

Rating Rationale

March 17, 2023 | Mumbai

Hinduja Leyland Finance Limited

Long-term rating upgraded to 'CRISIL AA/Stable'; 'CRISIL AA/Stable' assigned to Non Convertible Debentures; Rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.4000 Crore (Enhanced from Rs.3000 Crore)
Long Term Rating	CRISIL AA/Stable (Upgraded from 'CRISIL AA-/Stable')

Rs.2000 Crore Non Convertible Debentures	CRISIL AA/Stable (Assigned)
Subordinated Debt Aggregating Rs.600 Crore (Reduced from Rs.805 Crore)	CRISIL AA/Stable (Upgraded from 'CRISIL AA-/Stable')
Non Convertible Debentures Aggregating Rs.200 Crore (Reduced from Rs.300 Crore)	CRISIL AA/Stable (Upgraded from 'CRISIL AA-/Stable')
Rs.1800 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has upgraded its rating on the long-term debt instruments and bank facilities of Hinduja Leyland Finance Limited (HLFL) to '**CRISIL AA/Stable**' from 'CRISIL AA-/Stable'. CRISIL Ratings has also assigned its '**CRISIL AA/Stable**' rating to Rs.2000 crore non convertible debentures of HLFL. The commercial paper has been reaffirmed at 'CRISIL A1+'.

The rating factors in the high strategic importance of HLF for ALL as it plays an active role in financing in MHCV segment of ALL. Around 34% of the overall assets under management (AUM) of HLF is financing towards the ALL vehicles as on December 31, 2022. While the recent capital infusion in HLF resulted in a drop in the shareholding of ALL from 68.8% to 60.4% nevertheless, ALL is expected to continue to hold the majority ownership in HLF. Furthermore, ALL's support to HLF is expected to remain high on account of shared brand and strong linkages.

The rating action factors in strengthening in the credit profile of parent, Ashok Leyland Limited (ALL), continued high strategic importance of the financial services business and expectation of timely financial support from ALL on an ongoing basis. The rating also reflects improvement in the capitalisation profile and continued strong resource raising ability of HLF.

CRISIL Ratings has also noted that on March 16, 2022, the Board of HLF, provided an in-principle approval on the proposed merger of HLF into NXTDigital Limited (NDL). The proposed merger would result in shareholders of HLF receiving the shares of NDL as per share swap valuation approved by the Board of HLF on November 25, 2022, subject to further regulatory and shareholders approval. NDL, a media vertical of Hinduja Group, is listed on both Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The transaction is at the advanced stages, wherein, both the parties are seeking approval from the stock exchanges and is likely to be consummated within the first half of fiscal 2024.

CRISIL Ratings believe that the proposed merger will not have any material impact on the business profile of the company as the existing business operations of HLF will continue to run in the similar manner. With NDL becoming non-operational post the transfer, only the financing business will be there in the merged entity, which will subsequently be renamed to Hinduja Leyland Finance Limited subject to regulatory approvals. Additionally, CRISIL Ratings notes that there will not be any material changes in the future business targets of HLF. In addition to the above, CRISIL Ratings does not expect any cash outflow from HLF from the proposed transaction and the existing shareholders of HLF will be allotted additional shares on the basis of swap valuation. The Board approved valuation for the swap ratio will be 25 equity shares of the face value Rs. 10/- each of NXTDIGITAL shall be issued and allotted for every 10 equity shares of the face value of Rs. 10/- each held in Hinduja Leyland Finance Limited. Post the transaction is completed Hinduja Housing Finance Limited would continue to operate as a 100% wholly owned subsidiary of HLF.

Once the transaction is consummated, the shareholding in HLF would change, as the company will be listed on the stock exchange with minimum 25% of public shareholding. Nevertheless, even post-merger, CRISIL Ratings understands that the shareholding of ALL – is likely to continue with majority stake, and the same would therefore remain as the single largest shareholder in HLF. Consequently, CRISIL Ratings doesn't envisage any change in the strategic importance of HLF to ALL and believes that HLF will continue to receive strategic support from Ashok Leyland over the medium term.

The capitalisation metrics of HLF continue to remain comfortable, bolstered by the recent equity raise of Rs 910 crore through Qualified Institutional Buyers in October 2022. Consequently, the networth and the adjusted gearing of the company improved to Rs 4,790 crore and 4.7 times as on December 31, 2022, as against 3,852 crore and 5.5 times as on March 31, 2022. With the equity raise, at the consolidated level too, the group saw an improvement in its capitalization metrics with the networth and the adjusted gearing metrics improving to Rs 5,179 crore and 5.3 times as on December 31, 2022, as against Rs 4,103 crore and 6.0 times as on March 31, 2022. Further, the completion of the merger with NDL will also add around Rs 200 crores to the networth for HLF. CRISIL ratings expects the gearing metrics for HLF to continue to remain under 6 times on a steady state basis.

While capital position has improved, the AUM for the company has also witnessed sharp rebound post the two fiscals of low growth amidst the Covid-19 linked impact on the economic performance. In the nine months ended December 2022, the disbursements for HLF stood at Rs 10,365 crores almost touching pre-pandemic levels. Consequently, the AUM reflected a growth of 8% (annualized) reaching Rs 27,510 crores as on December 31, 2022. Post the two waves of the pandemic, the company and implementation of the RBI IRACP norms, the company has made some strategic decisions in order to focus on segments where the impact on asset quality was limited as well as focus on co-lending which will drive growth going forward. Further, the housing finance business also remains core to the strategy going forward and its share to overall consolidated AUM is expected to increase. At a consolidated level, as on December 31, 2022, the AUM stood at Rs 33,353 crores as against Rs 30,048 crores as on March 31, 2022 of which the housing finance business accounted for 18%. What has also supported this growth has been the ability of the company to continue to raise funds at competitive rates. For the nine months ended December 31, 2022, HLF raised on-book liability around Rs 6,100 crore.

The asset quality metrics also remained comfortable with the company's 90+ dpd remaining range bound at 3.5%-4.5% over the last 5 years. As on December 31, 2022, the 90+ dpd stood at 4.1% as on December 31, 2022 as compared to 4.2% as on March 31, 2022. The asset quality metrics are further supported by the reducing repossessed portfolio, which has dropped to 0.8% of the overall AUM in December 2022, as against 2.5% in March 2019. Even on a lagged basis, the asset quality metrics remained comfortable with 1-year lagged 90+ dpd at 4.4% as on December 31, 2022, as against 4.0% as on March 31, 2022. The comfortable asset quality metrics were supported by the strong collection efficiency numbers, wherein, the company has been reporting the efficiency ratio in the range of 95%-105% across months, thereby indicating strong collections from the overdue portfolio also. The company had a collection efficiency of 104% in December 2022. Nevertheless, the company had a restructured portfolio of 5.1% as on December 31, 2022. While most of the restructured portfolio remained at the current stage, nevertheless, potential slippages from this portfolio will remain a key monitorable. The asset quality metrics remained comfortable at the consolidated level also, supported by the relatively safer home loan segment parked at the housing finance subsidiary. The 90+ dpd, at the consolidated level, stood at 3.9% as on December 31, 2022, as against 4.0% as on March 31, 2022.

In terms of ALL, the operating income has increased by ~70% during 9M fiscal 2023 on standalone basis as compared with similar period of previous fiscal. This has been driven by strong volume growth (~100%) resulting in increase in company's domestic market share in MHCV and LCV segments to 33% and 13% in 9M fiscal 2023 compared with 27% and 10% respectively in the previous fiscal.

CRISIL Ratings has also **withdrawn** its rating on the non-convertible debentures of Rs.100 crore (See 'Annexure - Details of Rating Withdrawn') as CRISIL Ratings has received independent confirmation that these instruments have been redeemed. The withdrawal is in line with CRISIL Ratings withdrawal policy.

Analytical Approach

The ratings factor in expectation of strong support to HLF from Ashok Leyland, given the majority ownership and strategic importance of HLF to Ashok Leyland

CRISIL Ratings has fully consolidated the business and financial risk profiles of HLF and its subsidiaries, given the managerial, operational, and financial linkages between them.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation

Key Rating Drivers & Detailed Description

Strengths:

Majority ownership by, and strategic importance to, Ashok Leyland and the Hinduja group

The Hinduja group entities held 87.25% in HLF as on December 31, 2022, with Ashok Leyland being the primary shareholder. HLF is of high strategic importance for ALL as it continues to play an active role in financing in MHCV segment of ALL with about 34% of the overall assets under management (AUM) of HLF being financed towards the ALL vehicles as on December 31, 2022. While the recent infusion resulted in a drop in the shareholding of ALL from 68.8% to 60.4%, nevertheless, ALL is expected to continue to hold the majority ownership in HLF. Furthermore, in CRISIL Ratings view, ALL's shared brand and strong linkages imply a moral obligation on parent's part to support HLF.

With the proposed merger into NXT Digital, HLF plans to list itself on stock exchange and go public. Once the transaction is consummated, the shareholding in HLF would change, as the company will be listed on the stock exchange with minimum 25% of public shareholding. Nevertheless, even post-merger, CRISIL Ratings understands that the shareholding of ALL – is likely to continue with majority stake, and the same would therefore remain as the single largest shareholder in HLF. Consequently, CRISIL Ratings doesn't envisage any change in the strategic importance of HLF to ALL and believes that HLF will continue to receive strategic support from Ashok Leyland over the medium term.

Diversified portfolio with significant presence in the Indian vehicle finance market

AUM for the company has also witnessed sharp rebound post the two fiscals of low growth amidst the Covid-19 linked impact on the economic performance. In the nine months ended December 2022, the disbursements for HLF stood at Rs 10,365 crores almost touching pre-pandemic levels. Consequently, the AUM reflected a growth of 8% (annualized) reaching Rs 27,510 crores as on December 31, 2022. Post the two waves of the pandemic, the company and implementation of the RBI IRACP norms, the company has made some strategic decisions in order to focus on segments where the impact on asset quality was limited as well as focus on co-lending which will drive growth going forward.

The overall portfolio of the company remained fairly diversified with vehicle loans accounted for bulk of the portfolio (74.2%), making HLF a large player in the vehicle finance space. The balance portfolio comprises loans against property or LAP (19% share) and portfolio buyouts. HLF forayed into these segments to diversify its business mix and increase the share of the non-vehicle portfolio.

Within vehicle finance, commercial vehicles/construction equipment/tipper accounted for 50% of the AUM, followed by new two- and three-wheelers (15%), and other vehicles (~9%). The loan book is also well-diversified in terms of geographic reach, as HLF is present at 1,550 locations across 24 states and union territories.

Further, the housing finance business also remains core to the strategy going forward and its share to overall consolidated AUM is expected to increase. At a consolidated level, as on December 31, 2022, the AUM stood at Rs 33,353 crores as against Rs 30,048 crores as on March 31, 2022 of which the housing finance business accounted for 18%.

Going forward, the company plans to expand its product portfolio towards the other non-vehicle segments, thereby resulting in further diversification in the portfolio. Furthermore, the company plans to diversify within its vehicle portfolio also and start with higher yield segments such as leasing and used vehicle finance. Additionally, the company has already started with co-lending with one partner and plans to bring in more partners into its portfolio.

Improvement in the capitalization metrics

The capitalisation metrics of HLF remained comfortable, bolstered by the recent equity raise of Rs 910 crore through Qualified Institutional Buyers in October 2022. Consequently, the networth and the adjusted gearing of the company improved to Rs 4790 crore and 4.7 times as on December 31, 2022, as against 3,852 crore and 5.5 times as on March 31, 2022. With the equity raise, at the consolidated level too, the group saw an improvement in its capitalization metrics with the networth and the adjusted gearing metrics improving to Rs 5,179 crore and 5.3 times as on December 31, 2022, as against Rs 4103 crore and 6.0 times as on March 31, 2022. Further, the completion of the merger with NDL will also add around Rs 200 crores to the networth for HLF. CRISIL ratings expects the gearing metrics for HLF to continue to remain under 6 times on a steady state basis.

With the completion of the merger, the group is expected to receive another Rs 200 crore from NXT Digital, which will further provide some support to the capital position.

Diversified resource profile with low cost of borrowings

Hinduja Leyland Finance standalone resource profile remained well-diversified across banks and capital market instruments. As on December 31, 2022, the company had a 67% of bank borrowings, followed by 22% of securitized book, 10% of capital market borrowings (*NCDs and bonds*) and balance quantum from CC/WCDL. While large portion of borrowings came from the banks, nevertheless, within the bank funding, the lender-base of the company remained well diversified across 32 large PSUs/private sector banks. Consequently, the cost of borrowings of the company also remained low for the company. The on-book cost of borrowings (*interest expense as a % of average on-book borrowings*) stood at 8.1% as on December 31, 2022, as against 8.0% as on March 31, 2022. Going forward, CRISIL Ratings understands that the share of capital market is also expected to increase in the medium term.

Weaknesses:

Moderate asset quality metrics

The asset quality metrics also remained comfortable with the company's 90+ dpd remaining range bound at 3.5%-4.5% over the last 5 years. As on December 31, 2022, the 90+ dpd stood at 4.1% as on December 31, 2022 as compared to 4.2% as on March 31, 2022. The asset quality metrics are further supported by the reducing repossessed portfolio, which has dropped to 0.8% of the overall AUM in December 2022, as against 2.5% in March 2019. Even on a lagged basis, the asset quality metrics remained comfortable with 1-year lagged 90+ dpd at 4.4% as on December 31, 2022, as against 4.0% as on March 31, 2022. The comfortable asset quality metrics were supported by the strong collection efficiency numbers, wherein, the company has been reporting the efficiency ratio in the range of 95%-105% across months, thereby indicating strong collections from the overdue portfolio also. The company had a collection efficiency of 104% in December 2022. Nevertheless, the company had a restructured portfolio of 5.1% as on December 31, 2022.

In terms of segment-wise performance at the standalone level, the 90+ dpd in vehicle portfolio stood at 5.1% as on December 31, 2022, as against 5.0% as on March 31, 2022. LAP 90+ dpd stood at 1.7% as on December 31, 2022, vis-a-vis 2.0% as on March 31, 2022. The company is trying to reduce its focus on first-time users/buyers, and rather increase the share of large and medium fleet operators to support asset quality metrics in the medium term. Further, while the company has forayed into non-vehicle loans, this segment is relatively new, having been built up only over the last few years.

Nevertheless, the company had a restructured portfolio of 5.7% as on March 31, 2022, which, albeit elevated, reduced to 5.1% as on December 31, 2022. CRISIL Ratings understands that most of the restructured portfolio remained at the current stage. Additionally, the company has already provided Rs 150 crore on the restructured portfolio, which is expected to be retained in the near term, thereby providing comfort for any potential slippages which might arise from the restructured portfolio, nevertheless, the same remains a key monitorable.

The asset quality metrics remained comfortable at the consolidated level also, supported by the relatively safer home loan segment parked at the housing finance subsidiary. The 90+ dpd, at the consolidated level, stood at 3.9% as on December 31, 2022, as against 4.0% as on March 31, 2022.

Moderate earnings profile

The earnings profile is marked by relatively lower net interest margin (NIMs), though partly aided by the operating expenses ratio, which lags the industry average. At the standalone level, the NIMs have fallen sharply from their levels seen in fiscal 2014, in line with change in focus towards the competitive strategic segment. Annualized NIM stood at 4.0% for the first nine months of fiscal 2023. The same was offset by the lower operating expenses and reduction in the credit costs. The credit costs improved to 2.3% (annualized) in the first nine months of fiscal 2023, as against 2.7% in fiscal 2022. Consequently, return on managed assets (RoMA) remained stable at 1.0% (annualized) in the nine months ended December 31, 2022.

While the earnings profile is marked by relatively lower NIMs at the consolidated level also, nevertheless, given the presence of the housing finance subsidiary in the affordable home loans and small-ticket size LAP, the top line gets some comfort in the form of higher yields. Additionally, the relatively safer asset class in the housing finance further provides comfort on the credit cost. Consequently, the RoMA for the consolidated entity stood at 1.4% (annualized) in the first nine months ending December 31, 2022, as against 1.1% in fiscal 2022.

The group plans to enter other non-vehicle higher yields segments, which expected to provide support on the NIMs. In addition to this, the company also plans to enter leasing and used vehicle financing, which will further add to the revenue stream. This coupled with the company's recent entry into co-lending, is expected to provide comfort on the top-line. Furthermore, with the expectation of improvement in the credit costs as the asset quality remains comfortable, especially for the restructured portfolio, the overall earnings profile is expected to remain comfortable going forward.

Liquidity: Strong

HLF has an adequate asset liability management profile, with positive cumulative mismatches across all buckets upto 1 year as on December 31, 2022 (excluding unutilized bank limit and committed disbursement).

As on December 31, 2022, HLF had liquidity of around Rs 3,072 crore, comprising cash and liquid investments, unutilised cash credit/working capital demand loan (CC/WCDL) and unavailed TL lines. Against the same, the company had total debt obligation (including interest payment) of Rs-1,987 crores over the next three months January 2023 to March 2023.

Outlook: Stable

CRISIL believes HLF will continue to receive strong support from Ashok Leyland and the Hinduja group and will also increase its share in the Indian vehicle finance market over the medium term.

Rating Sensitivity Factors

Upward factors

- Better asset quality metrics, with gross non-performing assets declining below 2.5%, translating to improved earnings profile as the portfolio scales up
- Upward revision in CRISIL's view on Ashok Leyland's credit risk profile

Downward factors

- Decline in support from Ashok Leyland or material change in Ashok Leyland's shareholding in HLF, or any downward revision in CRISIL's view on the credit profile of Ashok Leyland
- Weakening of asset quality metrics, with GNPA's on AUM exceeding 6% and exerting pressure on profitability

About the Company

HLF, incorporated in 2008, commenced operations in 2010. It was promoted as a captive financier by the Hinduja group's flagship automobile manufacturing company, Ashok Leyland. Gradually, HLF ventured into financing of non- Ashok Leyland vehicles, and forayed into the LAP segment in fiscal 2015. Apart from commercial vehicles, the company also funds purchase of two- and three-wheelers, tractors, construction equipment and used CVs. The company has also been buying portfolios over the past 4-5 years to diversify its product profile, thereby augmenting net interest margin.

Profit after tax (PAT) was Rs 232 crore on total income of Rs 2,660 crore in fiscal 2022, against Rs 270 crore and Rs 2,775 crore, respectively, in the previous fiscal.

In the nine months ended December 31, 2022, PAT of Rs 196 crore was reported on total income of Rs 2,016 crore.

Key Financial Indicators (Standalone)

As on/for the nine months/for the year ended	Unit	Dec-22	Mar-22	Mar-21
Total assets	Rs crore	23,117	20,961	21,923
Total income	Rs crore	2,016	2,660	2,775
Profit after tax	Rs crore	196	232	270
90+ dpd	%	4.1	4.2	4.0
Adjusted gearing[^]	Times	4.7	5.5	5.9
Return on managed assets[^]	%	1.0*	0.9	1.0

*Annualized

Note: All figures are as per IND-AS

[^]based on year end averages

Key Financial Indicators (Consolidated)

As on/for the nine months/for the year ended	Unit	Dec-22	Mar-22	Mar-21
Total assets	Rs crore	28,305	24,476	24,240

Total income	Rs crore	2,530	3,098	3,053
Profit after tax	Rs crore	333	341	333
90+ dpd	%	3.9	4.0	3.9
Adjusted gearing^	Times	5.3	6.0	6.2
Return on managed assets^	%	1.4*	1.1	1.1

*Annualized

Note: All figures are as per IND-AS

^based on year end averages

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Level	Rating Outstanding with Outlook
INE146O07474	Debenture	08-Mar-22	7.45	08-Mar-24	200	Simple	CRISIL AA/Stable
NA	Debenture^	NA	NA	NA	2000	Simple	CRISIL AA/Stable
NA	Subordinate Debt^	NA	NA	NA	200	Complex	CRISIL AA/Stable
NA	Subordinated debt^	NA	NA	NA	25	Complex	CRISIL AA/Stable
INE146O08209	Subordinated debt	22-Apr-21	9.75	21-Apr-28	50	Complex	CRISIL AA/Stable
INE146O08191	Subordinated debt	26-Mar-21	9.75	25-Sep-26	75	Complex	CRISIL AA/Stable
INE146O08183	Subordinated debt	19-Mar-21	9.75	18-Sep-26	50	Complex	CRISIL AA/Stable
INE146O08175	Subordinated debt	08-Mar-21	9.75	08-Oct-26	55	Complex	CRISIL AA/Stable
INE146O08167	Subordinated debt	16-Feb-21	9.75	18-Aug-26	45	Complex	CRISIL AA/Stable
INE146O08159	Subordinate Debt	29-Mar-19	11.6	29-Sep-24	100	Complex	CRISIL AA/Stable
NA	Commercial Paper	NA	NA	7-365 days	1800	Simple	CRISIL A1+
NA	Proposed Long term Bank loan facility	NA	NA	NA	1700	NA	CRISIL AA/Stable

NA	Term Loan	NA	NA	Nov-24	500	NA	CRISIL AA/Stable
NA	Term Loan	NA	NA	Nov-24	500	NA	CRISIL AA/Stable
NA	Term Loan	NA	NA	Jan-25	300	NA	CRISIL AA/Stable
NA	Term Loan	NA	NA	Mar-25	300	NA	CRISIL AA/Stable
NA	Term Loan	NA	NA	Jan-24	200	NA	CRISIL AA/Stable
NA	Long Term Bank Facility	NA	NA	NA	500	NA	CRISIL AA/Stable

^Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Level
INE146O07409	Debenture	6-Oct-20	8.05	6-Apr-22	100	Simple

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Hinduja Leyland Finance Ltd	Full	Parent
Hinduja Housing Finance Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4000.0	CRISIL AA/Stable		--	25-03-22	CRISIL AA-/Stable	30-04-21	CRISIL AA-/Stable	10-06-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--		--	03-03-21	CRISIL AA-/Stable	27-03-20	CRISIL AA-/Stable	--
			--		--		--	08-01-21	CRISIL AA-/Stable		--	--
Commercial Paper	ST	1800.0	CRISIL A1+		--	25-03-22	CRISIL A1+	30-04-21	CRISIL A1+	10-06-20	CRISIL A1+	CRISIL A1+
			--		--		--	03-03-21	CRISIL A1+	27-03-20	CRISIL A1+	--
			--		--		--	08-01-21	CRISIL A1+		--	--
Non Convertible Debentures	LT	2200.0	CRISIL AA/Stable		--	25-03-22	CRISIL AA-/Stable	30-04-21	CRISIL AA-/Stable	10-06-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--		--	03-03-21	CRISIL AA-/Stable	27-03-20	CRISIL AA-/Stable	--
			--		--		--	08-01-21	CRISIL AA-/Stable		--	--
Subordinated Debt	LT	600.0	CRISIL AA/Stable		--	25-03-22	CRISIL AA-/Stable	30-04-21	CRISIL AA-/Stable	10-06-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--		--	03-03-21	CRISIL AA-/Stable	27-03-20	CRISIL AA-/Stable	--
			--		--		--	08-01-21	CRISIL AA-/Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Long Term Bank Facility	500	Small Industries Development Bank of India	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility	700	Not Applicable	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility	1000	Not Applicable	CRISIL AA/Stable
Term Loan	300	Allahabad Bank	CRISIL AA/Stable
Term Loan	300	Canara Bank	CRISIL AA/Stable
Term Loan	200	Syndicate Bank	CRISIL AA/Stable
Term Loan	1000	State Bank of India	CRISIL AA/Stable

This Annexure has been updated on 17-Mar-2023 in line with the lender-wise facility details as on 17-Mar-2023 received from the rated entity

Criteria Details

Links to related criteria
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support
CRISILs Criteria for Consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Rutuja Gaikwad Media Relations</p>	<p>Krishnan Sitaraman Senior Director and Deputy Chief Ratings Officer CRISIL Ratings Limited D: +91 22 3342 8070 krishnan.sitaraman@crisil.com</p> <p>Ajit Velonie Director CRISIL Ratings Limited D: +91 22 4097 8209 ajit.velonie@crisil.com</p> <p>Vaibhav Arora Senior Rating Analyst</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesks@crisil.com</p>

CRISIL Limited

B: +91 22 3342 3000

Rutuja.Gaikwad@ext-crisil.com

CRISIL Ratings Limited

B: +91 22 3342 3000

vaibhav.arora@crsil.com

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain

the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>