



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT/425

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: **Surveillance of ICRA rating for Rs.4,500.0 crore (enhanced from Rs.3,500.0 crore) Commercial Paper (CP) programme of CanFin Homes Limited**

Please refer the Rating Agreement dated August 29, 2016 between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when the circumstances so warrant. Further, please refer to your Rating Agreement dated August 31, 2017 seeking rating for an enhancement of the captioned instrument of your company from Rs.3,500.0 crore to Rs.4,500.0 crore.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has reaffirmed the rating assigned earlier to the Rs.3,500.0 crore CP programme at [ICRA]A1+ (pronounced as ICRA A one plus), and also assigned a rating of [ICRA]A1+ (pronounced as ICRA A one plus) to the additional Rs.1,000.0 crore CP programme of your company. Instruments with [ICRA]A1+ rating indicate very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

In any of your publicity material or other document wherever you are using the above rating, it should be stated as [ICRA]A1+. We would appreciate if you can sign the acknowledgement and send it to us in the next three days, i.e. by September 28, 2017 as acceptance on the enhanced portion (i.e. Rs.1,000.0 cr) of the CP programme. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements as prescribed in the circular dated June 30, 2017 on '*Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)*' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

The Millenia, Tower-B, Unit No.1004
10th Floor, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560008

Tel. : +91.80.43326400
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.3341580

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

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ICRA

Additionally, we wish to highlight the following with respect to the rating:

(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;

(b) Subject to Clause (c) below, our rating is valid from the date of this letter till December 25, 2018 ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Commercial Paper shall not be after the end of the Validity Period.

(c) ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

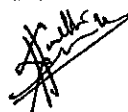
The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Commercial Paper issued by you. The rating is restricted to your Commercial Paper/CD/STD Programme size of Rs.4,500.0 crore only. In case, you propose to enhance the size of the Commercial Paper Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Commercial Paper/CD/STD Programme.

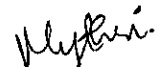
As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
For ICRA Limited


Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com


Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com



ICRA

A1+

ICRA rating for Rs 4500 crore
Commercial Paper (CP) programme

Acknowledgement

(To be signed and returned to ICRA Limited)

I, Mr. Atanu Bagchi, DGM & CFO on behalf of CanFin Homes Limited hereby accept and acknowledge the above assigned credit rating.

For CanFin Homes Limited
For Can Fin Homes Ltd.,

↓
Atanu Bagchi
DGM & Chief Financial Officer

Name: _____

Date: _____

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at The Millenia, Tower B, 10th Floor, 1&2 Murphy Road, Ulsoor, Bangalore - 560008 or swathi.hebbbar@icraindia.com

Mythri



ICRA

Encl:

'No Default Statement on the Company Letter Head'

To
<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraw of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT/429

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: ICRA credit rating for the Fixed Deposit Programme of CanFin Homes Limited

Please refer to the Rating Agreement between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has reaffirmed the rating at MAAA (pronounced M triple A) to the captioned Fixed Deposit Programme. The outlook on the rating is Negative. Instruments with this rating indicate highest-credit-quality rating assigned by ICRA. The rated deposits programme carries the lowest credit risk.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as MAAA (Negative).

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in accordance with requirements prescribed in circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

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Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

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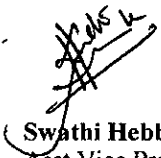
You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

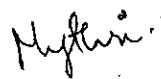
Enclosed herewith is a copy of the rationale of the assigned rating for your reference. We request you to provide your comments on the rationale, if any, by October 03, 2017

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
For ICRA Limited


Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com


Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com



ICRA

Encl:

'No Default Statement on the Company Letter Head'

To
<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraw of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT-Basel /424

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: Surveillance of ICRA-assigned Credit Rating for Rs.4,775.00 crore of CanFin Homes Limited (instrument details in Annexure)

Please refer the Rating Agreement dated September 14, 2012 between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when the circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration, has reaffirmed the long-term rating for the captioned Line of Credit (LOC) at [ICRA]AAA (pronounced ICRA triple A).[†] The Outlook on the long-term rating is **Negative**. The Rating Committee of ICRA has also reaffirmed the short-term rating for the captioned LOC at [ICRA]A1+ (pronounced ICRA A one plus).

The aforesaid ratings will be due for surveillance anytime before November 30, 2017.

The ratings as stated above are specific to the terms and conditions of the LOC as indicated to us by you. In case there is any change in the terms and conditions, or the size of the rated LOC, the same must be brought to our notice immediately. Any such change would warrant a rating review, following which there could be a change in the ratings assigned. Notwithstanding the foregoing, any change in the over-all limit of the LOC from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

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Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

RATING • RESEARCH • INFORMATION



ICRA

You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme [interest and principal obligations for fund based as well as obligations under LOC/BG for non-fund based facility]. This is in accordance with requirements prescribed in circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

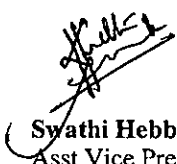
You are also requested to inform us forthwith of any default or delay in the payment of interest and/or principal against the rated debt programme, or any other debt instruments and/or borrowings of your company. Further, you are requested to keep us informed of any other developments that could have a direct or indirect impact on the debt servicing capability of your company, with such developments including, but not limited to, any proposal for re-schedulement or postponement of repayment against any dues and/or debts of your company with any lender(s) and/or investor(s).


We thank you for your kind co-operation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
for ICRA Limited


Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com


Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com

Encl:



ICRA

'No Default Statement on the Company Letter Head'

To
<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
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6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>



ICRA

Annexure

Details of Long Term Bank Lines

Name of Bank	Amount (Rs. Crore)	Rating	Reaffirmed on
Canara Bank 5081	10.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 5082	10.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 76	100.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 50	30.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 57	45.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 63	59.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 3319	2.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 66	80.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 72	100.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 81	100.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 85	270.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 88	140.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 90	60.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 98	395.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 3839	5.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 111	20.0	[ICRA]AAA (Negative)	September 25, 2017
Canara Bank 111 (Un-availed Portion)	280.0	[ICRA]AAA (Negative)	September 25, 2017
HDFC Long Term Loan	1.0	[ICRA]AAA (Negative)	September 25, 2017
Bank of Baroda - Term Loan	1.0	[ICRA]AAA (Negative)	September 25, 2017
Unallocated	2167.0	[ICRA]AAA (Negative)	September 25, 2017
	3875.0		

Details of Short Term Bank Lines

Name of Bank	Amount (Rs. crore)	Rating	Reaffirmed on
Rated on Short Term Scale	300.0	[ICRA]A1+	September 25, 2017
Canara Bank - Over Draft	300.0	[ICRA]A1+	September 25, 2017
State Bank Of India - Over Draft	100.0	[ICRA]A1+	September 25, 2017
Oriental Bank of Commerce - Over Draft	200.0	[ICRA]A1+	September 25, 2017
Total	900.0		

[Handwritten signature]

[Handwritten signature]



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT/428

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: ICRA Credit Rating for the Rs.3,000.0 crore Non Convertible Debenture (NCD) Programme of CanFin Homes Limited

Please refer to the Rating Agreement dated August 31, 2017 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]AAA (pronounced as ICRA triple A) rating to the captioned NCD Programme. Instruments with this rating indicate highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The Outlook on the long-term rating is Negative.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Negative). We would request if you can sign the acknowledgement and send it to us latest by September 28, 2017 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

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RATING • RESEARCH • INFORMATION



The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

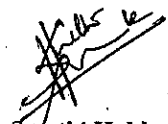
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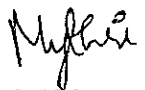
Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of October 03, 2017.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,
For ICRA Limited


Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com


Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com



ICRA

AAA

ICRA credit rating for Rs 3000 crore
NCD programme (fresh).

Acknowledgement

(To be signed and returned to ICRA Limited)

I, Mr. Atanu Bagchi, DGM & CFO on behalf of CanFin Homes Limited hereby accept and acknowledge the above assigned credit rating.

For CanFin Homes Limited

For Can Fin Homes Ltd.,

Atanu Bagchi
DGM & Chief Financial Officer

Name:

Date: 27/09/2017

Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited at The Millenia, Tower B, 10th Floor, 1&2 Murphy Road, Ulsoor, Bangalore - 560008 or swathi.hebbbar@icraindia.com

Atanu Bagchi

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Encl:

'No Default Statement on the Company Letter Head'

To

<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
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4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
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6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT/426

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: ICRA Credit Rating for Rs.5,000.0 Crore Non Convertible Debentures Programme of CanFin Homes Limited (instrument details in *Annexure*)

In terms of the Rating Agreement dated June 08, 2016 executed between CanFin Homes Limited and ICRA Limited (ICRA), ICRA is required to review the rating, on an annual basis, or as and when the circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your non-convertible debenture (NCD) programme at [ICRA]AAA (pronounced as [ICRA] triple A). The Outlook on the long-term rating is Negative. Instruments with [ICRA]AAA rating indicate highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk..

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Negative).

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

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RATING • RESEARCH • INFORMATION



You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed in circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

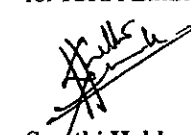
Enclosed herewith is a copy of the rationale of the assigned rating for your reference. We request you to provide your comments on the rationale, if any, by October 03, 2017.

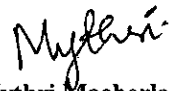
We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
for ICRA Limited


Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com


Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com



ICRA

Encl:

Annexure

List Of NCD Instruments Rated

Rated Instrument	Rated Amount (In Crores)	Amount Outstanding	Rating Action
		(In Crores)	
INE477A07068	200.00	200.00	[ICRA]AAA (Negative)
INE477A07076	200.00	200.00	[ICRA]AAA (Negative)
INE477A07084	200.00	200.00	[ICRA]AAA (Negative)
INE477A07092	200.00	200.00	[ICRA]AAA (Negative)
INE477A07100	100.00	100.00	[ICRA]AAA (Negative)
INE477A07118	100.00	100.00	[ICRA]AAA (Negative)
INE477A07126	150.00	150.00	[ICRA]AAA (Negative)
INE477A07134	200.00	200.00	[ICRA]AAA (Negative)
INE477A07142	100.00	100.00	[ICRA]AAA (Negative)
INE477A07159	200.00	200.00	[ICRA]AAA (Negative)
INE477A07167	200.00	200.00	[ICRA]AAA (Negative)
INE477A07175	300.00	300.00	[ICRA]AAA (Negative)
INE477A07183	100.00	100.00	[ICRA]AAA (Negative)
INE477A07191	300.00	300.00	[ICRA]AAA (Negative)
INE477A07209	440.00	440.00	[ICRA]AAA (Negative)
INE477A07217	122.00	122.00	[ICRA]AAA (Negative)
INE477A07225	500.00	500.00	[ICRA]AAA (Negative)
INE477A07233	200.00	200.00	[ICRA]AAA (Negative)
INE477A07241	600.00	600.00	[ICRA]AAA (Negative)
INE477A07258	400.00	400.00	[ICRA]AAA (Negative)
Unallocated	188.00	-	[ICRA]AAA (Negative)
Total	5,000.00		

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ICRA

Encl:

'No Default Statement on the Company Letter Head'

To

<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraft of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended<Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>



ICRA

ICRA Limited

Confidential

Ref: ICRA: BLR: 2017-18/RT/427

Date: September 25, 2017

Mr. Atanu Bagchi
DGM & CFO
CanFin Homes Limited
29/1 Sir M N Krishna Rao Road
Basavangudi
Bangalore 560 004

Dear Sir,

Re: ICRA Credit Rating for Rs.300.0 Crore Subordinated Debt Programme of CanFin Homes Limited (instrument details in *Annexure*)

In terms of the Rating Agreement dated March 29, 2014 executed between CanFin Homes Limited and ICRA Limited (ICRA), ICRA is required to review the rating, on an annual basis, or as and when the circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your subordinated debt programme at [ICRA]AAA (pronounced as [ICRA] triple A). The Outlook on the long-term rating is Negative. Instruments with [ICRA]AAA rating indicate highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Negative).

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

The Millenia, Tower-B, Unit No.1004
10th Floor, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560008

Tel. : +91.80.43326400
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.3341580

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

R A T I N G • R E S E A R C H • I N F O R M A T I O N



ICRA

You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed in circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. We request you to provide your comments on the rationale, if any, by October 03, 2017.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
for ICRA Limited

A handwritten signature in black ink, appearing to read 'Swathi', written over a horizontal line.

Swathi Hebbar
Asst Vice President
swathi.hebbar@icraindia.com

A handwritten signature in black ink, appearing to read 'Mythri', written in a cursive style.

Mythri Macherla
Senior Analyst
mythri.macherla@icraindia.com



ICRA

Encl:

Annexure

List Of Subordinate Debt Instruments Rated

Rated Instrument	Rated Amount (In Crores)	Amount Outstanding	Rating Action
		(In Crores)	
INE477A08025	100.00	100.00	[ICRA]AAA (Negative)
Unallocated	200.00	-	[ICRA]AAA (Negative)
Total	300.00		

Handwritten signature

Mythri



Encl:

'No Default Statement on the Company Letter Head'

To

<CRA Name and Address>

Dear Sir/ Madam,

1. We hereby Confirm that as on date there are no Over dues or default on our debt obligations
2. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of our debt obligations.
3. We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <Month and Year name>.
4. We also confirm that in the month ended <Month and Year name>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
5. We also confirm that there has been no overdraft of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
6. Details of delay/ default/ rescheduling of interest or principal as on date/ in the month ended <Month and Year name> , in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>

CARE/BRO/RL/2018-19/1251

Shri Sarada Kumar Hota
Managing Director,
Can Fin Homes Limited
No.29/1, Floor,
Sir M N Krishna Rao Road
Basavanagudi, Bangalore-560004

October 01, 2018

Confidential

Dear Sir,

Credit rating of Tier II Bond Issue

On a review of recent developments including operational and financial performance of your company for FY18 (audited) and Q1FY19 (provisional), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Tier II Bond Issue (Subordinated Bond)*	300 (Three hundred crore only)	CARE AAA; Stable (Triple A); Outlook: Stable	Removed from credit watch with developing implications; Rating Reaffirmed

*Outstanding Rs.100 crore as on August 31, 2018

- The Tier II bond have a tenure of 10 years with a repayment schedule as bullet repayment at the end of term.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Page 1 of 10

CARE RATINGS LIMITED
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 4th Floor, Godrej Colliseum, Somaiya Hospital Road,
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Email: care@careratings.com • www.careratings.com

Unit No. 1101-1102, 11th Floor
Prestige Meridian 2 No. 30
M.G. Road, Bangalore - 560001
Tel: +91-80-4662 5555 / 4115 0455 / 4165 4529 • Fax: +91-80-4151 4599

CIN-L67190MH1993PLC071691

4. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 01, 2018, we will proceed on the basis that you have no any comments to offer.
5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance; based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

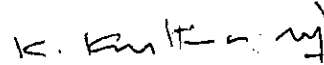
Thanking you,

Yours faithfully,



Bhisham Golani
Deputy Manager

bhisham.golani@careratings.com



Karthik Raj K
Associate Director

karthik.raj@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure
Press Release**

Ratings

Facilities	Amount (Rs. crore)	Rating ²	Rating Action
Secured Redeemable Non-Convertible Debenture	2500.00*	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Secured Redeemable Non-Convertible Debenture	2500.00**	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Tier II Bonds (Subordinated Bonds)	300.00\$	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Proposed Secured Redeemable Non-Convertible Debenture	3000.00#	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Commercial Paper	4500.00^	CARE A1+ (A One Plus)	Removed from credit watch with developing implications; Rating Reaffirmed
Total	12,800 (Rupees Twelve thousand eight hundred crore only)		

Details of instruments/facilities in Annexure-1

* Outstanding of Rs. 1362 crore and Rs. 900 crore raised and redeemed as on August 31, 2018.

** Outstanding of Rs. 2340 crore as on August 31, 2018

\$ Outstanding of Rs. 100 crore as on August 31, 2018

Outstanding of Rs. 400 crore as on August 31, 2018

^ Rs. 2921.44 crore outstanding as on August 31, 2018

Detailed Rationale & Key Rating Drivers

The above ratings of instruments of Can Fin Homes Limited (CFHL) had been placed under 'credit watch with developing implications' post the Canara Bank Limited's proposal to offload its stake in CFHL. Later, Canara Bank, through its BSE filing had called off the disinvestment process of its entire stake in Can Fin Homes Ltd. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

expected to continue. In view of the above, ratings have been removed from 'credit watch with developing implications'.

The ratings continue to factor in low risk portfolio of the CFHL dominated by loans to salaried class, consistent improvement in income and profits levels, bolstered by satisfactory growth in its portfolio year on year, helping sustain the healthy financial performance of the company while maintaining healthy asset quality, and adequate capitalization, diversified resource profile and comfortable liquidity profile. CARE takes note of the slight moderation in asset quality during FY18 and Q1FY19. These rating strengths outweigh factors such as moderate business size, regional concentration and moderate profitability levels. The rating also takes note of the relatively modest growth in loan portfolio in FY18 and Q1FY19 attributed primarily to the slowdown in real estate business in its key market of Karnataka. Continued support and majority ownership of Canara Bank and CFHL maintaining asset quality are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage with established track record: CFHL is promoted by Canara Bank which holds the majority stake of around 30% (PY: 30%) in the company. Canara Bank being its sponsor, the company enjoys managerial, operational as well as financial support from the parent. Canara Bank have its representation on CFHL's board as in the past and extend the operational and financial support. Canara Bank has deputed four of its senior level officers as representatives on the board of CFHL.

During FY18, Canara Bank had made announcement about invitation of bids for its stake sale in Can Fin Homes Limited. Later through exchange filing on Canara Bank announced that it has called off the divestment process in Can Fin Homes Limited. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is expected to continue.

Low risk portfolio dominated by housing loans to salaried class: CFHL mainly focuses on loans to salaried and professional class which constituted of 73% (75% as on March 31, 2017) of the total outstanding loan portfolio as on March 31, 2018 and around 90% (88% as on March 31, 2017) of the overall portfolio constitutes of housing loans. Also company maintains conservative sanctioning norms for housing loans as reflected in the average ticket size of loan outstanding as on Mar-18 of around Rs.16 lakh (March 31, 2017: 16 lakh), with average Loan To Value (LTV) ratio of about 60.90% (March 31, 2017: 60.68%) for housing loans as against the prescribed LTV ratio of 80% for housing loans. During FY18, 90.5% (88% in FY17) of fresh approvals were for the housing, and 10.5% (12% in FY17) for non-housing loans, with Average ticket size of incremental housing loans and non-housing loans at Rs.18.08 Lakh (Rs.18 lakhs in FY17) and Rs.8.73 Lakh (Rs.10 lakhs in FY17) respectively.

The non-housing segment majorly includes mortgage loans/Loan against property, whose share has been 5.02% (5.93% as on March 31, 2017) of portfolio outstanding as on March 31, 2018. Other than mortgage loans, it includes commercial loans, top-up personal loans, loan for sites, lease rental loans, builder loans, staff loans and others. During FY18, non-housing loan segment registered a y-o-y growth of 8% (from Rs.1,530 crore to Rs.1,654 crore, constituting 10.5% of total loan book). Builder loan constitute only 0.02% (0.12% as on March 31, 2017) of total outstanding loan book as on March 31, 2018. CFHL sources business through its own branches and also through direct selling agents (DSA). During FY18, CFHL sourced 46% (54% in FY17, and 53% in FY16) of total sanctions through its 687 DSA's.

Healthy asset quality, though slight moderation during FY18, & Q1FY19: The asset quality, though moderated slightly, continues to be healthy as reflected in the gross NPA of 0.43% as on Mar 31, 2018 (March 31, 2017: 0.21%) and net NPA at 0.20% (March 31, 2017: Nil). With CFHL expecting recovery from the fresh slippage during the year, company has not fully provided for NPA during FY18, and its provision coverage stood at 53% as on March 31, 2018, as against the earlier practice of providing 100% for NPA and having nil net NPA for the past eight years. GNPA & NNPA moderated further to 0.66% & 0.44% respectively as on June 30, 2018, attributable to practice of high NPA recognition in first quarter of fiscal to hasten recovery process.

Loans to salaried customers forming the major share of the loan portfolio, has resulted in comfortable asset quality parameters over the years. Further, the company adopts a rigorous follow-up by way of individual account monitoring statement, through which each SMA/NPA account is tracked closely for closure or for regularization. Further all the loans in both housing and non-housing segments are backed by adequate security leading to strong asset quality. Given significant growth over last 2-3 years, the sustainability of the asset quality is to be seen with the seasoning of loans.

Adequate capitalization levels: CAR stood at 19.08% (Tier I CAR: 16.96%) as on March 31, 2018 as against 18.50% (Tier I CAR: 16.01%) as on March 31, 2017, against the 12% stipulation by NHB. CAR remained adequate even after the growth in the portfolio by 18%. The risk weighted assets stood at Rs.7,751 crore (49% of loan outstanding; PY: 49% of the loans outstanding). CAR stood at to 18.70% (Tier I CAR at 16.72%) as on June 30, 2018. CFHL leverage levels (overall debt/tangible net worth) was at 10.34 times as on March 31, 2018 (as on March 31, 2017: 11.03 times). High proportion of Tier I CAR provides cushion to raise additional Tier-II capital to fund future growth.

Moderate profitability: CFHL reported growth of 14% in interest income which was supported by a healthy growth in disbursements to Rs.5207 crores in FY18 (PY: Rs.4792 crores). Yield on advances have fallen moderately from 10.93% in FY17 to 10.27% in FY18, due to the fall in interest rates. However, Net interest margin (NIM) remained constant at 3.49% during FY18 (FY17: 3.49%) due to decrease in cost of borrowings from 8.30% in FY17 to 7.61% in FY18. Similar level of NIM, along with improvement in operational efficiency (operating expense/total income stood at 5.55% (PY: 5.88%)) led to improvement in ROTA to 2.07% (PY: 1.94%). The improvement in the profitability is also attributable to continued improvement in its operational parameters, with rise in business per branch (from Rs.97.88 crore in FY17 to Rs.109.07 crore in FY18), and business per employee (from Rs.20.68 crore in FY17 to Rs.23.88 crore in FY18). Improvement of operational efficiency, along with the growth of 14% in interest income due to the growth in loan portfolio, and decreasing cost of borrowings resulted in improvement in PAT margin from 17.38% in FY17 to 19.51% in FY18. The company reported PAT of Rs.302 crores for FY18 as compared to Rs.235 crores for FY17 showing around 29% growth. During Q1FY19, the growth in disbursement was miniscule at 0.95% on y-o-y basis. The drop in the growth in disbursement could be attributed to the ambiguity associated with the implementation of RERA Act resulting in slowdown in investment sentiment. CFHL earned a PAT of Rs.77 crore on a total income of Rs.407 crore, with moderation in NIM margin falling to 3.23%, mainly due to CFHL's limited ability to pass rise in the cost of funds to its customers, in the hardening of yields scenario.

Key Rating Weaknesses

Moderate size and regional concentration: Although the total asset of the company has grown by 18% from Rs.13,379 crores as on March 31, 2017 to Rs.15,807 crore as of March 31, 2018, the company continues to be moderately sized housing finance company in India. The company has been expanding its geographical presence, in the Tier II cities, and has increased the number of branches to 153 as on June

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30, 2018. Company operates mainly in the Southern India with 98 out of the total branches located in the five states (Tamil Nadu, Telangana, Andhra Pradesh (AP), Kerala and Karnataka) of South India. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with 72.28% of the total advances from southern states.

Prospects:

The housing finance segment in India has emerged as one of the most secured and resilient asset classes witnessing healthy growth rates and low delinquencies. As a result, housing finance has continued to be a focus segment for both banks as well as housing finance companies registering a robust growth during past few years. Owing to the stress in their corporates portfolios, banks have been increasingly shifting their focus towards retail asset classes such as mortgage finance. Although banks continue to dominate the housing finance space in India given their extensive reach and access to low cost funds which has resulted into a rise in balance transfers from HFCs to banks; HFCs continue to mark their presence with their focus, systems as well as specialization in their target segment and geographies. Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. The GNPA ratios continue to be stable. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non-housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low. Over the last few years, many new HFCs backed by private equity players and or strong promoters with a focus on affordable housing have started operations. Recent initiatives such as lowering of risk weights for housing loans upto Rs.75 lakh, revision in interest rates and on-lending spread caps under Rural Housing Fund by NHB in addition to Housing for All by 2022 are expected to boost credit growth in the affordable housing segment. Furthermore, initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profits from building affordable housing and services tax exemption are expected to help transparency and supply side issues. HFCs are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long-term funding and asset quality are the key challenges for the sector.

Analytical approach: Standalone

Applicable Criteria

CARE's Criteria on assigning Outlook to Credit Ratings
Criteria for Short-term Instruments
CARE's Policy on Default Recognition
Financial Sector Ratios
Sector Methodology- Housing Finance Companies

About the Company

Can Fin Homes Limited (CFHL) was incorporated in 1987 by Canara Bank in association with financial institutions including HDFC and UTI. CFHL is the first Bank sponsored Housing Finance Company in India with Canara Bank holding a stake of 29.99% as on March 31, 2018 (PY: 30%). Company is engaged in the business of providing housing finance to individuals for construction, purchase, repair and upgradation of houses. Company operates mainly in the Southern India with 98 out of 153 the total branches located in

south India as on June 30, 2018. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with around 72% of the total advances from southern states. Housing loans account for major share (around 90% as on June 30, 2018) of CFHL's portfolio, and overall loans to salaried class form the major share of around 73% as on June 30, 2018.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1,353	1,547
PAT	235	302
Interest coverage (times)	1.42	1.47
Total Assets	13,379	15,807
Net NPA (%)	-	0.20
ROTA (%)	1.94	2.07

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr. Karthik Raj K
 Tel: 080-46625566
 Mobile: 9980562244
 Email: karthik.raj@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures	08 October 2015	8.44%	08 October 2018	100	CARE AAA; Stable
Non-Convertible Debentures	30 October 2015	8.41%	30 January 2019	150	CARE AAA; Stable
Non-Convertible Debentures	24 November 2015	8.45%	22 February 2019	100	CARE AAA; Stable
Non-Convertible Debentures	22 December 2015	8.55%	22 March 2019	100	CARE AAA; Stable
Non-Convertible Debentures	07 January 2016	8.60%	06 April 2019	125	CARE AAA; Stable
Non-Convertible Debentures	17 February 2016	8.85%	19 May 2019	165	CARE AAA; Stable
Non-Convertible Debentures	10 September 2015	8.69%	10 September 2020	100	CARE AAA; Stable
Non-Convertible Debentures	April 22, 2016	8.37%	22 March 2019	300	CARE AAA; Stable
Non-Convertible Debentures	27 May 2016	8.55%	27 August 2019	100	CARE AAA; Stable
Non-Convertible Debentures	16 September 2016	7.85%	16 December 2019	300	CARE AAA; Stable
Non-Convertible Debentures	24 October 2016	7.73%	24 January 2020	440	CARE AAA; Stable
Non-Convertible Debentures	15 November 2016	7.77%	15 November 2021	122	CARE AAA; Stable
Non-Convertible Debentures	12 January 2017	7.57%	12 April 2020	400	CARE AAA; Stable
Non-Convertible Debentures	27 February 2017	7.68%	27 May 2020	200	CARE AAA; Stable
Non-Convertible Debentures	18 May 2017	7.89%	18 May 2022	600	CARE AAA; Stable
Non-Convertible Debentures	26 July 2017	7.32%	26 October 2022	400	CARE AAA; Stable
Non-Convertible Debentures	17 October 2017	7.44%	17 January 2021	200	CARE AAA; Stable
Non-Convertible Debentures	29 November 2017	7.64%	28 February 2021	200	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	238	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	160	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	2,600	CARE AAA; Stable
Bonds-Tier II Bonds	December 03, 2014	8.94%	December 03, 2024	100	CARE AAA; Stable
Bonds-Tier II Bonds-Proposed	-	-	-	200	CARE AAA; Stable

Commercial Paper		7-364 days	4,500	CARE A1+
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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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Oct-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
2.	Bonds-Tier II Bonds	LT	300.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
3.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
4.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	-
5.	Debentures-Non Convertible Debentures	LT	3000.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	-	-
6.	Commercial Paper	ST	4500.00	CARE A1+	-	1)CARE A1+ (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE A1+ (05-Oct-17)	-	-

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CARE/BRO/RL/2018-19/1252

Shri Sarada Kumar Hota
Managing Director,
Can Fin Homes Limited
No.29/1, Floor,
Sir M N Krishna Rao Road
Basavanagudi, Bangalore-560004

October 01, 2018

Confidential

Dear Sir,

Credit rating for Commercial Paper (CP) issue aggregating Rs. 4500 crore¹

On the basis of recent developments including operational and financial performance of your company for FY18 (audited) and Q1FY19 (provisional), our Rating Committee has reviewed the following rating(s):

Instrument	Amount (Rs. crore)	Rating ²	Rating Action
Commercial Paper (CP) issue*	4500	CARE A1+ (A One Plus)	Removed from credit watch with developing implications; Rating Reaffirmed

* Rs. 2921.44 crore outstanding as on August 31, 2018.

- The CP issue would be for a maturity not exceeding one year.
- Please arrange to get the rating revalidated in case the issue is not made within **two months** from the date of this letter i.e. by December 01, 2018. Once the CP is placed, the rating is valid for the tenure of such instrument till redemption.

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¹ This represents the aggregate of all CP issuances of the company outstanding at any point in time.
² Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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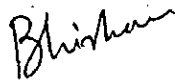
5. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press by end of the day, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by the end of the day, we will proceed on the basis that you have no any comments to offer.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

9. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

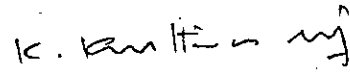
Thanking you,

Yours faithfully,



Bhisham Golani
Deputy Manager

bhisham.golani@careratings.com



Karthik Raj K
Associate Director

karthik.raj@careratings.com

Encl.: As above

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**Annexure
Press Release**

Ratings

Facilities	Amount (Rs. crore)	Rating ³	Rating Action
Secured Redeemable Non-Convertible Debenture	2500.00*	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Secured Redeemable Non-Convertible Debenture	2500.00**	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Tier II Bonds (Subordinated Bonds)	300.00\$	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Proposed Secured Redeemable Non-Convertible Debenture	3000.00#	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Commercial Paper	4500.00^	CARE A1+ (A One Plus)	Removed from credit watch with developing implications; Rating Reaffirmed
Total	12,800 (Rupees Twelve thousand eight hundred crore only)		

Details of instruments/facilities in Annexure-1

* Outstanding of Rs. 1362 crore and Rs. 900 crore raised and redeemed as on August 31, 2018.

**Outstanding of Rs. 2340 crore as on August 31, 2018

\$ Outstanding of Rs.100 crore as on August 31, 2018

Outstanding of Rs. 400 crore as on August 31, 2018

^ Rs. 2921.44 crore outstanding as on August 31, 2018

Detailed Rationale & Key Rating Drivers

The above ratings of instruments of Can Fin Homes Limited (CFHL) had been placed under 'credit watch with developing implications' post the Canara Bank Limited's proposal to offload its stake in CFHL. Later, Canara Bank, through its BSE filing had called off the disinvestment process of its entire stake in Can Fin Homes Ltd. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is expected to continue. In view of the above, ratings have been removed from 'credit watch with developing implications'.

The ratings continue to factor in low risk portfolio of the CFHL dominated by loans to salaried class, consistent improvement in income and profits levels, bolstered by satisfactory growth in its portfolio year on year, helping sustain the healthy financial performance of the company while maintaining healthy asset quality, and adequate capitalization, diversified resource profile and comfortable liquidity profile. CARE takes note of the slight moderation in asset quality during FY18 and Q1FY19. These rating strengths outweigh factors such as moderate business size, regional concentration and moderate profitability levels. The rating

³Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

also takes note of the relatively modest growth in loan portfolio in FY18 and Q1FY19 attributed primarily to the slowdown in real estate business in its key market of Karnataka.

Continued support and majority ownership of Canara Bank and CFHL maintaining asset quality are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage with established track record: CFHL is promoted by Canara Bank which holds the majority stake of around 30% (PY: 30%) in the company. Canara Bank being its sponsor, the company enjoys managerial, operational as well as financial support from the parent. Canara Bank have its representation on CFHL's board as in the past and extend the operational and financial support. Canara Bank has deputed four of its senior level officers as representatives on the board of CFHL.

During FY18, Canara Bank had made announcement about invitation of bids for its stake sale in Can Fin Homes Limited. Later through exchange filing on Canara Bank announced that it has called off the divestment process in Can Fin Homes Limited. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is expected to continue.

Low risk portfolio dominated by housing loans to salaried class: CFHL mainly focuses on loans to salaried and professional class which constituted of 73% (75% as on March 31, 2017) of the total outstanding loan portfolio as on March 31, 2018 and around 90% (88% as on March 31, 2017) of the overall portfolio constitutes of housing loans. Also company maintains conservative sanctioning norms for housing loans as reflected in the average ticket size of loan outstanding as on Mar-18 of around Rs.16 lakh (March 31, 2017: 16 lakh), with average Loan To Value (LTV) ratio of about 60.90% (March 31, 2017: 60.68%) for housing loans as against the prescribed LTV ratio of 80% for housing loans. During FY18, 90.5% (88% in FY17) of fresh approvals were for the housing, and 10.5% (12% in FY17) for non-housing loans, with Average ticket size of incremental housing loans and non-housing loans at Rs.18.08 Lakh (Rs.18 lakhs in FY17) and Rs.8.73 Lakh (Rs.10 lakhs in FY17) respectively.

The non-housing segment majorly includes mortgage loans/Loan against property, whose share has been 5.02% (5.93% as on March 31, 2017) of portfolio outstanding as on March 31, 2018. Other than mortgage loans, it includes commercial loans, top-up personal loans, loan for sites, lease rental loans, builder loans, staff loans and others. During FY18, non-housing loan segment registered a y-o-y growth of 8% (from Rs.1,530 crore to Rs.1,654 crore, constituting 10.5% of total loan book). Builder loan constitute only 0.02% (0.12% as on March 31, 2017) of total outstanding loan book as on March 31, 2018. CFHL sources business through its own branches and also through direct selling agents (DSA). During FY18, CFHL sourced 46% (54% in FY17, and 53% in FY16) of total sanctions through its 687 DSA's.

Healthy asset quality, though slight moderation during FY18, & Q1FY19: The asset quality, though moderated slightly, continues to be healthy as reflected in the gross NPA of 0.43% as on Mar 31, 2018 (March 31, 2017: 0.21%) and net NPA at 0.20% (March 31, 2017: Nil). With CFHL expecting recovery from the fresh slippage during the year, company has not fully provided for NPA during FY18, and its provision coverage stood at 53% as on March 31, 2018, as against the earlier practice of providing 100% for NPA and having nil net NPA for the past eight years. GNPA & NNPA moderated further to 0.66% & 0.44% respectively as on June 30, 2018, attributable to practice of high NPA recognition in first quarter of fiscal to hasten recovery process.

Loans to salaried customers forming the major share of the loan portfolio, has resulted in comfortable asset quality parameters over the years. Further, the company adopts a rigorous follow-up by way of individual

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account monitoring statement, through which each SMA/NPA account is tracked closely for closure or for regularization. Further all the loans in both housing and non-housing segments are backed by adequate security leading to strong asset quality. Given significant growth over last 2-3 years, the sustainability of the asset quality is to be seen with the seasoning of loans.

Adequate capitalization levels: CAR stood at 19.08% (Tier I CAR: 16.96%) as on March 31, 2018 as against 18.50% (Tier I CAR: 16.01%) as on March 31, 2017, against the 12% stipulation by NHB. CAR remained adequate even after the growth in the portfolio by 18%. The risk weighted assets stood at Rs.7,751 crore (49% of loan outstanding; PY: 49% of the loans outstanding). CAR stood at 18.70% (Tier I CAR at 16.72%) as on June 30, 2018. CFHL leverage levels (overall debt/tangible net worth) was at 10.34 times as on March 31, 2018 (as on March 31, 2017: 11.03 times). High proportion of Tier I CAR provides cushion to raise additional Tier-II capital to fund future growth.

Moderate profitability: CFHL reported growth of 14% in interest income which was supported by a healthy growth in disbursements to Rs.5207 crores in FY18 (PY: Rs.4792 crores). Yield on advances have fallen moderately from 10.93% in FY17 to 10.27% in FY18, due to the fall in interest rates. However, Net interest margin (NIM) remained constant at 3.49% during FY18 (FY17: 3.49%) due to decrease in cost of borrowings from 8.30% in FY17 to 7.61% in FY18. Similar level of NIM, along with improvement in operational efficiency (operating expense/total income stood at 5.55% (PY: 5.88%)) led to improvement in ROTA to 2.07% (PY: 1.94%). The improvement in the profitability is also attributable to continued improvement in its operational parameters, with rise in business per branch (from Rs.97.88 crore in FY17 to Rs.109.07 crore in FY18), and business per employee (from Rs.20.68 crore in FY17 to Rs.23.88 crore in FY18). Improvement of operational efficiency, along with the growth of 14% in interest income due to the growth in loan portfolio, and decreasing cost of borrowings resulted in improvement in PAT margin from 17.38% in FY17 to 19.51% in FY18. The company reported PAT of Rs.302 crores for FY18 as compared to Rs.235 crores for FY17 showing around 29% growth. During Q1FY19, the growth in disbursement was miniscule at 0.95% on y-o-y basis. The drop in the growth in disbursement could be attributed to the ambiguity associated with the implementation of RERA Act resulting in slowdown in investment sentiment. CFHL earned a PAT of Rs.77 crore on a total income of Rs.407 crore, with moderation in NIM margin falling to 3.23%, mainly due to CFHL's limited ability to pass rise in the cost of funds to its customers, in the hardening of yields scenario.

Key Rating Weaknesses

Moderate size and regional concentration: Although the total asset of the company has grown by 18% from Rs.13,379 crores as on March 31, 2017 to Rs.15,807 crore as of March 31, 2018, the company continues to be moderately sized housing finance company in India. The company has been expanding its geographical presence, in the Tier II cities, and has increased the number of branches to 153 as on June 30, 2018. Company operates mainly in the Southern India with 98 out of the total branches located in the five states (Tamil Nadu, Telangana, Andhra Pradesh (AP), Kerala and Karnataka) of South India. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with 72.28% of the total advances from southern states.

Prospects:

The housing finance segment in India has emerged as one of the most secured and resilient asset classes witnessing healthy growth rates and low delinquencies. As a result, housing finance has continued to be a focus segment for both banks as well as housing finance companies registering a robust growth during past few years. Owing to the stress in their corporates portfolios, banks have been increasingly shifting their focus towards retail asset classes such as mortgage finance. Although banks continue to dominate the housing finance space in India given their extensive reach and access to low cost funds which has resulted into a rise in balance transfers from HFCs to banks; HFCs continue to mark their presence with their focus, systems as

well as specialization in their target segment and geographies. Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. The GNPA ratios continue to be stable. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non-housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low. Over the last few years, many new HFCs backed by private equity players and or strong promoters with a focus on affordable housing have started operations. Recent initiatives such as lowering of risk weights for housing loans upto Rs.75 lakh, revision in interest rates and on-lending spread caps under Rural Housing Fund by NHB in addition to Housing for All by 2022 are expected to boost credit growth in the affordable housing segment. Furthermore, initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profits from building affordable housing and services tax exemption are expected to help transparency and supply side issues. HFCs are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long-term funding and asset quality are the key challenges for the sector.

Analytical approach: Standalone

Applicable Criteria

CARE's Criteria on assigning Outlook to Credit Ratings
 Criteria for Short-term Instruments
 CARE's Policy on Default Recognition
 Financial Sector Ratios
 Sector Methodology Housing Finance Companies

About the Company

Can Fin Homes Limited (CFHL) was incorporated in 1987 by Canara Bank in association with financial institutions including HDFC and UTI. CFHL is the first Bank sponsored Housing Finance Company in India with Canara Bank holding a stake of 29.99% as on March 31, 2018 (PY: 30%). Company is engaged in the business of providing housing finance to individuals for construction, purchase, repair and upgradation of houses. Company operates mainly in the Southern India with 98 out of 153 the total branches located in south India as on June 30, 2018. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with around 72% of the total advances from southern states. Housing loans account for major share (around 90% as on June 30, 2018) of CFHL's portfolio, and overall loans to salaried class form the major share of around 73% as on June 30, 2018.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1,353	1,547
PAT	235	302
Interest coverage (times)	1.42	1.47
Total Assets	13,379	15,807
Net NPA (%)	-	0.20
ROTA (%)	1.94	2.07

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr. Karthik Raj K
Tel: 080-46625566
Mobile: 9980562244
Email: karthik.rai@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures	08 October 2015	8.44%	08 October 2018	100	CARE AAA; Stable
Non-Convertible Debentures	30 October 2015	8.41%	30 January 2019	150	CARE AAA; Stable
Non-Convertible Debentures	24 November 2015	8.45%	22 February 2019	100	CARE AAA; Stable
Non-Convertible Debentures	22 December 2015	8.55%	22 March 2019	100	CARE AAA; Stable
Non-Convertible Debentures	07 January 2016	8.60%	06 April 2019	125	CARE AAA; Stable
Non-Convertible Debentures	17 February 2016	8.85%	19 May 2019	165	CARE AAA; Stable

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Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures	10 September 2015	8.69%	10 September 2020	100	CARE AAA; Stable
Non-Convertible Debentures	April 22, 2016	8.37%	22 March 2019	300	CARE AAA; Stable
Non-Convertible Debentures	27 May 2016	8.55%	27 August 2019	100	CARE AAA; Stable
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Non-Convertible Debentures	17 October 2017	7.44%	17 January 2021	200	CARE AAA; Stable
Non-Convertible Debentures	29 November 2017	7.64%	28 February 2021	200	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	238	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	160	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	2,600	CARE AAA; Stable
Bonds-Tier II Bonds	December 03, 2014	8.94%	December 03, 2024	100	CARE AAA; Stable
Bonds-Tier II Bonds-Proposed	-	-	-	200	CARE AAA; Stable
Commercial Paper			7-364 days	4,500	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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Oct-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
2.	Bonds-Tier II Bonds	LT	300.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA	1)CARE AAA (13-Oct-15)

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
					(15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	(11-Aug-16)		
3.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
4.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	-
5.	Debentures-Non Convertible Debentures	LT	3000.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	-	-
6.	Commercial Paper	ST	4500.00	CARE A1+	-	1)CARE A1+ (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE A1+ (05-Oct-17)	-	-

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CARE/BRO/RL/2018-19/1250

Shri Sarada Kumar Hota
Managing Director,
Can Fin Homes Limited
No.29/1, Floor,
Sir M N Krishna Rao Road
Basavanagudi, Bangalore-560004

October 01, 2018

Confidential

Dear Sir,

Credit rating for outstanding Non-Convertible Debenture issue

On a review of recent developments including operational and financial performance of your company for FY18 (audited) and Q1FY19 (provisional), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debenture issue	2500.00*	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Non-Convertible Debenture issue	2500.00**	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Non-Convertible Debenture issue	3000.00#	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Total	8000.00		

* Outstanding of Rs. 1362 crore and Rs. 900 crore raised and redeemed as on August 31, 2018.

**Outstanding of Rs. 2340 crore as on August 31, 2018

Outstanding of Rs. 400 crore as on August 31, 2018

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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CARE RATINGS LIMITED
(Formerly known as Credit Analysis & Research Limited)

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CIN-L67190MH1993PLC071691

2. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 01, 2018, we will proceed on the basis that you have no any comments to offer.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

7. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

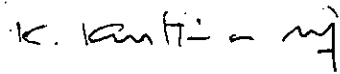
Thanking you,

Yours faithfully,



Bhisham Golani
Deputy Manager

bhisham.golani@careratings.com



Karthik Raj K
Associate Director

karthik.raj@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure
Press Release**

Facilities	Amount (Rs. crore)	Rating ²	Rating Action
Secured Redeemable Non-Convertible Debenture	2500.00*	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Secured Redeemable Non-Convertible Debenture	2500.00**	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Tier II Bonds (Subordinated Bonds)	300.00\$	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Proposed Secured Redeemable Non-Convertible Debenture	3000.00#	CARE AAA; Stable (Triple A; Outlook: Stable)	Removed from credit watch with developing implications; Rating Reaffirmed
Commercial Paper	4500.00^	CARE A1+ (A One Plus)	Removed from credit watch with developing implications; Rating Reaffirmed
Total	12,800 (Rupees Twelve thousand eight hundred crore only)		

Details of instruments/facilities in Annexure-1

* Outstanding of Rs. 1362 crore and Rs. 900 crore raised and redeemed as on August 31, 2018.

** Outstanding of Rs. 2340 crore as on August 31, 2018

\$ Outstanding of Rs. 100 crore as on August 31, 2018

Outstanding of Rs. 400 crore as on August 31, 2018

^ Rs. 2921.44 crore outstanding as on August 31, 2018

Detailed Rationale & Key Rating Drivers

The above ratings of instruments of Can Fin Homes Limited (CFHL) had been placed under 'credit watch with developing implications' post the Canara Bank Limited's proposal to offload its stake in CFHL. Later, Canara Bank, through its BSE filing had called off the disinvestment process of its entire stake in Can Fin Homes Ltd. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is

² Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

expected to continue. In view of the above, ratings have been removed from 'credit watch with developing implications'.

The ratings continue to factor in low risk portfolio of the CFHL dominated by loans to salaried class, consistent improvement in income and profits levels, bolstered by satisfactory growth in its portfolio year on year, helping sustain the healthy financial performance of the company while maintaining healthy asset quality, and adequate capitalization, diversified resource profile and comfortable liquidity profile. CARE takes note of the slight moderation in asset quality during FY18 and Q1FY19. These rating strengths outweigh factors such as moderate business size, regional concentration and moderate profitability levels. The rating also takes note of the relatively modest growth in loan portfolio in FY18 and Q1FY19 attributed primarily to the slowdown in real estate business in its key market of Karnataka. Continued support and majority ownership of Canara Bank and CFHL maintaining asset quality are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage with established track record: CFHL is promoted by Canara Bank which holds the majority stake of around 30% (PY: 30%) in the company. Canara Bank being its sponsor, the company enjoys managerial, operational as well as financial support from the parent. Canara Bank have its representation on CFHL's board as in the past and extend the operational and financial support. Canara Bank has deputed four of its senior level officers as representatives on the board of CFHL.

During FY18, Canara Bank had made announcement about invitation of bids for its stake sale in Can Fin Homes Limited. Later through exchange filing on Canara Bank announced that it has called off the divestment process in Can Fin Homes Limited. While the sale process stands temporarily withdrawn, stake sale process may be renewed in future. Till such time of stake sale, Canara Bank's managerial, operational and financial support is expected to continue.

Low risk portfolio dominated by housing loans to salaried class: CFHL mainly focuses on loans to salaried and professional class which constituted of 73% (75% as on March 31, 2017) of the total outstanding loan portfolio as on March 31, 2018 and around 90% (88% as on March 31, 2017) of the overall portfolio constitutes of housing loans. Also company maintains conservative sanctioning norms for housing loans as reflected in the average ticket size of loan outstanding as on Mar-18 of around Rs.16 lakh (March 31, 2017: 16 lakh), with average Loan To Value (LTV) ratio of about 60.90% (March 31, 2017: 60.68%) for housing loans as against the prescribed LTV ratio of 80% for housing loans. During FY18, 90.5% (88% in FY17) of fresh approvals were for the housing, and 10.5% (12% in FY17) for non-housing loans, with Average ticket size of incremental housing loans and non-housing loans at Rs.18.08 Lakh (Rs.18 lakhs in FY17) and Rs.8.73 Lakh (Rs.10 lakhs in FY17) respectively.

The non-housing segment majorly includes mortgage loans/Loan against property, whose share has been 5.02% (5.93% as on March 31, 2017) of portfolio outstanding as on March 31, 2018. Other than mortgage loans, it includes commercial loans, top-up personal loans, loan for sites, lease rental loans, builder loans, staff loans and others. During FY18, non-housing loan segment registered a y-o-y growth of 8% (from Rs.1,530 crore to Rs.1,654 crore, constituting 10.5% of total loan book). Builder loan constitute only 0.02% (0.12% as on March 31, 2017) of total outstanding loan book as on March 31, 2018. CFHL sources business through its own branches and also through direct selling agents (DSA). During FY18, CFHL sourced 46% (54% in FY17, and 53% in FY16) of total sanctions through its 687 DSA's.

Healthy asset quality, though slight moderation during FY18, & Q1FY19: The asset quality, though moderated slightly, continues to be healthy as reflected in the gross NPA of 0.43% as on Mar 31, 2018 (March 31, 2017: 0.21%) and net NPA at 0.20% (March 31, 2017: Nil). With CFHL expecting recovery from the fresh slippage during the year, company has not fully provided for NPA during FY18, and its provision coverage stood at 53% as on March 31, 2018, as against the earlier practice of providing 100% for NPA and having nil net NPA for the past eight years. GNPA & NNPA moderated further to 0.66% & 0.44% respectively as on June 30, 2018, attributable to practice of high NPA recognition in first quarter of fiscal to hasten recovery process.

Loans to salaried customers forming the major share of the loan portfolio, has resulted in comfortable asset quality parameters over the years. Further, the company adopts a rigorous follow-up by way of individual account monitoring statement, through which each SMA/NPA account is tracked closely for closure or for regularization. Further all the loans in both housing and non-housing segments are backed by adequate security leading to strong asset quality. Given significant growth over last 2-3 years, the sustainability of the asset quality is to be seen with the seasoning of loans.

Adequate capitalization levels: CAR stood at 19.08% (Tier I CAR: 16.96%) as on March 31, 2018 as against 18.50% (Tier I CAR: 16.01%) as on March 31, 2017, against the 12% stipulation by NHB. CAR remained adequate even after the growth in the portfolio by 18%. The risk weighted assets stood at Rs.7,751 crore (49% of loan outstanding; PY: 49% of the loans outstanding). CAR stood at to 18.70% (Tier I CAR at 16.72%) as on June 30, 2018. CFHL leverage levels (overall debt/tangible net worth) was at 10.34 times as on March 31, 2018 (as on March 31, 2017: 11.03 times). High proportion of Tier I CAR provides cushion to raise additional Tier-II capital to fund future growth.

Moderate profitability: CFHL reported growth of 14% in interest income which was supported by a healthy growth in disbursements to Rs.5207 crores in FY18 (PY: Rs.4792 crores). Yield on advances have fallen moderately from 10.93% in FY17 to 10.27% in FY18, due to the fall in interest rates. However, Net interest margin (NIM) remained constant at 3.49% during FY18 (FY17: 3.49%) due to decrease in cost of borrowings from 8.30% in FY17 to 7.61% in FY18. Similar level of NIM, along with improvement in operational efficiency (operating expense/total income stood at 5.55% (PY: 5.88%)) led to improvement in ROTA to 2.07% (PY: 1.94%). The improvement in the profitability is also attributable to continued improvement in its operational parameters, with rise in business per branch (from Rs.97.88 crore in FY17 to Rs.109.07 crore in FY18), and business per employee (from Rs.20.68 crore in FY17 to Rs.23.88 crore in FY18). Improvement of operational efficiency, along with the growth of 14% in interest income due to the growth in loan portfolio, and decreasing cost of borrowings resulted in improvement in PAT margin from 17.38% in FY17 to 19.51% in FY18. The company reported PAT of Rs.302 crores for FY18 as compared to Rs.235 crores for FY17 showing around 29% growth. During Q1FY19, the growth in disbursement was miniscule at 0.95% on y-o-y basis. The drop in the growth in disbursement could be attributed to the ambiguity associated with the implementation of RERA Act resulting in slowdown in investment sentiment. CFHL earned a PAT of Rs.77 crore on a total income of Rs.407 crore, with moderation in NIM margin falling to 3.23%, mainly due to CFHL's limited ability to pass rise in the cost of funds to its customers, in the hardening of yields scenario.

Key Rating Weaknesses

Moderate size and regional concentration: Although the total asset of the company has grown by 18% from Rs.13,379 crores as on March 31, 2017 to Rs.15,807 crore as of March 31, 2018, the company continues to be moderately sized housing finance company in India. The company has been expanding its geographical presence, in the Tier II cities, and has increased the number of branches to 153 as on June

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30, 2018. Company operates mainly in the Southern India with 98 out of the total branches located in the five states (Tamil Nadu, Telangana, Andhra Pradesh (AP), Kerala and Karnataka) of South India. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with 72.28% of the total advances from southern states.

Prospects:

The housing finance segment in India has emerged as one of the most secured and resilient asset classes witnessing healthy growth rates and low delinquencies. As a result, housing finance has continued to be a focus segment for both banks as well as housing finance companies registering a robust growth during past few years. Owing to the stress in their corporates portfolios, banks have been increasingly shifting their focus towards retail asset classes such as mortgage finance. Although banks continue to dominate the housing finance space in India given their extensive reach and access to low cost funds which has resulted into a rise in balance transfers from HFCs to banks; HFCs continue to mark their presence with their focus, systems as well as specialization in their target segment and geographies. Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. The GNPA ratios continue to be stable. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non-housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low. Over the last few years, many new HFCs backed by private equity players and or strong promoters with a focus on affordable housing have started operations. Recent initiatives such as lowering of risk weights for housing loans upto Rs.75 lakh, revision in interest rates and on-lending spread caps under Rural Housing Fund by NHB in addition to Housing for All by 2022 are expected to boost credit growth in the affordable housing segment. Furthermore, initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profits from building affordable housing and services tax exemption are expected to help transparency and supply side issues. HFCs are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long-term funding and asset quality are the key challenges for the sector.

Analytical approach: Standalone

Applicable Criteria

CARE's Criteria on assigning Outlook to Credit Ratings
Criteria for Short-term instruments
CARE's Policy on Default Recognition
Financial Sector Ratios
Sector Methodology- Housing Finance Companies

About the Company

Can Fin Homes Limited (CFHL) was incorporated in 1987 by Canara Bank in association with financial institutions including HDFC and UTI. CFHL is the first Bank sponsored Housing Finance Company in India with Canara Bank holding a stake of 29.99% as on March 31, 2018 (PY: 30%). Company is engaged in the business of providing housing finance to individuals for construction, purchase, repair and upgradation of houses. Company operates mainly in the Southern India with 98 out of 153 the total branches located in

south India as on June 30, 2018. As on June 30, 2018, CHFL's advances stood at Rs.16,189 crores with around 72% of the total advances from southern states. Housing loans account for major share (around 90% as on June 30, 2018) of CFHL's portfolio, and overall loans to salaried class form the major share of around 73% as on June 30, 2018.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	1,353	1,547
PAT	235	302
Interest coverage (times)	1.42	1.47
Total Assets	13,379	15,807
Net NPA (%)	-	0.20
ROTA (%)	1.94	2.07

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr. Karthik Raj K

Tel: 080-46625566

Mobile: 9980562244

Email: karthik.raj@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-Convertible Debentures	08 October 2015	8.44%	08 October 2018	100	CARE AAA; Stable
Non-Convertible Debentures	30 October 2015	8.41%	30 January 2019	150	CARE AAA; Stable
Non-Convertible Debentures	24 November 2015	8.45%	22 February 2019	100	CARE AAA; Stable
Non-Convertible Debentures	22 December 2015	8.55%	22 March 2019	100	CARE AAA; Stable
Non-Convertible Debentures	07 January 2016	8.60%	06 April 2019	125	CARE AAA; Stable
Non-Convertible Debentures	17 February 2016	8.85%	19 May 2019	165	CARE AAA; Stable
Non-Convertible Debentures	10 September 2015	8.69%	10 September 2020	100	CARE AAA; Stable
Non-Convertible Debentures	April 22, 2016	8.37%	22 March 2019	300	CARE AAA; Stable
Non-Convertible Debentures	27 May 2016	8.55%	27 August 2019	100	CARE AAA; Stable
Non-Convertible Debentures	16 September 2016	7.85%	16 December 2019	300	CARE AAA; Stable
Non-Convertible Debentures	24 October 2016	7.73%	24 January 2020	440	CARE AAA; Stable
Non-Convertible Debentures	15 November 2016	7.77%	15 November 2021	122	CARE AAA; Stable
Non-Convertible Debentures	12 January 2017	7.57%	12 April 2020	400	CARE AAA; Stable
Non-Convertible Debentures	27 February 2017	7.68%	27 May 2020	200	CARE AAA; Stable
Non-Convertible Debentures	18 May 2017	7.89%	18 May 2022	600	CARE AAA; Stable
Non-Convertible Debentures	26 July 2017	7.32%	26 October 2022	400	CARE AAA; Stable
Non-Convertible Debentures	17 October 2017	7.44%	17 January 2021	200	CARE AAA; Stable
Non-Convertible Debentures	29 November 2017	7.64%	28 February 2021	200	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	238	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	160	CARE AAA; Stable
Non-Convertible Debentures-Proposed	-	-	-	2,600	CARE AAA; Stable
Bonds-Tier II Bonds	December 03, 2014	8.94%	December 03, 2024	100	CARE AAA; Stable
Bonds-Tier II Bonds-Proposed	-	-	-	200	CARE AAA; Stable

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Commercial Paper		7-364 days	4,500	CARE A1+
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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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-Oct-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
2.	Bonds-Tier II Bonds	LT	300.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
3.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	1)CARE AAA (13-Oct-15)
4.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17) 3)CARE AAA; Stable (27-Jul-17)	1)CARE AAA; Stable (01-Mar-17) 2)CARE AAA (11-Aug-16)	-
5.	Debentures-Non Convertible Debentures	LT	3000.00	CARE AAA; Stable	-	1)CARE AAA (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE AAA; Stable (05-Oct-17)	-	-
6.	Commercial Paper	ST	4500.00	CARE A1+	-	1)CARE A1+ (Under Credit watch with Developing Implications) (15-Mar-18) 2)CARE A1+ (05-Oct-17)	-	-

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