Debenture	Complex
6.	Fund-based-Long Term	Simple
7.	Fund-based-Short Term	Simple

Annexure-5: Detailed explanation of covenants of the rated instrument / facilities

	Detailed explanation
A. Financial covenants	
i. The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%)	-
ii. Net NPA (PAR 90 less provisions) on a standalone basis shall not exceed 6% of the Assets under Management of the Issuer.	-
B. Non-financial covenants	
i. Hinduja Group to maintain atleast 51% stake in the company on fully diluted basis till maturity	-
ii. The rating of the Issuer should not be downgraded below 'A-' by any rating agency	-

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.

Contact us

Media Contact

Name: Mradul Mishra
Contact no.: 022-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact - 1

Name: Sudhakar P
Contact no.: 044-2850 1003
Email ID: p.sudhakar@careratings.com

Analyst Contact - 2

Name: Ravi Shankar R
Contact no.: 044-2850 1016
Email ID: ravi.s@careratings.com

Relationship Contact

Name: Pradeep Kumar V
Contact no.: 044-2850 1000
Email ID: pradeep.kumar@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.

CARE's 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**