3rd June, 2022

The Manager
Listing Department
BSE Limited, P.J. Towers,
Dalal Street, Mumbai - 400 001

Dear Sir/Madam,

Sub: Intimation of Credit Rating Outlook Upgradation to 'Positive' from 'Stable' of Avanse Financial Services Limited ("the Company") by CARE Ratings Limited

Pursuant to Regulation 51 (2) read with Part B of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that based on rating assessment undertaken by CARE Ratings Limited, the outlook of the Company's credit rating has been revised to 'Positive' from 'Stable' while reaffirming the existing ratings.

Please find the details of the same as below:

Name of the Company	Credit Rating Agency	Instrument	Rating; Outlook	Rating Action
Avanse Financial Services Limited	CARE Ratings Limited	Credit Rating for Rs. 3700 crore for Bank Facilities	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from 'Stable' to 'Positive'
		Credit Rating for Rs. 3075 crore for Long Term Instruments	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from 'Stable' to 'Positive'
		Credit Rating for Rs. 150 crore for Short term Instruments	CARE A1 (A One Plus)	Reaffirmed

We have also enclosed the press release issued by CARE Ratings Limited for your reference and record.

Kindly take the above on record and oblige.

Thanking You,

Yours Faithfully
For Avanse Financial Services Limited

VIKAS PURUSHOTTAM TAREKAR
Digitally signed by VIKAS PURUSHOTTAM TAREKAR
Date: 2022.06.03 16:44:14 +05'30'

Vikas Tarekar
Company Secretary

Avanse Financial Services Ltd.
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ASPIRE WITHOUT BOUNDARIES

CIN : U67120MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Abhivruddhi Holdings Private Limited

Avanse Financial Services Limited

June 02, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	3,700.00 (Enhanced from 2,200.00)	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Total Bank Facilities	**3,700.00 (Rs. Three Thousand Seven Hundred Crore Only)**		
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Long Term Long Term Instruments	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	1,500.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Assigned
Non Convertible Debentures	95.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	55.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	50.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	100.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	300.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	500.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Non Convertible Debentures	400.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Total Long Term Instruments	**3,075.00 (Rs. Three Thousand Seventy-Five Crore Only)**		
Commercial Paper	150.00	CARE A1+ (A One Plus)	Reaffirmed
Total Short Term Instruments	**150.00 (Rs. One Hundred Fifty Crore Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The reaffirmation of the ratings of the long-term bank facilities and various debt instruments of Avanse Financial Services Limited (AFSL) continues to derive strength from its adequate capitalisation levels, comfortable asset quality levels as reflected in relatively low GNPA primarily aided by its presence in education loan segment which continues to have good asset quality. Care Ratings notes that the discontinued segments of lending to MSME and financial institutions (LFI) are the major contributors to the bad loans and the same has been running down. The discontinued segments accounted for 2.5% of the total AUM as on March 31, 2022. Excluding discontinued segments, GNPA stood at 0.54% as on March 31, 2022 as against overall GNPA of 1.29% as on March 31, 2022. The ratings also take note of the improving profitability although the same remains relatively moderate. Improvement in profitability as reflected in improvement in ROTA during FY22 was supported by reduction in cost of funds and improvement in other income supported by higher cross selling which improved from 0.61% in FY21 to 0.87% in FY22. Nevertheless, the ratings continue to be constrained by relatively moderate profitability, relatively moderate size of operations, possibility of asset side risks considering the moderate seasoning of its higher tenure loan book.

Rating Sensitivities

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

- Substantial increase in scale as a result of steady growth and significant support in the form of equity infusion by the shareholders along with maintaining higher share of retail loan portfolio.
- Improvement in financial performance with ROTA of 2% or above along with stable asset quality on sustained basis.

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

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

- Any significant deterioration in asset quality with GNPA above 3%.
- Increase in gearing levels beyond 5x.
- Significant increase in the proportion of wholesale portfolio on a sustained basis.

Outlook: Positive

AUM of the company witnessed moderate growth during the two years period ended March 31, 2021 with AUM growing from Rs.2852 crore as on March 31, 2019 to Rs.3103 crore as on March 31, 2021 on account of reasons including discontinuatuion & run down of MSME and LFI portfolio and COVID-19 induced global slow down in FY21 which resulted in closure of international borders by many foreign countries. With re-opening of international borders and increase in Indian students opting for overseas education, disbursements increased sharply from Rs.977 crore in FY21 to Rs.2950 crore in FY22. Same has resulted in improvement in AUM to Rs.4836 crore as on March 31, 2022. However, AUM size is relatively moderate. Disbursements in the month of April 2022 stood around Rs.300 crore as against Rs.87 crore in April 2021. With continuation of momentum in disbursemnets during FY23, AUM is expected to grow significantly. Revision in outlook from 'Stable' to 'Positive' reflects the expectation that company will continue to maintain higher disbursements which will improve its scale of operations significantly in FY23 and result in significant improvement in profitability. Further, AFSL has witnessed significant reduction in average cost of funds in the past two years ended March 2022. While part of which can be attributed to declining trend in rate of interest in the economy, company also benefitted from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. It is to be noted that AFSL is expected to mobilise fresh equity in H2FY23 to support growth in its operations. The outlook may be revised to 'Stable' if there is significant moderation in asset quality and leverage levels exceed 5 times on sustained basis.

Detailed description of the key rating drivers
Key Rating Strengths

Comfortable capitalization and moderate gearing levels: Comfortable capitalization: Total CAR and Tier-1 CAR moderated to 23.25% and 21.89% respectively as on March 31, 2022 (March 31, 2021: 32.74% and 30.49%) on account of significant loan book growth of 55.8% during FY22. However, the same stood well above the regulatory requirements (Total CAR of 15% and Tier I CAR of 10%). The debt/equity ratio moderated to 3.67x as on March 31, 2022 (March 31, 2021: 2.50x). AFSL's shareholders, Warburg Pincus LLC and IFC had collectively infused Rs.300 crore equity during FY20 into AFSL which had led to an increase in the equity base providing the necessary capital for near-to-medium term growth. Looking ahead, CARE Ratings expects gearing to remain moderate in line with its growth strategy in the near term. Further, in order to support its growth company expects to mobilise fresh equity in H2FY23. As a policy, AFSL expects to maintain its gearing below 5 times.

Comfortable asset quality excluding discontinued segments Gross Stage 3 assets witnessed improvement to 1.29% as on March 31, 2022 (March 31, 2021: 1.72%). The net Stage 3 assets however witnessed marginal increase to 0.53% as on March 31, 2022 (March 31, 2021: 0.43%). Provision Coverage Ratio (PCR) moderated from 75.1% in FY21 to 59.3% in FY22. Company had maintained higher PCR during FY21 on account of uncertaininty in the overall economic scenario post second wave of Covid-19 and with improvement in the overall economic scenario and minimal disruption in the business witnessed during third wave of Covid-19 company has opted to maintain PCR at this level. The asset quality has been moderately impacted in the last two years owing to some accounts of Micro, Small and Medium Enterprises (MSME) and Lending to Financial Institution (LFI) segment loans slipping into NPA category. Barring these two segments, the Gross Stage 3 assets remained comfortable below 0.54%. It is to be noted that as on March 31, 2022, 90+dpd stood at Rs.77.3 crore of which Rs.52.0 crore corresponds to MSME & LFI segments which were discontinued. The company has remained cautious in lending in the EIL segment also and has been actively focusing on the retail segment (Education Loan [EL] & Digital Loan [EL-Digital]) recently with increase in enrolments to foreign educational universities and priority given to students for considering visa applications. The company's gross stressed assets improved to 6.94% of gross advances as on March 31, 2022 (March 31, 2021: 8.50%) including restructured and ECLGS loans extended. Going forward, asset quality is likely to remain at similar levels in the education loan segment and overall asset quality levels are expected to improve gradually in the medium term with run-down of the MSME and LFI loan portfolio, which at present constitute around 2.5% of the total AUM. Additionally, the asset quality performance of the school funding segment (EIL) will remain a key monitorable.

Asset quality of the education loans (EL) is largely driven by the earnings potential of the students. The asset quality risk is negated to a large extent with company adopting student led approach in its lending practices with estimated earning potential of students derived through combination of academic track record of the student, track record of university, employment opportunities of the course and the region. Company has governance structure in place with regular reviews at all levels. Detailed Key Risk Indicators tracked monthly and addressed, supported by monthly operations committee and Risk review. Continuous monitoring done based on external environment, customer data & bureau trends and analytics driven Early Warning Signals, propensity to bounce models, credit loss forecasting models etc.

Improving liability profile with diversifying resource base and significant improvement in cost of funds: Post new management takeover the company has improved diversification in its liability profile. Company has an established lender base of 29 lenders as on March 31, 2022. Loans from banks form majority of the borrowings constituting 59% of overall borrowings as on March 31, 2022 followed by NCDs (32.5%), Loans from FIs (4.2%), ECB (3.1%) and CP (0.7%). Average cost of funds as reflected in interest expenses/average total borrowings witnessed significant improvement especially capital market borrowings witnessed good reduction in cost in FY22. Company's overall cost of funds have witnessed significant improvement from 10.80% in FY21 to 9.26% in FY22. While part of which can be attributed to declining trend in rate of interest in the economy, company also benefitted from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. NCD borrowing rates have also witnessed significant improvement over the past 2 FYs. Going forward, the ability of the company to diversify its funds further and raise longer tenure borrowings will be closely monitored. Though in the near term cost of funds are expected to go up with trend of raising interest rates, with major portion of assets being linked to variable rate (Avanse Base Rate), AFSL is expected to pass on the increase in interest cost with a lag to protect the spreads.

Key Rating Weaknesses
Moderate profitability, although is on improving trend: ROTA has improved from 1.06% in FY21 (0.63% in FY20) to 1.43% in FY22 primarily driven by reduction in cost of funds and credit costs. Company's cost of funds witnessed improvement from 10.80% in FY21 to 9.26% in FY22, and with higher drop in cost of funds as compared to the yields, Interest spread improved in FY22. Company's operational expenses/ average total assets witnessed marginal improvement at 3.06% during FY22 (FY21: 3.12%) and cost to income (CTI) ratio witnessed improvement during FY22 and stood at 58.41% as against 61.20% during FY21 with increase in scale of operations and pick up in disbursements in FY22. On account of lower provisions made during the year, the credit costs stood lower at 0.26% in FY22 as against 0.62% in FY21. With increased focus on cross selling, other income/avg. assets increased from 0.61% in FY21 to 0.87% in FY22. Consequently, company reported higher ROTA of 1.43% during FY22 as against 1.06% in FY21. Though RONW has improved from 4.20% in FY21 to 6.72% in FY22, it continues to be relatively moderate. Going forward, company's ability to raise funds at competitive rates and exhibit improvement in operational efficiency with reduction in operational expenses/ average total assets would be key to improve earnings from current levels.

Limited seasoning of the loan portfolio: The company had commenced business operations in January 2013. The company's AUM witnessed growth of 55.8% during FY22 and stood at Rs.4836 crore as on March 31, 2022 (March 31, 2021: Rs.3103 crore). However, considering AFSL's average loan book tenure of around 10 years, the seasoning of the loan portfolio is moderate given high loan book growth during FY22 and one full loan cycle yet to be completed in segments other than EL and EL digital segment. Segments which have not completed one full loan cycle constituted around 27.4% of AUM as on March 31, 2022.

Product and geographic concentration risk: Product and Geographic Concentration Risk: AFSL is primarily present into education loans exposing it to sector concentration risk as any fall in demand for educational loan may severely impact the disbursements and profitability of the company. Also, educational loans have seasonal demand based upon the admission procedures in various institutions. AFSL has discontinued the MSME and Lending to Financial Institution loan segments after change in the promoters in 2019. Thereafter, the company has been gradually diversifying into the digital segment (financing for e-learning loans) which constitutes around 10% of the AUM as on March 31, 2022. Subsequently, it has partnered directly/indirectly with more than 160 EdTech companies. Geographically, 47.8% of loan portfolio in education loan segment is concentrated in USA followed by Canada (22.8%), UK (10.8%), India (9.8%) and rest constituting 8.9% in education loan book.

Liquidity: Adequate
The company generally maintains liquid balances to cover around 1.5 months of net outflows including disbursements. The free cash & bank balances and liquid investments stood at Rs. 667 crore as on March 31, 2022 (Provisional). As on March 31, 2022, the company had positive cumulative surplus across all maturity-buckets of the Asset Liability Management (ALM) profile (including prepayment assumptions).

Analytical approach: Standalone

Applicable Criteria
CARE's Criteria on assigning Outlook and Credit Watch to Credit Ratings
CARE's Policy on Default Recognition
Rating Methodology - Non Banking Finance Companies (NBFCs)
Financial ratios – Financial Sector
Criteria for Short Term Instruments

About the Company
AFSL was formed in August 1992 and was known as Abhivruddhi Holdings Pvt. Ltd. (AHPL). Dewan Housing Finance Corporation Ltd. (DHFL) & other promoter group entities bought a 100% stake in AHPL in July 2012 and commenced education loan business from January 2013. International Finance Corporation (IFC) acquired a 20% stake in company for Rs.12.75 crore in July 2013. On February 7, 2014, the name of the company was changed from Avanse Financial Services Private Limited to "Avanse Financial Services Limited". In March 2019, DHFL and WGC Group entered into a definitive agreement to sell 80% of its stake in AFSL to Olive Vine Investment Ltd, an affiliate of the Warbug Pincus Group. The deal was completed on 30th July, 2019. AFSL is engaged in the business of providing education loan for the purpose of higher studies both in India and abroad and for professional/ executive courses to working professional and to Education Institutions and schools for their Working Capital and Growth Capital requirements. The Company now has 11 branches across 8 cities in India. The total AUM stood at Rs. 4,836 crore as on March 31, 2022.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	31-03-2022 (Prov)
Total operating income	433.78	438.89	469.68
PAT	21.52	37.90	63.97
Total Assets	3659.82	3515.65	5452.77
Net Stage 3 Assets (%)	1.02	0.43	0.53
ROTA (%)	0.63	1.06	1.43

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund based - LT- Cash credit (bank facilities)	-	-	-	-	111.00	CARE A+; Positive
Fund based-LT- Cash credit (bank facilities) (Proposed)	-	-	-	-	79.00	CARE A+; Positive
Fund based - LT- Term loan (bank facilities)	-	-	-	March 2029	2573.80	CARE A+; Positive
Fund based-LT-Term loan (bank facilities) (Proposed)	-	-	-	-	936.20	CARE A+; Positive
Non-convertible debentures	INE087P07022	31-Jul-15	10.10%	31-Jul-25	25.00	CARE A+; Positive
Non-convertible debentures	INE087P07030	07-Aug-15	10.05%	08-Aug-22	5.00	CARE A+; Positive
Non-convertible debentures	INE087P07048	07-Aug-15	10.10%	07-Aug-25	15.00	CARE A+; Positive
Non-convertible debentures	INE087P07063	26-Feb-16	9.65%	26-Feb-23	10.00	CARE A+; Positive
Non-convertible debentures	INE087P07113	12-Dec-19	11.40%	09-Dec-22	195.00	CARE A+; Positive
Non-convertible debentures	INE087P07121	18-Dec-19	11.40%	16-Dec-22	105.00	CARE A+; Positive
Non-convertible debentures	INE087P07139	24-Jun-20	9.50%	23-Jun-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07147	07-Jul-20	9.50%	21-Apr-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07154	10-Jul-20	8.75%	27-Jul-23	150.0*	CARE A+; Positive
Non-convertible debentures	INE087P07162	27-Jul-21	8.40%	30-Jul-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07170	30-Jul-21	8.40%	26-Aug-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07188	26-Aug-21	8.40%	29-Sep-23	35.0	CARE A+; Positive
Non-convertible debentures	INE087P07196	29-Sep-21	8.40%	31-Jul-25	250.0	CARE A+; Positive
Non-convertible debentures	INE087P07204	24-Mar-22	7.40%	08-Aug-22	150.0	CARE A+; Positive
Non-convertible debentures (Proposed)	-	-	-	-	260.00	CARE A+; Positive
Non-convertible debentures (Proposed)	-	-	-	-	1500.00	CARE A+; Positive
Debt-Subordinate Debt	INE087P08020	June 30, 2017	9.50	June 30, 2027	25.00	CARE A+; Positive
Debt-Subordinate Debt	INE087P08038	December 27, 2017	9.35	December 27, 2027	25.00	CARE A+; Positive
Debt-Subordinate Debt	INE087P08012	March 16, 2016	10.50	March 16, 2024	25.00	CARE A+; Positive
Commercial Paper-Commercial Paper (Standalone)		-	-	-	150.00	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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	1375.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
2	Debentures-Non Convertible Debentures	LT	95.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
3	Fund-based - LT-Cash Credit	LT	190.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
4	Term Loan-Long Term	LT	255.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
5	Debentures-Non Convertible Debentures	LT	55.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
6	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
7	Fund-based - LT-Term Loan	LT	138.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
8	Fund-based - LT-Term Loan	LT	107.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)

9	Fund-based - LT-Term Loan	LT	21.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
10	Fund-based - LT-Term Loan	LT	1563.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
11	Debentures-Non Convertible Debentures	LT	50.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
12	Debentures-Non Convertible Debentures	LT	100.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
13	Fund-based - LT-Term Loan	LT	51.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
14	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
15	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
16	Debentures-Non Convertible Debentures	LT	300.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
17	Debentures-Non Convertible Debentures	LT	500.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)

18	Commercial Paper-Commercial Paper (Standalone)	ST	150.00	CARE A1+	-	1)CARE A1+ (21-Sep-21) 2)CARE A1+ (01-Jun-21)	-	-
19	Debentures-Non Convertible Debentures	LT	400.00	CARE A+; Positive	-	1)CARE A+; Stable (21-Sep-21) 2)CARE A+; Stable (23-Aug-21)	-	-
20	Debentures-Non Convertible Debentures	LT	1500.00	CARE A+; Positive				

*Long Term / Short Term

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

Non-Convertible Debentures	Detailed explanation
A. Financial Covenants	
i. Maintenance of capital adequacy ratio	Capital adequacy ratio (which shall be calculated as per the extant guidelines of the RBI) shall be maintained at minimum 18% (eighteen per cent) during the tenure of the Debentures out of which Tier 1 capital adequacy ratio (which shall be calculated as per the extant guidelines of the RBI) shall be at 13% (thirteen per cent) minimum.
B. Non-financial covenants	
i. Rating-related trigger clause	If the rating of the Debentures is suspended or withdrawn or moved to "issuer not cooperating" category or the long-term rating of the Debentures/Company is downgraded to A- or below (Acceleration Event), the Company shall be required to forthwith and in any event within 7 (Seven) calendar days of the occurrence of an Acceleration Event, provide an intimation, in writing to the Debenture Trustee and the Debenture Holders of the occurrence of such Acceleration Event ("Acceleration Event Intimation"). Upon the occurrence of an Acceleration Event, each Debenture Holder shall have the right but not the obligation to require the Company to redeem the Debentures held by such Debenture Holder ("Acceleration Option"), by provision of a notice in writing to the Company through the Debenture Trustee ("Acceleration Notice"). It is clarified that once the Acceleration Notice is issued by any Debenture Holders as provided for above, the Company shall be irrevocably and unconditionally bound to redeem the Debentures, in respect of which the Acceleration Notice has been issued, in the manner set out below. Upon receipt of an Acceleration Notice, the Company shall be obliged to redeem the Debentures held by the Debenture Holders who have chosen to exercise the Acceleration Option within 15 (Fifteen) calendar days of the date of the Acceleration Notice.

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

Sr No	Name of instrument	Complexity level
1.	Commercial Paper-Commercial Paper (Standalone)	Simple
2.	Debentures-Non-Convertible Debentures	Simple
3.	Debt-Subordinate Debt	Complex
4.	Fund-based - LT-Cash Credit	Simple
5.	Fund-based - LT-Term Loan	Simple
6.	Term Loan-Long Term	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 instrument: CARE Ratings Ltd. 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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