December 30, 2021 (Revised)

Piramal Capital & Housing Finance Limited (erstwhile Dewan Housing Finance Corporation Limited): Ratings assigned and placed on Watch with Developing Implications

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	2,530	[ICRA]AA&; assigned
NCD Programme	19,550	[ICRA]AA&; assigned
Retail NCD Programme	2,000	[ICRA]AA&; assigned
Long-term Market-linked Debenture (Principal Protected) {MLD (PP)} Programme	500	PP-MLD[ICRA]AA&; assigned
Subordinated Bonds (Tier II)	1,500	[ICRA]AA&; assigned
Long-term Bank Lines (Fund-based/CC)	900	[ICRA]AA&; assigned
Long-term Bank Lines (Term Loans)	4,650	[[ICRA]AA&; assigned
Total	**31,630**	

**Instrument details are provided in Annexure-1*

& Rating placed on Watch with Developing Implications

PP-MLD refers to the principal protected market linked debenture programme. According to the terms of the rated market linked debentures, the amount invested, i.e. the principal, is protected against erosion while the returns on the investment could vary as they are linked to movements in one or more variables such as equity indices, commodity prices, and/or foreign exchange rates. The assigned rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned

Rationale

ICRA has assigned ratings of [ICRA]AA&/PP-MLD[ICRA]AA& to the Rs. 31,630-crore borrowing programme of Piramal Capital & Housing Finance Limited (erstwhile Dewan Housing Finance Corporation Limited (DHFL); henceforth referred to as PCHFL) following its merger with erstwhile Piramal Capital & Housing Limited (erstwhile PCHFL) in accordance with the scheme of arrangement provided under the resolution plan of DHFL. As per the resolution plan approved by the National Company Law Tribunal (NCLT), the existing liabilities of DHFL were discharged by erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL's creditors. The erstwhile PCHFL was reverse merged with DHFL with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened Piramal Capital & Housing Finance Limited.

ICRA had ratings of [ICRA]AA&/PP-MLD [ICRA]AA& outstanding on the borrowing programme of erstwhile PCHFL, which now stand withdrawn in line with ICRA's withdrawal policy. The rated facilities have been transferred to DHFL following the reverse merger.

The ratings have been placed on Watch with Developing Implications and will be resolved upon the emergence of more clarity on the integration of the operations, business profile and impact on the earnings and asset quality of the consolidated loan book.

While assigning the ratings, ICRA has analysed the consolidated business and financial performance of the financial services business of Piramal Enterprises Limited (PEL)[1], the parent company of PCHFL. The ratings take into account the strong capitalisation profile of PEL financial services (PEL FS), supported by regular capital infusions by PEL, the promoter group's domain experience given its presence across the real estate industry value chain, and the experienced leadership team. The ratings also factor in PEL FS' established position and track record in the real estate lending segment, its monitoring and risk management systems and its efforts to diversify and elongate its liabilities profile.

The ratings are, however, constrained by the portfolio vulnerability emanating from the high sectoral concentration to real estate, with the large ticket sized exposures of erstwhile PEL FS' largely wholesale book, and the uncertainty associated with the retail assets on boarded by erstwhile DHFL. The fair valuation of DHFL's assets prior to the amalgamation, factoring in the asset quality, provides some comfort. ICRA notes that the amalgamation has also facilitated an improvement in the diversification and granularity of PEL FS and PCHFL's asset profile.

The share of retail loans for PEL FS is 33% of the overall loans and 45% for PCHFL, post amalgamation, as of September 30, 2021. The Reserve Bank of India (RBI) has prescribed minimum level of individual homes loan of 40% of the loan book by March 31, 2022 for housing finance companies (HFCs). PEL FS intends to scale up the retail segment, leveraging DHFL's branch network (301 branches spread across 24 states) for sourcing retail mortgages as well as cross-selling other products, and would continue with its stated plan of pruning the wholesale book for reducing the portfolio concentration and shoring up the liquidity.

The ratings also factor in the risk-averse sentiment of domestic investors towards non-banks with developer loan exposure, which had resulted in an elevated cost of funds, continues to persist. While the amalgamation has resulted in a greater diversification in asset profile (with increase in retail loans), PCHFL has also witnessed some moderation in cost of funds since March 2020 with ~170bps reduction in average cost of funds (excluding the NCD raise for the DHFL transaction). Post March 2021, PEL FS has also raised borrowings via retail bond issuance at ~8.7%, NCD issuance for the DHL acquisition at 6.75% and term loan bank borrowings between ~7%-8%. Going forward, the company's ability to continue to raise funding at competitive rates from diverse sources on a sustained basis would remain a monitorable. Furthermore, PEL FS' ability to scale up the retail book while maintaining a healthy asset quality and earnings profile would be a key monitorable.

On October 07, 2021, PEL, the parent company of PCHFL and PHL Fininvest Private Limited (PFPL), intimated the stock exchanges that its board of directors has approved the scheme for the demerger of the pharmaceutical business and simplification of the Group's corporate structure into two separate sector-focused listed entities in financial services and pharmaceuticals. As per the proposed scheme, the pharmaceutical business would be demerged from PEL and consolidated under Piramal Pharma Limited (PPL). Moreover, PFPL (wholly-owned subsidiary of PEL), a non-banking financial services company, will be amalgamated with PEL while PCHFL (wholly-owned subsidiary of PEL), an HFC, which has been merged into DHFL with effect from September 30, 2021, will remain a wholly-owned subsidiary of PEL. The scheme of arrangement is subject to the approval of the shareholders and creditors of the companies, the RBI, the Securities and Exchange Board of India (SEBI), National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd (BSE) Limited, NCLT and other regulatory authorities, as applicable.

Key rating drivers and their description

Credit strengths

Domain expertise and financial flexibility as part of Piramal Group; established position in real estate lending – PCHFL (erstwhile DHFL) draws strength from the Group's technical expertise, given its experience in real estate-based private equity investment, advisory services and the development space. Further, given the long-standing experience of the Group in the real

[1] PEL's financial services business includes PCHFL (amalgamated entity), PFPL and the residual loan book in PEL

estate segment, the company leverages the large network of developers with relationships built over a period of time. The Group's demonstrated ability to incubate and scale up new ventures also provides comfort.

As on September 30, 2021, PEL FS had consolidated assets under management (AUM)[2] of Rs. 66,986 crore compared to Rs. 47,181 crore (pre-merger) as on June 30, 2021. This includes Rs. 20,277 crore for DHFL's AUM and Rs. 46,709 crore for PEL FS (pre-merger). The proportion of retail in the overall AUM increased to 33% (post-merger) as of September 30, 2021 from 11% (pre-merger) as of June 30, 2021. Going forward, PCHFL (erstwhile DHFL) aims to be a well-diversified lender with a focus on becoming retail oriented.

Adequate capitalisation supported by capital infusions from the parent – The capitalisation of PEL's financial services subsidiaries (including PCHFL) has been supported by regular capital infusions from the parent. In FY2020-FY2021, PEL raised Rs. 18,173 crore of equity funds through a mix of avenues like preferential issue (Rs. 1,750 crore in December 2019), rights issue (Rs. 3,650 crore in January 2020), divestment of investments (Rs. 2,300 crore raised through the sale of stake in Shriram Transport in June 2019), divestment of non-core businesses (Rs. 6,750 crore raised through the sale of the DRG business in February 2020) and a partial stake sale in its pharmaceutical business (Rs. 3,523 crore in October 2020). Of the total funds raised, Rs. 3,700 crore was infused into PEL FS (Rs. 1,400 crore was infused into PCHFL and Rs. 2,060 crore was infused into PFPL) as equity in FY2020.

PEL FS' net worth was comfortable at Rs. 17,857 crore and the capitalisation ratio (CRAR[3]) was adequate at 26% as on September 30, 2021 (PCHFL's CRAR stood at 21.02% as of September 30, 2021 on a standalone basis). Post the merger with DHFL, PEL FS' net gearing increased to 2.7 times as of September 30, 2021 from 1.6 times (pre-merger) as of June 30, 2021 (1.8 times as on March 31, 2021).

PCHFL's (erstwhile DHFL) standalone net worth stood at Rs. 11,588 crore as of September 30, 2021 compared to Rs. 11,187 crore as of March 31, 2021, while the gearing (gross borrowings/net worth) stood at 4.3 times as of September 30, 2021 compared to 2.7 times as of March 31, 2021. The increase in gearing was on account of the issuance of debt instruments of Rs. 19,532 crore at 6.75% as a part of the consideration for the acquisition deal for DHFL. Excluding this, PEL FS also raised borrowings of Rs. 3,086 crore through a combination of NCDs and bank loans in H1 FY2022.

PEL FS also has a moderately diversified resource profile with NCDs accounting for 64% of its borrowings, followed by bank loans at 23%, commercial paper (CP) at 6%, public issue at 1% and others at 6% as of September 30, 2021. The share of NCDs/bonds in the borrowing mix increased from 45% as of March 31, 2021. PEL FS also raised Rs. 804 crore through a maiden retail bond issuance in July 2021. CP borrowings accounted for ~6% of PEL's total debt as on September 30, 2021 compared to ~35% as on September 30, 2018. On a standalone basis, PCHFL had gross debt of Rs. 50,144 crore of which 62% was from NCDs, 24% from bank lines, 7% from securitisation, 5% from PEL inter-corporate deposits (ICDs) and 1% each from CP and external commercial borrowings (ECB).

Experienced management team – ICRA also draws comfort from the Group's experienced management team, which has a track record of successfully scaling up businesses. PEL FS has a strong focus on risk management, control systems and compliance processes, which provides comfort. Moreover, it has a dedicated asset monitoring team for monitoring and managing the post-disbursement performance of the loans and the overall portfolio quality. While the Group's experience in retail lending remains limited, it has taken on board seasoned industry professionals to build its franchise in the retail segment, including its recently announced entry in the technology-driven consumer lending business. It has also engaged reputed and experienced external consultants for framing its credit policies and credit appraisal systems, expansion strategy and operational policies.

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[2] Total AUM includes share in alternative investment funds (AIFs) and investments. The total loan book stood at Rs. 62,215 crore as of September 30, 2021 (post-merger) compared to Rs. 42,754 crore as of June 30, 2021 (pre-merger)

[3] CRAR: Capital to risk weighted assets ratio

Credit challenges

Ability to maintain asset quality, given sizeable exposure to real estate and uncertainty associated with retail assets onboarded from DHFL – On an amalgamated basis, PEL FS's book includes 33% retail and 67% wholesale loans while PCHFL's book includes 45% retail and 55% wholesale loans. While the amalgamation has facilitated an improvement in the diversification and granularity of PEL FS and PCHFL's asset profile, the share of the real estate segment remains high, accounting for ~46% of the amalgamated book, given the largely real estate-oriented lending business of PEL FS (~90% of the erstwhile PEL FS' wholesale book as on September 30, 2021). The concerns regarding the asset quality had heightened over the past few years, given the challenging operating environment for real estate developers due to the prolonged slowdown in sales and the funding constraints over the past few years. PEL FS' loan book remains concentrated towards the inherently risky real estate sector. The early stage of development of some of the underlying projects, loans given to the holding company level (mezzanine debt) of developers and the share of portfolio under scheduled moratorium heighten the portfolio risk. The book concentration remains high with top group exposures forming a sizeable proportion of the overall book, though there has been a reduction in overall wholesale loan book and group exposures over the past few years. The presence of a collateral cover, the Group's expertise in the real estate segment and its emphasis on risk management and monitoring processes provide some comfort.

ICRA notes that PEL FS reported a moderation in the asset quality in FY2020 and FY2021, with the gross non-performing assets (GNPAs) increasing to 4.7% of the loan book as on June 30, 2021 from 2.5% as on June 30, 2020 (0.9% as on March 31, 2019). The reported GNPAs, however, improved to 2.9% as of September 30, 2021 on an amalgamated basis with no additional GNPAs from the net loans acquired from DHFL. Additionally, PEL FS has provided relief to the borrowers impacted by the pandemic through the extension of the DCCO and one-time restructuring, aggregating to ~15% of the loan book. ICRA notes that the uncertainty regarding the expected performance of retail assets (onboarded from DHFL) adds to the portfolio vulnerability, though the fair valuation of these assets prior to the amalgamation provides some comfort. Furthermore, PEL FS carries adequate provisions on its books (Rs. 2,683 crore or 4.0% of the AUM as on September 30, 2021) to cushion the impact of the increased portfolio vulnerability.

The share of retail loans for PEL FS is 33% of the overall loans and 45% for PCHFL, post amalgamation, as of September 30, 2021. The Reserve Bank of India (RBI) has prescribed minimum level of individual homes loan of 40% of the loan book by March 31, 2022 for housing finance companies (HFCs). ICRA notes that PEL FS intends to scale up the retail segment, leveraging DHFL's branch network (301 branches spread across 24 states) for sourcing retail mortgages as well as cross-selling other products, and would continue with its stated plan of pruning the wholesale book for reducing the portfolio concentration and shoring up the liquidity. ICRA notes that while new business would help diversify the portfolio, the concentration and credit risks will remain high over the near term given the large real estate exposure. PCHFL's ability to effectively monitor and manage the integrated operations, given the significant scale of DHFL, scale up the retail business, and maintain healthy asset quality would remain critical.

Fund-raising challenges for wholesale-oriented non-bank financiers impacting business; ability to maintain asset and liability profile remains critical – The risk-averse sentiment of domestic investors towards non-banks with developer loan exposure, continues to persist. PEL FS raised long-term debt (more than 1-year maturity) of ~Rs. 13,500 crore in FY2020 and ~Rs. 20,000 crore in FY2021. While the amalgamation has resulted in a greater diversification in asset profile (with increase in retail loans), PCHFL has also witnessed some moderation in cost of funds since March 2020 with ~170bps reduction in average cost of funds (excluding the NCD raise for the DHFL transaction). Post March 2021, PEL FS has also raised borrowings via retail bond issuance at ~8.7%, NCD issuance for the DHL acquisition at 6.75% and term loan bank borrowings between ~7%-8%. Going forward, the company's ability to continue to raise funding at competitive rates from diverse sources on a sustained basis would remain a monitorable.

Liquidity position: Adequate

PCHFL had cash and cash equivalents, including mutual fund investments, of Rs. 6,900 crore as of September 30, 2021 while the repayment obligation from October 2021 to March 2022 is Rs. 3,580 crore. PCHFL's liquidity profile is, thus, adequate.

As on October 31, 2021, PEL had on-book liquidity of Rs. 9,264 crore compared to debt repayment obligations (including interest and revolving lines) of Rs. 11,615 crore in the next six months (November 2021 to April 2022). The opening liquidity fully covers the next five months' debt repayment. PEL's liquidity is, thus, adequate.

Rating sensitivities

Positive factors/Negative factors – The rating watch will be resolved upon the emergence of more clarity on the integration of the operations, business profile and impact on the earnings and asset quality of the consolidated loan book.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Consolidation and Rating Approach
Parent/Group Support	Financial support from PEL
Consolidation/Standalone	To arrive at the ratings, ICRA has analysed the consolidated performance of PEL FS and has factored in the financial support available from PEL; ICRA also factors in the financial flexibility available to PCHFL by being a part of Piramal Group

About the company

Dewan Housing Finance Corporation Limited was incorporated as Dewan Housing and Leasing Company Limited in 1984 with a focus on the housing finance business catering to the low-and-middle-income borrower segment. DHFL was admitted under NCLT in December 2019 and, subsequently in January 2021, erstwhile PCHFL was chosen as the successful resolution applicant by DHFL's committee of creditors for the resolution of DHFL. As per the resolution plan approved by the NCLT, the existing liabilities of DHFL were discharged by erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL's creditors. The erstwhile PCHFL was reverse merged with DHFL with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened Piramal Capital & Housing Finance Limited.

The erstwhile PCHFL was incorporated in February 2017 as a subsidiary of Piramal Finance Limited and received its housing finance licence from National Housing Bank (NHB) in September 2017. As per a scheme of amalgamation, Piramal Finance Limited and Piramal Capital Limited were merged with the erstwhile PCHFL w.e.f. March 31, 2018, with PCHFL becoming a direct subsidiary of PEL. Consequent to the merger, the Piramal Group's financial services business, including real estate lending, housing finance, corporate lending and emerging corporate lending, was housed under PCHFL and PFPL, a fellow subsidiary.

Key financial indicators

PCHFL	FY2019	FY2020	FY2021	H1 FY2022**
Net interest income (Rs. crore)	2,670	2,262	2,136	904
Total income (Rs. crore)	5,572	5,623	5,088	2,345
Profit after tax (Rs. crore)	1,443	30	1,034	363
Net worth* (Rs. crore)	9,274	10,195	11,230	11,588
Loan book (Rs. crore)	41,033	35,261	32,994	54,235
Total assets* (Rs. crore)	42,532	42,291	44,158	83,057
Return on assets (%)	3.7%	0.1%	2.4%	1.1%
Return on net worth (%)	16.8%	0.3%	9.7%	3.3%
Gross NPA (%)	0.3%	2.1%	3.4%	2.1%
Net NPA (%)	0.1%	1.3%	1.8%	1.1%
Net NPA/Net worth (%)	0.6%	4.6%	5.2%	5.01%
Gross gearing (times)	3.48	2.88	2.66	4.3
Tier I capital (%)	26.9%	32.1%	32.1%	19.91%
CRAR (%)	29.9%	34.9%	32.3%	21.02%

***Source**: PCHFL and ICRA Research; **Note**: All ratios are as per ICRA calculations*

** Adjusted for goodwill on consolidation; total assets have been grossed up for expected credit loss provisions*

***Refers to merged PCHFL and DHFL*

PEL FS

PEL FS refers to the financial services business of PEL. This includes the real estate lending, corporate and emerging corporate lending and retail lending businesses carried out under PCHFL (erstwhile DHFL), PFPL and PEL (standalone). PEL FS had a total AUM of Rs. 66,986 crore as on September 30, 2021, including the loan book (Rs. 62,215 crore), investments in AIFs and other investments. The AUM was Rs. 48,891 crore as on March 31, 2021 including the loan book (Rs. 44,668 crore), AIF investments (Rs. 3,121 crore) and other investments.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years- Piramal Capital & Housing Finance Limited (erstwhile Dewan Housing Finance Corporation Limited)

	Instrument	Type	Amount Rated (Rs. crore)	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years							
				Amount Outstanding as on Jun 30, 2021 (Rs. crore)	Date & Rating			Date & Rating in FY2021	Date & Rating in FY2020				Date & Rating in FY2019		
					Dec 30, 2021	Nov 17, 2021	Jul 26, 2021	Jul 27, 2020	Jun 05, 2019	May 13, 2019	Apr 30, 2019	Apr 03, 2019	Feb 25, 2019	Feb 03, 2019	Dec 04, 2018 Sep 25, 2018 May 09, 2018
1	NCD Programme	Long Term	2,530	1,625	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
2	NCD Programme	Long Term	19,550	19,532	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
3	Retail NCD Programme	Long Term	2,000	804.05	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
4	MLD (PP) Programme	Long Term	500	0	**PP-MLD [ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
5	Subordinated Bonds (Tier II)	Long Term	1,500	500	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
6	Bank Lines (Cash Credit)	Long Term	900	NA	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
7	Bank Lines (Term Loan)	Long Term	4,650	2,482	**[ICRA]AA&**	-	-	-	-	-	-	-	-	-	-
8	CP Programme	Short Term	-	-	-	**[ICRA]D; withdrawn**	**[ICRA]D**	**[ICRA]D**	**[ICRA]D**	**[ICRA]4@**	**[ICRA]A3+@**	**[ICRA]A2+@**	**[ICRA]A2+@**	**[ICRA]A1+@**	**[ICRA]A1+**

& Rating on Watch with Developing Implications; @ Rating on Watch with Negative Implications.

Rating history for past three years- Piramal Capital & Housing Finance Limited

	Instrument	Current Rating (FY2022)						Chronology of Rating History for the Past 3 Years							
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Sep 30, 2021 (Rs. crore)	Date & Rating			Date & Rating in FY2021			Date & Rating in FY2020		Date & Rating in FY2019		
					Dec 28, 2021	Oct 14, 2021	Aug 13, 2021	Mar 29, 2021	Feb 3, 2021 Oct 12, 2020	Jul 27, 2020	Jun 25, 2019	May 31, 2019 Apr 22, 2019	Sep 14, 2018 Sep 4, 2018	Jul 6, 2018	May 31, 2018
1	NCD Programme	Long Term	2,530	1,625	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-
2	NCD Programme	Long Term	19,550	19,532	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	-	-	-	-	-	-	-	-
3	Retail NCD Programme	Long Term	2,000	804.05	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	-	-	-	-	-	-	-
4	MLD (PP) Programme	Long Term	500	0	**PP-MLD [ICRA]AA&; withdrawn**	PP-MLD [ICRA]AA&	PP-MLD [ICRA]AA&	PP-MLD [ICRA]AA (Negative)	-	-	-	-	-	-	-
5	Subordinated Bonds (Tier II)	Long Term	1,500	500	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-
6	Bank Lines (Cash Credit)	Long Term	900	NA	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-
7	Bank Lines (Term Loan)	Long Term	4,650	2,482	**[ICRA]AA&; withdrawn**	[ICRA]AA&	[ICRA]AA&	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Negative)	[ICRA]AA+ (Negative)	[ICRA]AA+ (Stable)	[ICRA]AA (Positive)	-
8	Commercial Paper Programme	Short Term	-	-	-	-	-	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

& Rating on Watch with Developing Implications

Complexity level of the rated instrument

Instrument	Complexity Indicator
NCD Programme	Simple
Retail NCD Programme	Very Simple
MLD (PP) Programme	Complex
Subordinated Bonds (Tier II)	Very Simple
Long-term Bank Lines (Fund Based/CC)	Simple
Long-term Bank Lines (Term Loan)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA’s website: www.icra.in

Annexure-1: Instrument details

<table>
<tr><th>ISIN/Banker Name</th><th>Instrument Name</th><th>Date of Issuance / Sanction</th><th>Coupon Rate</th><th>Maturity Date</th><th>Amount Rated (Rs. crore)</th><th>Current Rating and Outlook</th></tr>
<tr><td>INE641O07037</td><td>NCD</td><td>Mar 10, 2017</td><td>8.95%</td><td>Mar 08, 2024</td><td>5</td><td>[ICRA]AA&</td></tr>
<tr><td>INE641O07086</td><td>NCD</td><td>May 04, 2017</td><td>8.75%</td><td>May 03, 2024</td><td>25</td><td>[ICRA]AA&</td></tr>
<tr><td>INE641O07144</td><td>NCD</td><td>Sep 20, 2017</td><td>7.96% (monthly)</td><td>Sep 19, 2025</td><td>167</td><td>[ICRA]AA&</td></tr>
<tr><td>INE641O07144</td><td>NCD</td><td>Sep 20, 2017</td><td>7.96% (monthly)</td><td>Sep 18, 2026</td><td>167</td><td>[ICRA]AA&</td></tr>
<tr><td>INE641O07144</td><td>NCD</td><td>Sep 20, 2017</td><td>7.96% (monthly)</td><td>Sep 20, 2027</td><td>166</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07170</td><td>NCD</td><td>Jul 31, 2020</td><td>7.85%</td><td>Jan 31, 2022</td><td>500</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07188</td><td>NCD</td><td>Jul 31, 2020</td><td>8.50%</td><td>Jul 31, 2023</td><td>500</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07246</td><td>NCD</td><td>Nov 3, 2020</td><td>9.32%</td><td>Nov 1, 2030</td><td>50</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07295</td><td>NCD</td><td>Mar 30, 2021</td><td>9.00%</td><td>Mar 28, 2031</td><td>25</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07329</td><td>NCD</td><td>Jun 29, 2021</td><td>8.85%</td><td>Jun 27, 2031</td><td>20</td><td>[ICRA]AA&</td></tr>
<tr><td>NA</td><td>NCD (proposed)</td><td>NA</td><td>NA</td><td>NA</td><td>905</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07444</td><td>NCD</td><td>Sep 28, 2021</td><td>6.75%</td><td>Sep 26, 2013</td><td>1,9532.53</td><td>[ICRA]AA&</td></tr>
<tr><td>NA</td><td>NCD (proposed)</td><td>NA</td><td>NA</td><td>NA</td><td>17.47</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07337</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.10%</td><td>Sep 23, 2023</td><td>5.25</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07345</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>0.00%</td><td>Sep 23, 2023</td><td>1.23</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07352</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.25%</td><td>Jul 23, 2024</td><td>1.38</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07360</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.50%</td><td>Jul 23, 2026</td><td>10.75</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07378</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.75%</td><td>Jul 23, 2031</td><td>0.12</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07386</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.35%</td><td>Sep 23, 2023</td><td>346.64</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07394</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>0.00%</td><td>Sep 23, 2023</td><td>49.55</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07402</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.50%</td><td>Jul 23, 2024</td><td>154.26</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07410</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>8.75%</td><td>Jul 23, 2026</td><td>80.87</td><td>[ICRA]AA&</td></tr>
<tr><td>INE516Y07428</td><td>Retail NCD</td><td>Jul 23, 2021</td><td>9.00%</td><td>Jul 23, 2031</td><td>154.01</td><td>[ICRA]AA&</td></tr>
<tr><td>NA</td><td>Retail NCD (proposed)</td><td>NA</td><td>NA</td><td>NA</td><td>1,195.95</td><td>[ICRA]AA&</td></tr>
<tr><td>INE641O08035</td><td>Subordinated Bonds (Tier II)</td><td>Mar 08, 2017</td><td>9.55%</td><td>Mar 08, 2027</td><td>500</td><td>[ICRA]AA&</td></tr>
<tr><td>NA</td><td>Subordinated Bonds (Tier II) (proposed)</td><td>NA</td><td>NA</td><td>NA</td><td>1,000</td><td>[ICRA]AA&</td></tr>
<tr><td>Axis Bank</td><td rowspan="2">Long-term Bank Lines - WCDL/Cash Credit</td><td>NA</td><td>NA</td><td>NA</td><td>450</td><td>[ICRA]AA&</td></tr>
<tr><td>Unallocated</td><td>NA</td><td>NA</td><td>NA</td><td>450</td><td>[ICRA]AA&</td></tr>
<tr><td>Karnataka Bank</td><td rowspan="8">Long-term Bank Lines – Term Loans</td><td rowspan="7">2014-2020</td><td rowspan="7">8.75%-11.50%</td><td rowspan="7">2021-2024</td><td>100</td><td>[ICRA]AA&</td></tr>
<tr><td>Indian Bank</td><td>500</td><td>[ICRA]AA&</td></tr>
<tr><td>Punjab National Bank (OBC)</td><td>300</td><td>[ICRA]AA&</td></tr>
<tr><td>Punjab National Bank (United Bank)</td><td>300</td><td>[ICRA]AA&</td></tr>
<tr><td>IndusInd Bank</td><td>1,500</td><td>[ICRA]AA&</td></tr>
<tr><td>State Bank of India</td><td>1,500</td><td>[ICRA]AA&</td></tr>
<tr><td>Jammu & Kashmir Bank</td><td>200</td><td>[ICRA]AA&</td></tr>
<tr><td>Unallocated</td><td>NA</td><td>NA</td><td>NA</td><td>250</td><td>[ICRA]AA&</td></tr>
<tr><td>NA</td><td>MLD (PP) Programme (Proposed)</td><td>NA</td><td>NA</td><td>NA</td><td>500</td><td>PP-MLD[ICRA]AA&</td></tr>
</table>

***Source**: PCHFL*

& Rating on Watch with Developing Implications

Annexure-2: List of entities considered for consolidated analysis

Not applicable

Corrigendum

Details of lenders have been updated in Annexure 1

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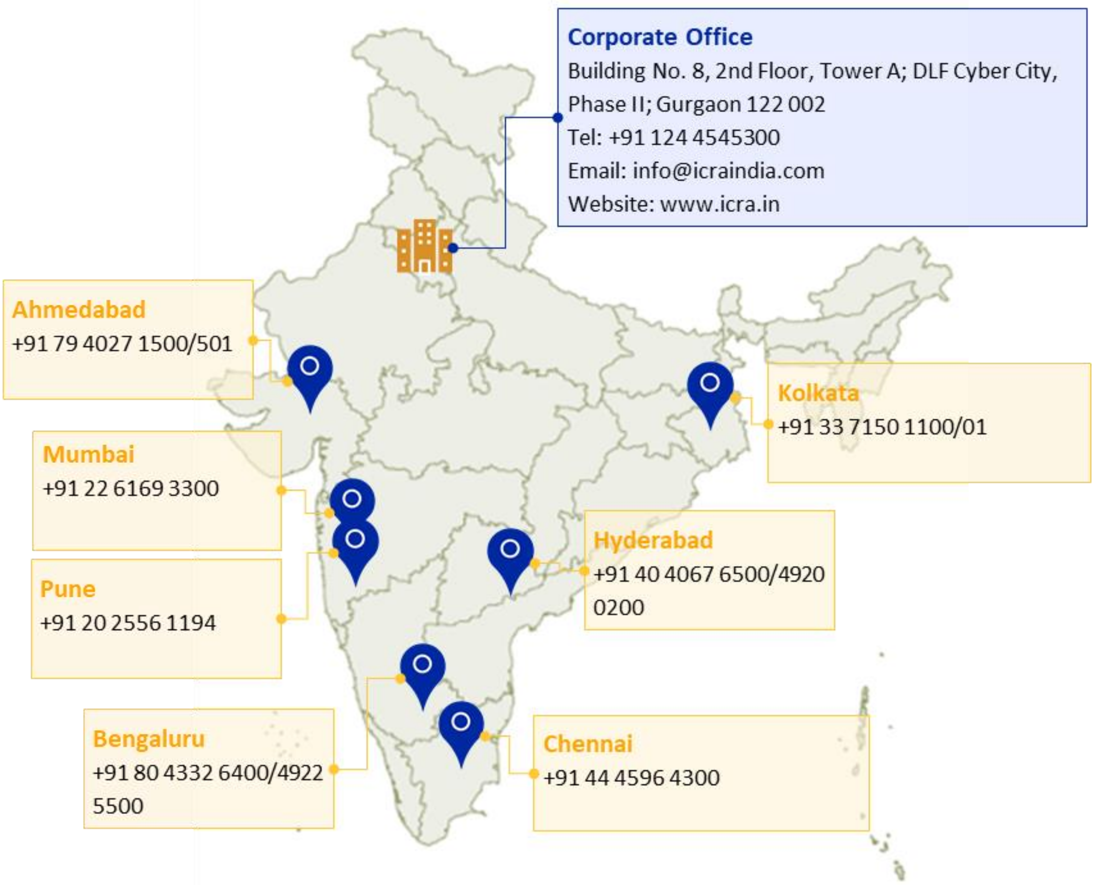

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