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# Rating agencies downgrade various loan facilities of DHFL

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*Care Ratings has cut ratings on eight instruments, including long-term bank facilities of Rs 42,713.80 crore.*

New Delhi: Rating agencies have downgraded various loan facilities of DHFL, which is facing allegations of a Rs 31,000 crore loan diversion.

Care Ratings has cut ratings on eight instruments, including long-term bank facilities of Rs 42,713.80 crore, having a total outstanding of about Rs 1.2 lakh crore, DHFL said in a regulatory filing to stock exchanges on Monday.

It said the rating on long-term bank facilities has been revised downward to AA+ and put these under credit watch with developing implications. The earlier rating was AAA with stable outlook.

With regard to Rs 29,000-crore non-convertible debentures (public issue), the rating is down by one notch to AA+ with credit watch.

Meanwhile, **Brickwork Ratings has also downgraded ratings on instruments with outstanding of Rs 56,500 crore.**

For instance, secured non-convertible debentures worth Rs 12,000 crore has been downgraded to AA+ (credit watch with developing implications), from the current AAA with stable outlook.

**Brickwork has also downgraded Rs 12,000 crore fixed deposits to FAA+ from FAAA.**

Meanwhile, Crisil has also assigned A1+ (placed on rating watch with negative implications) on commercial papers worth Rs 8,000 crore.

Dewan Housing Finance Corporation Ltd (DHFL) through layers of shell companies allegedly siphoned off Rs 31,000 crore out of the total bank loans of Rs 97,000 crore, Cobrapost last month alleged in an exposé.

The exposé alleged that the scam has been pulled off mainly by sanctioning and disbursing astronomical amounts in secured and unsecured loans to dubious shell or pass-through companies related to DHFL's primary stakeholders Kapil Wadhawan, Aruna Wadhawan and Dheeraj Wadhawan. It alleged that this was done through their proxies and associates, which have in turn passed the money on to the companies controlled by the Wadhawans.