NEOGROWTH
Lending simplified. Growth amplified.

Ref.: 032/BSE/24082022

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai 400 001
Ref: Scrip Code: 953255

Dear Sir/Madam,

Sub: Intimation under Regulation 51 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In accordance with the provisions of Regulation 51 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule III of Part B, we hereby inform you that there has been a revision in credit rating assigned by CARE Ratings Ltd. ("CARE").

The Company had obtained rating from two rating agencies: [ICRA] BBB Negative and CARE BBB Negative.

ICRA completed annual surveillance in April'22 and there has been no change in the rating.

CARE completed the annual surveillance yesterday and conveyed that the rating is revised to CARE BBB- Stable via press release dated 23rd August 2022.

Please refer enclosed press release published by CARE on its website dated 23rd August, 2022 for complete details on the rating rationale.

Kindly take the same on records and oblige.

Thanking you,
Yours faithfully

For NeoGrowth Credit Private Limited,

Tanushri Yewale
Company Secretary

NeoGrowth Credit Private Limited
Mumbai

Encl: Press Release

NeoGrowth Credit Pvt. Ltd.
802, 8th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai- 400013. T: + 91 22 4921 9999 W: www.neogrowth.in
CIN: U51504MH1993PTC251544

NeoGrowth Credit Private Limited

August 23, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	50.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Total Bank Facilities	**50.00 (₹ Fifty Crore Only)**		
Non Convertible Debentures	50.60	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	30.00 (Reduced from 60.00)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	105.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	62.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	0.01	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	35.00 (Reduced from 70.00)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	0.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	55.50 (Reduced from 74.00)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	66.67 (Reduced from 75.00)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	33.33 (Reduced from 40.00)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Non Convertible Debentures	50.00	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Revised from CARE BBB; Negative (Triple B; Outlook: Negative)
Total Long Term Instruments	**488.11 (₹ Four Hundred Eighty-Eight Crore and Eleven Lakhs Only)**		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The revision in the ratings assigned to the long-term debt instruments and long-term bank facilities of NeoGrowth Credit Private Limited (NCPL) factors in the weakening in the business risk profile of the company due to deterioration in asset quality on account of stress following the second wave of Covid-19 resulting in elevated credit costs and weak profitability. The Company had high proportion of restructured loan book i.e. 38% of AUM as on June 30, 2021 which has significantly declined to 9% of AUM as on June 30, 2022 (July 31, 2022: 7% of AUM) due to write-offs and recoveries. The company's Gross NPA ratio (including write-offs) continued to be high at 13.90% as on June 30, 2022 as compared to 13.64% considering write-offs for FY21) as on March 31, 2021 and with moderation from 17.66% as on March 31, 2022 as the company had lower write-offs during H2FY22). The Company's Gross NPA (excluding write off) stood at 8.19% as on July 31, 2022, as compared to 12.93% as on March 31, 2022 and 6.25% as on March 31, 2021. The company's write-offs have been high as the company has policy of writing off loans at 240 days past due (dpd). CARE notes that the company has seen consistent recovery from the written off accounts.

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

The ratings continue to factor in the extensive experience of its promoter in the e-payment processing industry, experienced management team and adequate capitalization levels with equity participation from reputed investors and support from the promoters and existing investors by bringing in additional capital to support the business from time to time. The ratings also factor adequate capitalisation level which has been impacted due to losses in spite of capital support from promoters and institutional investors who are existing shareholders leading to increase in leverage over the years. The ratings also take into consideration the adequate liquidity profile and fairly diversified resource profile largely comprising funds raised from overseas investors by way of Non-Convertible Debentures (NCD) and External Commercial Borrowings (ECB) and term loans from NBFC; with the proportion of borrowings from domestic lenders being low and largely by way of lines for securitisation of loan portfolio in recent years.
The ratings continue to remain constrained by weak profitability as the Company has reported losses in the last five years on account of high credit cost, relatively riskier uncollateralised portfolio, moderate track record of operations, relatively different business model which yet to witness stable profitability and moderate geographical diversification of the loan book. Further, NCPL has maintained adequate capitalisation, but it has witnessed increase in leverage over the years due to deterioration of net worth.
Timely raise of adequate equity capital has gained significance in the backdrop of heightened business risk post pandemic and would be a key rating monitorable.

Rating sensitivities

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

- Sustainable scaling up of operations with improvement and stable profitability
- Significant improvement in asset quality
- Substantial equity infusion to increase the capitalisation to provide growth capital to the Company

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

- Deterioration in asset quality with increase in slippages from the delinquent / restructured loan portfolio on a sustainable basis
- Deterioration in asset quality with Net NPA to Net worth over 25%.
- Inability to raise equity capital within the envisaged timelines
- Deterioration in profitability on a sustained basis

Outlook: Stable

Detailed description of the key rating drivers

Key rating strengths

Demonstrated support from promoter group and investment by strong institutional investors: NCPL has been receiving regular capital infusion to fund its business operations. The Company is also backed by private equity investors and foreign institutional investors like Omidyar Network, Lightrock, Khosla Impact Fund, Quona Capital, IIFL Venture Funds and LeapFrog Investments. However, the Company in recent years has been unable to raise equity capital from external investors as planned. The Company had plans to raise significant amount of equity capital during FY22; however, due to unsuitable market conditions, was unable to raise any equity till Q1FY23. In the interim, the Company has been receiving capital support from some of its existing shareholders who have been infusing funds by way of Compulsory Convertible Debentures (CCD; CCD considered as part of net worth). The existing shareholders of the Company has infused capital of Rs.66.25 crore in September 2021 and Rs.50 crore in June 2022 through CCDs. Due to continuous losses over the years NCPL's net worth deteriorated to Rs.313 crore as on March 31, 2022 (June 30, 2022: Rs.365 crore) from Rs.431 crore as on March 31, 2018 (March 31, 2021: Rs.294 crore) resulting in increasing its overall gearing to 3.92 times as on March 31, 2022 (June 30, 2022: 3.30 times) as compared 1.64 times as on March 31, 2018 (March 31, 2021: 4.42 times). The Company is in the process of raising equity capital to the tune of USD 20 mn which is expected over the next two months and the infusion will help the Company improve its capitalisation levels and shore up the net worth.
As on March 31, 2022, NCPL reported adequate CAR at June 30, 2022: 28.35% as compared to as compared to CAR of 23.16% as on March 31, 2022 and CAR of 21.62% as on March 31, 2021 (March 31, 2018: 52.26%).
Timely raise of equity capital to support the impact of high credit costs and reduce leverage continues to be a key rating sensitivity.

Extensive experience of the promoter in the e-payments processing system industry and experienced management team: NCPL is promoted by Mr. Piyush Khaitan and Mr. Dhruv Khaitan who have over two decades of experience in the e-payment processing industry. Prior to incorporating NCPL, they had founded and managed 'Venture Infotek', an e-payment processing Company in India. The promoters are backed by strong management team. The operations of the Company are headed by Mr. Arun Nayyar (Chief Executive Officer and Whole Time Director) who has experience of over 20 years in NBFC industry comprising SME lending, business development and risk management.

Fairly diversified resource profile; albeit limited borrowing from domestic banking system: The resource profile of NCPL largely comprised of borrowings through Non-Convertible Debentures (NCD) (constituting 60% of borrowings as on June 30, 2022), followed by Pass Through Certificates (PTC) (constituting 12% of borrowings as on June 30, 2022) and term loans (constituting 11% of borrowings as on June 30, 2022) largely from other NBFCs and few banks. The Company also has borrowings through External Commercial Borrowings (ECB) (constituting 11% of borrowings as on June 30, 2022) from international investment funds and Developmental Financial Institutions (DFIs). Majority of the lenders to NCPL are DFIs and Foreign Portfolio Investors (FPI) and the Company has limited borrowing from domestic banking system which constituted 7% of total borrowings as on June 30, 2022. The Company has recently increased its reliance on borrowings through securitisation (PTC) route. The Company saw their average cost of borrowings increase to 12.15% in FY22 as compared to 11.42% in FY21 (FY20: 12.16%) and raises funds at a cost between 12-13%. Majority of the Company's borrowing are based on fixed interest rate and therefore, changes in interest rates may not have a significant impact on its cost of borrowings, furthermore, the Company has hedged its borrowings against exchange rate risks. The ability of the Company to raise funds at competitive rates is a rating sensitivity.

Key rating weaknesses

Weak asset quality: As the borrowers of the Company are largely small businesses which were severely impacted during the Covid-19 pandemic, the Company's asset quality parameters saw sharp decline in the last two years. Majority of the loan portfolio has daily repayment mechanism which helps NCPL to track the borrower's business and analyze its repayment capability at early stage. The Company had provided one-time restructuring to its borrowers in line with RBI framework for restructuring. NCPL classified those accounts where second time restructuring was done as Stage 3. The proportion of restructured book was significantly high with the peak level of 41% as on November 2020 and 38% as on June 2021 after the second restructuring. The asset quality parameters have been weak with Gross NPA (adjusted for OTR accounts which are performing but due to non-availability of GST registration have been classified as Stage 3 assets) peaking at 12.93% as on March 31, 2022 as compared to 6.25 % as on March 31, 2021 and 2.92% as on March 31, 2020 (pre-Covid-19). The Gross NPA moderated during Q1FY23 at stood at 9.93% as on June 30, 2022 and 8.19% as on July 31, 2022 but still continues to be high. While the overall Gross NPA is coming down, the Gross NPA on the non-restructuring book is low at 2.6% as on June 30, 2022. The Company also continues to have high write-offs (due to 240+ dpd policy) majority of which are the restructured accounts. The Company wrote of Rs.82 crore, Rs.113 crore, Rs.88 crore and Rs.67 crore during FY20, FY21, FY22 and Q1FY23. Adjusted Gross NPA (Gross NPA plus write-offs as a percentage of the gross loan book plus write-off) for NCPL stood at 8.47%, 13.64%, 17.66% and 13.90% for March 31, 2020, March 31, 2021, March 31, 2022 and June 30, 2022 respectively. The provision coverage ratio stood at 58.3% for NPA as on June 30, 2022. The Net NPA to tangible Net-worth stood at 16.08% as on June 30, 2022 (13.56% as on July 31. 2022) as compared to 25.26% as on March 31, 2022 (March 31, 2021: 11.38% and March 31, 2020: 2.81%).

The restructured book as a proportion of loan book is coming down as the Company continues to make collections from restructured book (collection efficiency ~65%) coupled with write-off. The restructured book was 9% of loan book as on June 30, 2022 (July 31, 2022: 7%) as compared to 15% as on March 31, 2022 and 31% as on March 31, 2021. The overall collection efficiency for the loan book stood around 93% for Q1FY23. The Company takes prudent measures for recovery from the written off book and has seen recovery of approximately 2.4% p.m. from restructured written-off pool and around 1% p.m. on entire written-off pool. The total written off pool available for recovery is Rs. 349 Cr as on July 31, 2022. The Company has collected Rs. 47 Crores from write off pool in last 12 months.

NCPL is primarily lending towards the business finance needs of the unorganised MSME segment in the urban and semi-urban areas, which is characterised by a marginal credit profile of the borrowers and is not serviced by the banking sector. Since this segment is highly susceptible to the impact of any economic shock, asset quality is a key monitorable parameter. The ability of the Company to maintain and improve the asset quality and control the credit costs and ultimately profitability would be a key rating sensitivity.

Weak profitability parameters: The Company lends to small business owners which was severely impacted during the nation-wide lockdown imposed due to Covid-19 during FY21. NCPL reported net loss Rs.3 crore on a total income of Rs.337 crore for FY20. The net losses increased to Rs.42 crore and Rs.39 crore on a total income of Rs.313 crore and Rs.363 crore for FY21 and FY22 respectively due to higher credit cost which was 7.43% for FY19.

The credit costs of the company have seen increase during the last two years and was 9.06% for FY22 from pre-Covid levels as the company wrote-off restructured book at 90+ dpd during FY21 and H1FY22. However, from Q3FY22 onwards the Company changed its policy of writing-off restructured accounts that are 90+ dpd to 240+ dpd in line with the non-restructured book and made similar provisions on the restructured accounts that are 90+ dpd in line with non-restructured accounts which reduced the credit cost to some extent. The management expects credit costs to come down to lower than pre-Covid-19 levels over the next few quarters resulting in improvement in profitability and remains a key monitorable.

Moderate track record of operations with relatively untested business model: NCPL got registered with RBI as a NBFC-ND in 2012 and started its business operations in August 2013. However, NCPL's business model is yet to see stable performance and profitability in view of various market disruptions seen over the last seven years including demonetisation, implementation of GST and Covid-19. The AUM stood at Rs.1,559 crore as on March 31, 2022 as compared to Rs.1,323 crore as on March 31, 2021 which declined to Rs.1,470 crore as on June 30, 2022 (July 31, 2022: Rs.1,543 crore).

NCPL has a relatively unique business model as it offers collateral free loans to its customers as per their requirements, basis point-of-sale (POS) machine sales and digital sales. This business of lending to merchants is unique in India wherein an NBFC like NCPL has taken a first mover advantage with this lending solution adopted from foreign countries popularly known as 'Merchant Cash Advances (MCA)'. NCPL has started secured lending and digital lending from FY22; however, the proportion of this portfolio is very small.

Moderate geographical concentration of product profile: The portfolio is concentrated in the southern region comprising of 49% of the loan book followed by Western region comprising 33% of the loan book as on as on June 30, 2022. The Company has presence in 14 states with 27 branches as on June 30, 2022. Loan portfolio in the top 5 states constituted around 80% as on June 30, 2022.

Liquidity: Adequate

The liquidity profile is adequate with no negative cumulative mismatches across buckets as on June 30, 2022. The daily repayment mechanism and shorter tenure of the loan benefits NCPL to churn the money quickly which is also backed by long tenure borrowings from NBFCs, DFIs and capital market. The weighted average tenure of borrowings stood at 38 months and the portfolio tenure was around 21 months as on March 31, 2022. As on June 30, 2022, the Company has principal debt repayments of Rs.707 crore up to one year against which the Company has inflows from advances of Rs.900 crore up to one year. The Company had cash/bank balance and unencumbered fixed deposits of around Rs.87 crore and undrawn sanctioned bank lines to the tune of Rs.36 crore as on June 30, 2022.

Analytical approach

Standalone

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Non Banking Financial Companies](#)

About the Company

Incorporated in September 2012, NeoGrowth Credit Private Limited (NCPL) is an RBI registered NBFC-ND, which offers customized loans to the retail and small & medium size businesses (MSME). These loans are generally extended against digital sales track record of the MSMEs. The Company is promoted by the Khaitan Brothers - Mr. Dhruv Khaitan and Mr. Piyush Khaitan; and is backed by private equity investors; Omidyar Network, Lightrock, Khosla Impact Fund, Quona Capital, IIFL Venture Funds and LeapFrog Investments. The Khaitan brothers are the entrepreneurs who founded and managed Venture Infotek one of the leading e-payment processing Company in India and managed merchant transactions for acquiring banks as well as credit card issuers and large loyalty programs. They sold Venture Infotek to a large European IT Service Company Atos Origin in 2010. NCPL has a business model which enables automated repayment mechanism for its borrowers. NCPL has set-up a technology platform where in the repayment is done on a daily, weekly, or fortnightly basis as a certain fixed amount from daily sales.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23 (UA)
Total income	313.30	362.76	92.09
PAT	-41.86	-39.45	2.63
Overall Gearing (times) [Debt / Tangible Net-worth]	4.42	3.92	3.30
Total Assets (adjusted for Intangible assets)	1,660.26	1,592.66	NA
Gross NPA (%)	6.25	12.93	9.86
ROTA (%) (PAT/Average Adjusted Assets)	NM	NM	NA

A: Audited; UA: Unaudited; NM: Not Meaningful, NA: Not Available

Status of non-cooperation with previous CRA:
Not Applicable

Any other information:
Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT- Fund based limits		-	-	-	50.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07261	07-Aug-17	12.10%	07-Aug-22	50.60	CARE BBB; Stable
Non Convertible Debentures	INE814O07147	26-Oct-17	12.33%	26-Oct-21	-	Withdrawn
Non Convertible Debentures	INE814O07162	16-Nov-18	13.66%	16-Nov-22	30.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07295	15-Feb-19	11.90%	15-Feb-23	105.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07188	03-Sep-19	12.00%	15-Sep-25	62.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07196	19-Sep-19	12.00%	13-May-23	0.01	CARE BBB; Stable
Non Convertible Debentures	INE814O07220	26-Feb-20	12.35%	26-Feb-26	35.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07253	17-Jul-20	12.29%	13-May-24	0.0045	CARE BBB; Stable
Non Convertible Debentures	INE814O07287	9-Dec-20	11.65%	9-Dec-24	55.50	CARE BBB; Stable
Non Convertible Debentures	INE814O07303	25-Feb-21	12.29%	13-Feb-26	41.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07329	18-Mar-21	14.00%	18-Mar-24	16.67	CARE BBB; Stable
Non Convertible Debentures (proposed)	-	-	-	-	9.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07311	19-Mar-21	14.00%	19-Mar-24	13.33	CARE BBB; Stable
Non Convertible Debentures (proposed)	-	-	-	-	20.00	CARE BBB; Stable
Non Convertible Debentures	INE814O07337	18-Jun-21	12.39%	13-Jun-26	24.50	CARE BBB; Stable
Non Convertible Debentures (proposed)	-	-	-	-	25.50	CARE BBB; Stable

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non Convertible Debentures	LT	50.60	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (19-Aug-19)
2	Debentures-Non Convertible Debentures	LT	30.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (16-Sep-19) 2)CARE BBB+; Stable (19-Aug-19)
3	Debentures-Non Convertible Debentures	LT	105.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (19-Aug-19)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
4	Debentures-Non Convertible Debentures	LT	62.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (16-Sep-19) 2)CARE BBB+; Stable (19-Aug-19) 3)CARE BBB+; Stable (06-Aug-19)
5	Debentures-Non Convertible Debentures	LT	0.01	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (16-Sep-19)
6	Debentures-Non Convertible Debentures	LT	35.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (20-Feb-20)
7	Debentures-Non Convertible Debentures	LT	0.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	1)CARE BBB+; Stable (18-Mar-20)
8	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (24-Feb-21) 2)Provisional CARE A (CE); Stable (14-Jul-20)	-
9	Debentures-Non Convertible Debentures	LT	55.50	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative	1)CARE BBB+; Negative (24-Feb-21) 2)CARE BBB+; Stable (19-Aug-20)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
						(17-Jun-21)	3)CARE BBB+; Stable (14-Jul-20)	
10	Fund-based - LT-Proposed fund based limits	LT	50.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21)	1)CARE BBB+; Negative (24-Feb-21)	-
11	Debentures-Non Convertible Debentures	LT	66.67	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (24-Feb-21)	-
12	Debentures-Non Convertible Debentures	LT	33.33	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	1)CARE BBB+; Negative (18-Mar-21)	-
13	Debentures-Non Convertible Debentures	LT	50.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (24-Aug-21) 2)CARE BBB+; Negative (17-Jun-21)	-	-

*Long term/Short term.

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

Name of the Instrument	Detailed Explanation
A. Financial covenants (Key Covenants)	
I. Capital adequacy ratio (CAR) below 17%	-
II. Collection efficiency above 90%	-
III. Off-balance sheet ratio below 40%	-
IV. Open Forex Exposure Ratio below 20%	-

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

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Bank Facilities	Simple

Annexure-5: Bank lender details for this Company

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

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

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About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

For the detailed Rationale Report and subscription information, please visit www.careedge.in