



## RATING RATIONALE

10 Sept 2019

### *SREI Infrastructure Finance Ltd*

**Brickwork Ratings downgrades the ratings for the Non-Convertible Debentures, Perpetual Debt Instrument and Commercial Paper programme aggregating to ₹ 5,327.07 Crores of Srei Infrastructure Finance Ltd. [hereafter referred to as “SIFL” or the “Company”]**

#### Particulars:

Instrument**	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (July, 2019)	Present
Secured NCD	2800.66	2800.66	Long Term	BWR AA (Negative)	BWR A+ (Negative)
Unsecured NCD	1426.41	1426.41	Long Term	BWR AA (Negative)	BWR A+ (Negative)
Issuer Rating	-	-	Long Term	BWR AA (Negative)	BWR A+ (Negative)
IPDI	100	100	Perpetual	BWR A+ (Negative)	BWR BBB+ (Negative)
Commercial Paper	1000	1000	Short Term	BWR A1+	BWR A1
<b>Total</b>	<b>5327.07</b>	<b>5327.07</b>	<b>INR Five Thousand Three Hundred Twenty Seven Crores and Seven Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Details of NCD/IPDI/Commercial Paper is provided in Annexure-I&II



## **RATING ACTION / OUTLOOK**

The rating of Srei Infrastructure Finance Ltd (SIFL) has been downgraded considering the decreasing asset base, weak asset quality due to weak credit profile of the portfolio, significant decrease in profitability in Q1FY20 due to increasing interest cost and higher provisions, declining capital adequacy ratio, continued high gearing against an expectation of significant reduction in gearing through capital infusion and liquidity stress faced by NBFC sector affecting the borrowing capacity of the company.

However, the rating continues to derive comfort from the experience of the promoter group in the line of infrastructure financing and equipment financing businesses, established market position and brand name and adequate liquidity profile.

The outlook continues to be negative considering the risk of further weakening of asset quality, declining profitability and AUM and to monitor the ability of SIFL to borrow for continued growth while maintaining its cost of funds and profit margins. The ability to reduce its gearing is also a key monitorable.

## **KEY RATING DRIVERS**

### **Credit Strengths:**

- **Experienced Promoters with Established Track record:** Mr Hemant Kanoria , Chairman & Managing Director & Mr Sunil Kanoria, Vice Chairman, who have more than 3 decades of experience in the financial services industry are spearheading the business operations and work closely with management in effectively managing the company. Long track record of operations in construction equipment financing, existing client relationships in infrastructure space and market knowledge of the promoters have helped the company in effectively managing the infrastructure portfolio, as demonstrated through the notable growth in its business volume over the last few years.
- **Moderate capitalisation:** As on 30 June 2019, Total CRAR and Tier I CRAR of SIFL stood at 15.57% & 10.79% which is very close to the RBI prescribed minimum CRAR requirement of 15% constraining the growth of loan book. Any further deterioration in the credit profile of the loan book increases the risk of breaching the minimum CRAR requirement.



## Credit Risks:

- **Declining Asset Base:** Consolidated AUM has decreased from Rs 41,476 Crs in FY18 to Rs 40,909 Crs and further to Rs 39,853 Crs in Q1FY20. This is mainly due to SIFL strategically deciding to curtail disbursements due to the stress in infrastructure segment and to maintain sufficient liquidity. At the same time, SEFL has curtailed its disbursements in Q1FY20 mainly due to CRAR being very close to the regulatory requirement of 15% and the shift in focus on co lending model. We expect further decrease in consolidated AUM due to curtailed disbursements due to CRAR constraints and challenges faced by the company in raising funds.
- **Significant decline in Profitability:** On a consolidated basis, for Q1FY20 SEFL has reported PAT of Rs 42.67 Crs when compared to Rs 139.55 Crs in Q1FY19. The decline in profitability is mainly on account of increase in cost of borrowings from Rs 890.28 Crs in Q1FY19 to Rs 971.69 Crs in Q1FY20 and increase in provisions from Rs 103.32 Crs in Q1FY19 to Rs 220.70 Crs in Q1FY20. Consolidated ROA & ROE for Q1FY20 stood at 0.40 % & 4.20 % respectively when compared to 1.10% and 12.20% in Q4FY19. Given the weak credit profile of top 20 borrowers and its exposure to group companies/joint ventures, we expect a further decline in profitability due to possible slippages.
- **Weak Asset Quality:** On a consolidated basis, Due to fresh slippages in Q2FY20, Gross Stage III & Net Stage III assets percentage has increased to 14.27 % 11.18 % respectively from 13.25% % & 10.61% respectively for FY19. Further the weak credit profile of top 20 standard accounts which amounts to ~30% of the total portfolio increases the risk of further deterioration of asset quality. Going forward, reducing NPA levels with sustained growth will be a key rating sensitivity.

On a standalone basis, for Q2FY20, Gross Stage III & Net Stage III assets percentage has increased to 15.86 % 12.11 % respectively from 14.60% % & 10.50% respectively for FY19.

- **High Gearing:** As on 30 June 2019, at consolidated level, SIFLs tangible networth stood at Rs 4,111 Crs against total debt of Rs 34,424 Crs resulting in a high gearing of 8.37x. Going forward reducing the gearing levels by infusing capital and improving the profitability will be a key rating sensitivity.



- **Inherent Risks:** Currently, NBFC sector in India is facing liquidity challenges, resulting in increased borrowing costs and potential ALM mismatches in the short term. This will adversely affect spread for NBFCs. Also being in the competitive landscape of NBFCs, the Company is exposed to inherent risks associated with the industry like high competition and regulatory responsibilities.

## **ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA**

For arriving at its ratings, BWR has taken consolidated financial profile wherein the financial performance of SIFLs subsidiaries including SREI Equipment Finance Ltd (complete list of subsidiaries provided in annexure) because of their strong operational and financial integration. and has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### **RATING SENSITIVITIES:**

Going Forward, on a consolidated basis, the company's ability to improve the asset quality, profitability and reducing the debt levels by infusing capital with sustained improvement in overall performance of the company in the next 2-3 quarters will be key rating sensitivities.

**Positive:** The outlook may be revised to stable if on a consolidated basis, the company is able to improve its asset quality and bring down the Gross Stage III Assets below 8%, reduce its gearing below 5x and improve its profitability with ROA and ROE improving to 2 - 2.5 % and 10-12% respectively with sustained improvement in overall performance of the company.

**Negative:** The rating may be downgraded if the asset quality, profitability and asset base further deteriorates and the company is unable to reduce its gearing levels.

### **LIQUIDITY POSITION: Moderate**

Company has shared short term dynamic liquidity position as on 30 June 2019 which demonstrates sufficient liquidity and has no negative mismatches across the buckets upto 6 months. As on June 30, 2019, the company had a cash balance of ~Rs.115 crore vis-à-vis expected outflows of Rs.564.48 crore upto December 2019. Further, it had unutilised available lines of credit of Rs.175 crore as on July 18, 2019.



## COMPANY PROFILE

SREI Infrastructure Finance Limited (SIFL), promoted by Mr Hemant Kanoria, Chairman & Managing Director and Mr Sunil Kanoria, Vice Chairman was incorporated in 1985 and has its headquarters at Kolkata. SIFL is primarily engaged in financing of infrastructure projects and equipment. Apart from Infrastructure Financing, it is also engaged in infrastructure project development and providing advisory services. SIFL has been classified as an Infrastructure Finance Company (“IFC”) by the Reserve Bank of India within the overall classification of Non-Banking Financial Companies (NBFC) in India. While the core services of SIFL remain infrastructure project finance, project development and project advisory, the Group also offers a broad range of holistic financial services such as infrastructure equipment finance, capital market services, insurance broking and venture capital through its group companies. As on 30 June 2019, the promoters and promoter group hold 60.80% stake in SIFL, foreign institutions hold 12.28%, NBFCs & Mutual funds hold 1.63%, Financial institutions hold 0.38%, general public hold 15.21% and others hold 9.71%.

The Board of Directors of SIFL and SEFL, at their meeting held on July 4, 2019, have called off the above restructuring scheme and decided to consolidate the lending business of SIFL and SEFL into one entity. The Boards have approved transfer of Lending Business, Interest Earning Business & Lease Business ("Transferred Undertaking") of SIFL into SEFL, together with associated employees, assets and liabilities (including liabilities towards issued and outstanding nonconvertible debentures issued by SIFL), as a going concern basis by way of slump exchange, for a lump sum consideration, without values being assigned to the individual assets and liabilities, which shall be discharged by SEFL by way of issue and allotment of equity shares of SEFL to SIFL ("Slump Exchange"). The total income of the transferred undertaking constitutes 95.52% of the total income of SIFL and net assets of the transferred undertaking (representing the difference between total assets & total liabilities of Transferred undertaking) represents 32.64% of the net assets of SIFL. SIFL will remain as the 100% shareholder of SEFL and continue to operate as an investment company. It will generate only fee based income/income from investments and all lending will be done through SEFL. Further, debt level in SIFL is expected to reduce substantially with transfer of same to SEFL. The transfer of assets/liabilities is expected to be completed by September 2019. The company is in the process of getting the approvals and preparing the merged accounts of SEFL and the resultant accounts of SIFL.

**CONSOLIDATED KEY FINANCIAL INDICATORS (in ₹ Cr)**

Key Ratios	Units	FY18	FY19
Result Type		Audited	Audited
Consolidated AUM	Rs in Crs	36,670	36,749
Net Income from Operations	Rs in Crs	2857	2390
PAT	Rs in Crs	487	377
Tangible Net Worth	Rs in Crs	3,788	4,097
Total Debt	Rs in Crs	33,564	33,224
Gearing	Times	8.86	8.11
Gross Stage III Assets	%	10.69	13.25
Net Stage III Assets	%	6.20	10.61
CRAR	%	17.60	15.57

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: N.A.**

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - NIL**

**RATING HISTORY**

Sl. No.	Instrument/Facility	Current Rating (Sept, 2019)			Rating History		
		Type	Amount (Rs in Crs)	Rating	July 2019	2018	2017
1	Perpetual Debt Instrument	Perpetual	100	BWR BBB+ (Negative)	BWR A+ (Negative)	BWR AA- (Stable)	-
2	Secured Long Term NCD	Long Term	309.76	BWR A+ (Negative)	BWR AA (Negative)	BWR AA+ (Stable)	BWR AA+ (Stable)
3	Unsecured, Subordinated (Tier II) NCD		27.02				
4	Issuer Rating		NA				
5	Secured Long Term NCD		213.88				
6	Secured Long Term NCD		653.3				
7	Secured Long Term NCD		144.36				
8	Secured Long Term NCD		8.81				
9	Secured Long Term NCD		39.15				
10	Unsecured, Subordinated (Tier II) NCD		300.60				
11	Unsecured, Subordinated (Tier II) NCD		200				
12	Unsecured, Subordinated (Tier II) NCD		50				



13	Unsecured, Subordinated (Tier II) NCD		156.66				
14	Secured Long Term NCD		106.19				
15	Unsecured, Subordinated (Tier II) NCD		219.15				
16	Secured Long Term NCD		94.97				
17	Secured Long Term NCD		40				
18	Commercial paper programme		1000	BWR A1	BWR A1+	BWR A1+	BWR A1+

**COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Short Term Debt](#)
- [Commercial Paper](#)

Analytical Contacts	Investor Contacts
<p><b>Rajat Bahl</b> Chief Analytical Officer &amp; Head - Financial Sector Ratings B :+91 22 2831 1426, +91 22 2831 1439 <a href="mailto:rajat.b@brickworkratings.com">rajat.b@brickworkratings.com</a></p> <p><b>Sree Harsha</b> Manager - Ratings B :+91 80 4040 9940 Ext :361 <a href="mailto:sreeharsha@brickworkratings.com">sreeharsha@brickworkratings.com</a></p>	<p><b>Satish Nair</b> Director - Global Market Development &amp; Investor Relations M : +91 7738875550 B : +91 22 6745 6666 <a href="mailto:satish.n@brickworkratings.com">satish.n@brickworkratings.com</a></p>
1-860-425-2742	

***SREI Infrastructure Finance Ltd***

**ANNEXURE I  
INSTRUMENT (NCD) DETAILS**

<b>Instrument</b>	<b>Issue Date</b>	<b>Amount in Crs.</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>ISIN</b>
Secured NCD	16-Mar-18	22.35	-	16-Mar-21	INE872A07UN2
	16-Mar-18	59.66	-	16-Mar-21	INE872A07UO0
	16-Mar-18	30.8	-	16-Mar-21	INE872A07UP7
	16-Mar-18	36.86	-	16-Mar-21	INE872A07UQ5
	16-Mar-18	90.15	-	16-Mar-21	INE872A07UR3
	16-Mar-18	31.28	-	16-Mar-21	INE872A07US1
Unsecured NCD - Tier II	16-Mar-18	12.26	9.12%	16-Mar-28	INE872A08DI6
	16-Mar-18	11.6	9.50%	16-Mar-28	INE872A08DJ4
	16-Mar-18	3.16	-	16-Mar-28	INE872A08DK2
Secured NCD	9-Sep-11	10	11.90%	9-Sep-21	INE872A07PL6
	29-Oct-11	30	11.90%	29-Oct-21	INE872A07PQ5
Secured NCD	2-Jan-13	2	11.45%	2-Jan-20	INE872A07RB3
Secured NCD	12-Nov-14	28.63	10.72%	12-Nov-19	INE872A07TM6
	12-Nov-14	173.6	11.25%	12-Nov-19	INE872A07TN4
	12-Nov-14	11.65	11.75%	12-Nov-19	INE872A07TO2
Secured NCD	8-Jun-12	0.7	11.40%	8-Jun-22	INE872A07QD1
	5-Oct-12	20	11.35%	5-Oct-22	INE872A07QS9
	17-Sep-12	1.4	11.55%	17-Sep-19	INE872A07QR1
	5-Nov-12	63	10.25%	5-Nov-19	INE872A07QW1
	5-Nov-12	1.5	10.25%	5-Nov-19	INE872A07QY7
	31-Jul-12	1.3	11.40%	31-Jul-22	INE872A07QM2
	9-Dec-14	19	10.05%	9-Dec-24	INE872A07TP9
Secured NCD	6-May-13	8.05	11.24%	6-Nov-19	INE872A07RL2
	24-Jan-13	1.1	11.50%	24-Jan-23	INE872A07RE7
	10-Jun-14	10	11.40%	10-Jun-24	INE872A07TE5





Secured NCD	26-Sep-13	8.81	11.72%	26-Dec-19	INE872A07SB1
Secured NCD	29-Nov-13	4.5	11.10%	29-Nov-23	INE872A07SD7
Secured NCD	28-Jul-15	29.05	10.25%	28-Oct-20	INE872A07TT1
	28-Jul-15	48.56	10.75%	28-Oct-20	INE872A07TU9
	28-Jul-15	10.73	N.A.	28-Oct-20	INE872A07TV7
	6-Oct-16	14.96	9.35%	6-Oct-19	INE872A07TY1
	6-Oct-16	61.65	9.75%	6-Oct-19	INE872A07TW5
	6-Oct-16	12.88	NA	6-Oct-19	INE872A07TZ8
	6-Oct-16	44.69	9.60%	6-Oct-21	INE872A07UA9
	6-Oct-16	86.48	10.00%	6-Oct-21	INE872A07UB7
	6-Oct-16	24.68	NA	6-Oct-21	INE872A07UC5
	27-Feb-17	19.16	8.88%	27-Feb-20	INE872A07UF8
	27-Feb-17	106.82	9.25%	27-Feb-20	INE872A07UG6
	27-Feb-17	18.18	NA	27-Feb-20	INE872A07UH4
	27-Feb-17	40.32	9.12%	27-Feb-22	INE872A07UI2
	27-Feb-17	114.35	9.50%	27-Feb-22	INE872A07UJ0
	27-Feb-17	20.79	NA	27-Feb-22	INE872A07UK8
Unsecured NCD - Tier II	23-Dec-11	69.05	11.90%	23-Dec-21	INE872A08BX9
	11-Jan-12	66	11.90%	11-Jan-22	INE872A08BZ4
	12-Jan-12	84.1	11.90%	12-Jan-22	INE872A08CA5
Unsecured NCD - Tier II	30-Mar-12	100	11.40%	30-Mar-22	INE872A08CB3
	1-Jun-12	11.3	11.50%	1-Jun-22	INE872A08CD9
	31-Jul-12	12.06	11.50%	31-Jul-22	INE872A08CF4
	17-Jul-13	5	10.75%	17-Jul-20	INE872A08DG0
	17-Jul-13	23	10.75%	17-Jul-23	INE872A08DH8
Unsecured NCD - Tier II	10-Nov-10	50	10.50%	10-Nov-20	INE872A08BT7
Unsecured NCD - Tier II	23-Mar-10	200	10.20%	23-Mar-20	INE872A08BE9
Unsecured NCD - Tier II	18-Oct-12	10.6	11.70%	18-Jan-22	INE872A08CJ6
	31-Oct-12	4.9	11.70%	31-Oct-22	INE872A08CL2
	28-Sep-12	28.9	11.70%	28-Sep-22	INE872A08CH0
	16-Jan-13	2.5	11.70%	16-Jan-23	INE872A08CO6

	16-Jan-13	70	11.85%	16-Jan-23	INE872A08CP3
	24-Jan-13	60.7	11.80%	24-Jan-23	INE872A08CQ1
	28-Jan-13	7	11.80%	28-Jan-23	INE872A08CT5
	1-Mar-13	17.5	11.25%	1-Mar-23	INE872A08CW9
	28-Mar-13	16.5	11.25%	28-Mar-23	INE872A08CY5
	29-Jun-13	11.6	10.75%	29-Jun-20	INE872A08DA3
	29-Jun-13	10.4	10.75%	29-Jun-23	INE872A08DB1
	29-Jun-13	25	10.75%	29-Jun-23	INE872A08DC9

## ANNEXURE II

### List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
SREI Capital Markets Ltd	100%	Full	The Consolidated financial statements of the Group, associates and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).
SREI Alternative Investment Managers Ltd	100%	Full	
Controlla Electrotech Pvt Ltd	100%	Full	
SREI Mutual Fund Asset Management Pvt Ltd	100%	Full	
SREI Mutual Fund Trust Pvt Ltd	100%	Full	
SREI Insurance Broking Pvt Ltd	100%	Full	
Bengal SREI Infrastructure Development Ltd	51%	Full	
Hyderabad Information Technology Venture Enterprises Ltd	51%	Full	
Cyberabad Trustee Company Pvt Ltd	51%	Full	
SREI Asset Finance Ltd	100%	Full	
SREI Equipment Finance Ltd	100%	Full	



Sahaj E-Village Ltd	49.47%	Full	
IIS International Infrastructure Services, GMBH, Germany	49.13%	Full	
SREI Mutual Fund Trust	100%	Full	

Additional information is available at [www.brickworkratings.com](http://www.brickworkratings.com). The ratings above were solicited by, or on behalf of, the issuer, and therefore, Brickwork Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

**About Brickwork Ratings:** Brickwork Ratings (BWR) is India’s home grown credit rating agency built with superior analytical prowess from industry’s most experienced credit analysts, bankers and regulators. Established in 2007, Brickwork Ratings aims to provide reliable credit ratings by creating new standards for assessing risk and by offering accurate and transparent ratings. Brickwork Ratings provides investors and lenders timely and in-depth research across the Structured Finance, Public Finance, Financial Institutions, Project Finance and Corporate sectors.

Brickwork Ratings has employed over 350 credit analysts and credit market professionals across 8 offices in India. Our experienced analysts have published over 12,000 ratings across asset classes. Brickwork Ratings is committed to provide the investment community with the products and services needed to make informed investment decisions. Brickwork Ratings is a registered credit rating agency by Securities and Exchange Board of India (SEBI) and a recognized external credit assessment agency (ECAI) by Reserve Bank of India (RBI) to carry out credit ratings in India.

Brickwork Ratings is promoted by Canara Bank, India’s leading public sector bank. More on Canara Bank available at [www.canarabank.co.in](http://www.canarabank.co.in)

For more information, visit [www.brickworkratings.com](http://www.brickworkratings.com)

## DISCLAIMER

Copyright © 2019 by Brickwork Ratings India Pvt. Ltd., 3rd Floor, Raj Alkaa Park, 29/3 & 32/2, Bannerghatta Main Rd, Kalena Agrahara, Bengaluru, Karnataka 560076. Telephone: +91 80 4040 9940. Fax: +91 80 4040 9941. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings, Brickwork Ratings relies on factual information it receives from issuers and underwriters and from other sources Brickwork Ratings believes to be credible. Brickwork Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Brickwork Ratings’ factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Brickwork Ratings’ ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Brickwork Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its

advisers are responsible for the accuracy of the information they provide to Brickwork Ratings and to the market in offering documents and other reports. In issuing its ratings Brickwork Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

THE INFORMATION IN THIS REPORT IS PROVIDED “AS IS” WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND. A Brickwork Ratings rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that Brickwork Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of Brickwork Ratings and no individual, or group of individuals, is solely



responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Brickwork Ratings is not engaged in the offer or sale of any security. All Brickwork Ratings reports have shared authorship. Individuals identified in a Brickwork Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Brickwork Ratings rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at anytime for any reason in the sole discretion of Brickwork Ratings. Brickwork Ratings does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Neither Brickwork Ratings nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "BWR Reps") guarantee the accuracy, completeness or adequacy of the Report, and no BWR Reps shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of this publication. In no event shall any BWR Reps be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages. Brickwork Ratings receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities.