

Credit Bulletin

Change in Rating Suffix

September 14, 2019

Securities and Exchange Board of India (SEBI) had issued 'Guidelines for Enhanced Disclosures by Credit Rating Agencies (CRAs)', vide circular letter dated June 13, 2019. SEBI has introduced a new suffix 'CE' for the ratings assigned to instruments / facilities backed by external credit enhancement, while laying out other disclosure requirements. Through this circular a clear distinction is made between Structured Obligations such as Asset Backed Securitisation (ABS), Mortgage Backed Securitisation (MBS) and Collateralised Debt Obligations (CDO) and instruments / facilities explicitly backed by external credit enhancement.

Based on the aforesaid SEBI Circular, the broad principles of applying suffixes to the rating symbols are elucidated below:

- The suffix of 'CE' shall be used to indicate the presence of explicit credit enhancement from a third party in the form of corporate guarantee, pledge of shares, letter of comfort, etc.
- The suffix of 'SO' shall be used to indicate that the ratings pertain to Structured Obligations such as Asset Backed Securitisation (ABS), Mortgage Backed Securitisation (MBS) and Collateralised Debt Obligations (CDO). The suffix may be applied to other ratings where any form of internal credit enhancement and / or structured payment mechanism leads to the instrument being bankruptcy remote from the issuer / originator.
- No suffix shall be applied to the ratings in the following circumstances:
 - Ratings based on explicit external credit enhancement or structured payment mechanism around the future cash flows, which does not enhance the rating of the instrument / facility above that of the issuer / originator.
 - Ratings based on internal credit enhancement, but that do not lead to a bankruptcy remote structure.

In compliance with the SEBI Circular dated June 13, 2019, INFOMERICS has revised the suffix of 'CE' in place of 'SO' for the ratings of 20 issuers and removed the 'SO' suffix from the rating of one issuer.

The change in the suffix is in compliance with the SEBI Circular and does not tantamount to a change in the rating of the instrument / facility and should not be construed as the culmination of a review / surveillance process.

The details of the change in the suffix of the rating symbols is given below:

| Change in Suffix to 'CE' from 'SO' in the Rating Symbol | | | | | | |
|--|---|--|---|---|-------------------------------|--------------------------------|
| Sr. No. | Name of the Company | Instrument | Rating with new Suffix | Rating with old Suffix | Issue Size (Rs. Crore) | Last Press Release Date |
| 1 | Karuna Healthcare Private Limited | NCD | IVR BBB+(CE)/ Stable | Provisional IVR BBB+(SO)/ Stable | 160.00 | 9/10/2018 |
| 2 | Clinivent Research Private Limited | Long Term Facilities- Term Loan | IVR A-(CE)/Stable- ISSUER NOT COOPERATING | IVR A-(SO)/Stable- ISSUER NOT COOPERATING | 54.00 | 17/5/2019 |
| | | Long Term Fund Based Facilities - Cash Credit | IVR A-(CE)/Stable- ISSUER NOT COOPERATING | IVR A-(SO)/Stable- ISSUER NOT COOPERATING | 7.00 | |
| | | Long Term Non Fund Based Facilities- Derivative Contract | IVR A-(CE)/Stable- ISSUER NOT COOPERATING | IVR A-(SO)/Stable- ISSUER NOT COOPERATING | 2.00 | |
| | | Short Term Non Fund Based Facilities - Letter of Credit | IVR A2+(CE) ISSUER NOT COOPERATING | IVR A2+(SO) ISSUER NOT COOPERATING | 7.00 | |
| 3 | Raichur Sholapur Transmission Company Private Limited | Long Term Bank facilities | IVR A-(CE)/Stable | IVR A-(SO)/Stable | 240.00 | 28/9/2018 |
| 4 | Sambhv Sponge Power Private Limited | Long Term Bank Facilities | IVR BBB-(CE) / Stable | IVR BBB-(SO) / Stable | 29.50 | 12/12/2018 |
| | | Short Term Bank Facilities | IVR A3 (CE) | IVR A3 (SO) | 9.50 | |
| 5 | Eloquent Steel Private Limited | Long Term Bank Facilities | IVR BBB-(CE)/Stable | IVR BBB-(SO)/Stable | 65.00 | 14/12/2018 |
| | | Short Term Bank Facilities | IVR A3(CE) | IVR A3(SO) | 25.00 | |
| 6 | Aditya Medisales Ltd | Proposed CP | Provisional IVR A1+ (CE) | Provisional IVR A1+ (SO) | 500.00 | 31/12/2018 |
| 7 | MJ Pharmaceuticals Private Limited | Proposed CP | IVR A1+ (CE) | Provisional IVR A1+ (SO) | 750.00 | 31/12/2018 |
| 8 | Unimed Technologies Limited | Proposed CP | IVR A1+ (CE) | Provisional IVR A1+ (SO) | 500.00 | 31/12/2018 |

| | | | | | | |
|----|--|---|--------------------------------------|--------------------------------------|--------|---------------------------|
| 9 | Suraksha Asset Reconstruction Private Limited | Proposed CP | IVR A1+ (CE) | Provisional IVR A1+ (SO) | 600.00 | 1/1/2019 |
| 10 | GMR SEZ Infra Services Limited | NCD- Short term | IVR A2 (CE) | IVR A2 (SO) | 500.00 | 1/1/2019 |
| 11 | Mayfair Renewable Energy (I) Private Limited | Long Term Bank Facilities – Term Loan | IVR A-(CE) / Stable | IVR A-(SO) / Stable | 95.62 | 14/2/2019 |
| 12 | Rudra Green Ship Recycling Private Limited | Long Term / Short Term Bank Facilities | IVR BBB [CE] / Stable & IVR A3+ [CE] | IVR BBB [SO] / Stable & IVR A3+ [SO] | 150.00 | 5/3/2019 |
| 13 | GMR Energy Trading Limited | Long Term Fund Based Limits | IVR BBB-(CE)/Stable | IVR BBB-(SO)/Stable | 10.00 | 16/4/2019 |
| | | Short Term Non-Fund Based Limits | IVR A3 (CE) | IVR A3 (SO) | 25.00 | |
| | | Working Capital Demand Loan | IVR A3 (CE) | IVR A3 (SO) | 50.00 | |
| 14 | MMG Holdings Private Limited | Long Term Bank Facilities - Term Loan | IVR BBB-(CE)/Stable | IVR BBB-(SO)/Stable | 15.04 | 16/4/2019 |
| 15 | GMR Aviation Private Limited | Long Term Debt – Term Loan | IVR BBB-(CE)/Stable | IVR BBB-(SO)/Stable | 40.07 | 20/6/2019 |
| 16 | Scientific Security Management Services Pvt. Ltd | Long Term – Fund Based (Term Loan) | IVR BBB (CE)/Stable | IVR BBB (SO)/Stable | 3.00 | 21/6/2019 |
| | | Long Term – Fund Based (Cash Credit) | IVR BBB (CE)/Stable | IVR BBB (SO)/Stable | 16.00 | |
| | | Long Term – Non Fund Based (Bank Guarantee) | IVR BBB (CE)/Stable | IVR BBB (SO)/Stable | 4.00 | |
| | | Short Term – Fund Based (Sales Invoice Discounting) | IVR A3+ (CE) | IVR A3+ (SO) | 5.00 | |
| 17 | GMR Infra Services Limited | Non-Convertible Debenture | IVR BBB-(CE)/Stable | IVR BBB-(SO)/Stable | 700.00 | 25/6/2019 |
| 18 | Giga Pipes Systems India LLP | Bank Facilities- Long Term | IVR A-(CE)/Stable | IVR A-(SO)/Stable | 10.00 | 27/6/2019 |
| | | Bank Facilities- Short Term | IVR A2+(CE) | IVR A2+(SO) | 30.00 | |
| 19 | EnnEnnFincap India Pvt. Ltd | Long Term Loans | IVR BBB+(CE)/Stable | IVR BBB+(SO)/Stable | 15.00 | 18/7/2019 |
| | | Long Term Loans | IVR BBB+(CE)/Stable | IVR BBB+(SO)/Stable | 85.00 | |
| 20 | Goa Industrial Development Corporation | Long Term Debt – Term Loan | IVR A+ (CE) / Stable | IVR A+ (SO) / Stable | 142.68 | 1/8/2019 |
| | | Proposed Long | IVR A+ (CE) / | IVR A+ (SO) / | 57.32 | |

| | | Term Debt – Term Loan | Stable | Stable | | |
|---|----------------------------------|-------------------------------------|------------------------|------------------------|--|---------------------------|
| 21 | NupurFinvest Private Limited | Fund Based Facilities – Cash Credit | IVR A (CE) / Positive | IVR A (SO) / Positive | 100.00 (including proposed cash credit of Rs.25 crore) | 20/8/2019 |
| | | Fund Based Facilities – Term Loans | IVR A (CE) / Positive | IVR A (SO) / Positive | 150.00 (including proposed term loans of Rs.78.61 crore) | |
| Removal of Suffix from Rating Symbol | | | | | | |
| Sr. No. | Name of the Company | Instrument | Rating with new Suffix | Rating with old Suffix | Issue Size (Rs. Crore) | Last Press Release Date |
| 1 | Syntex Trading & Agency Pvt. Ltd | Long Term – Fund Based (Term Loan) | IVR A /Stable | IVR A (SO)/Stable | 463.29 | 28/8/2019 |

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

About Infomerics:

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