

CONFIDENTIALRef: 2019-20/MUM/0691
Date: June 25, 2019

Mr. S. Ranganathan
M/s. Ecap Equities Limited
Edelweiss House, 14th Floor,
Off C.S.T. Road, Kalina,
Mumbai 400 098

Dear Sir,

Re: **Review of ICRA credit rating for Rs. 150 crore Short Term Principle Protected Market Linked Debenture Programme of Ecap Equities Limited**

Please refer to our letter dated June 14, 2019 communicating rating of PP-MLD [ICRA]A1+ (pronounced as Principal Protected Market Linked Debentures ICRA A one plus) assigned to the captioned short term principle protected market linked debenture programme of your company and also your subsequent email dated June 19, 2019 requesting a review of the same. Please note that the Rating Committee of ICRA, after due consideration has retained the rating assigned to the aforementioned instrument at **PP-MLD [ICRA]A1+** (pronounced as ICRA A one plus) for the captioned short term Short Term Principle Protected Market Linked Debenture Programme of your company. Instruments with "[ICRA] A1" rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **"PP-MLD[ICRA]A1+"**.

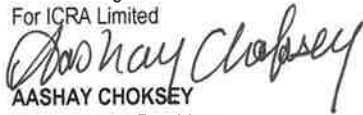
This rating is in line with ICRA's policy of distinguishing short term market linked debentures from normal short term borrowings by assigning a prefix 'PP-MLD' to the rating symbol. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating assigned expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

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 **September 13, 2020** ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Short Term Principle Protected Market Linked Debenture shall not be after the end of the Validity Period. The Short Term Principle Protected Market Linked Debenture will have a maximum maturity of twelve months.
- (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 Short Term Principle Protected Market Linked Debenture issued by you. The rating is restricted to your Short Term Principle Protected Market Linked Debenture size of **Rs.150 crore** only. In case, you propose to enhance the size of the Short Term Principle Protected Market Linked Debenture, 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 Short Term Principle Protected Market Linked Debenture.
- 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 **June 25, 2019**.

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


AASHAY CHOKSEY

Assistant Vice President

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SAINATH CHANDRASEKARAN

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Mr. S. Ranganathan
M/s. Ecap Equities Limited
Edelweiss House, 14th Floor,
Off C.S.T. Road, Kalina,
Mumbai 400 098

Dear Sir,

Re : Review of ICRA credit rating for Rs. 1,840.04 crore Long Term Principal Protected Equity Linked Debenture Programme of Ecap Equities Limited

Please refer to our letter dated June 14, 2019 communicating the PP-MLD [ICRA]AA-(negative) rating assigned to the captioned Long Term Principal Protected Equity Linked Debenture Programme of your company and also your subsequent email dated June 19, 2019 requesting a review of the same.

Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your Long Term Principal Protected Equity Linked Debenture Programme at **PP-MLD [ICRA] AA-** (pronounced as principle protected Market Linked Debentures ICRA double A minus). The Outlook on the long-term rating is 'Negative'. Instruments with [ICRA] AA- rating indicate high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.

The letters 'PP-MLD' prefixed to a rating symbol stand for 'Principal Protected Market Linked Debentures'. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. Company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "**PP-MLD [ICRA] AA- (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.

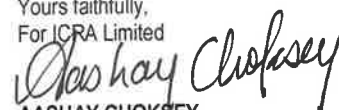
You are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed in circular dated June 30, 2017 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.

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 faithfully,

For ICRA Limited

**AASHAY CHOKSEY**

Assistant Vice President

aashay.choksey@icraindia.com**SAINATH CHANDRASEKARAN**

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With kind regards,

Yours faithfully,
For ICRA Limited

AASHAY CHOKSEY
Assistant Vice President
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