

# Identifying the ‘group’ to determine debt exposure of mutual funds

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## Methodology followed to find and map group companies

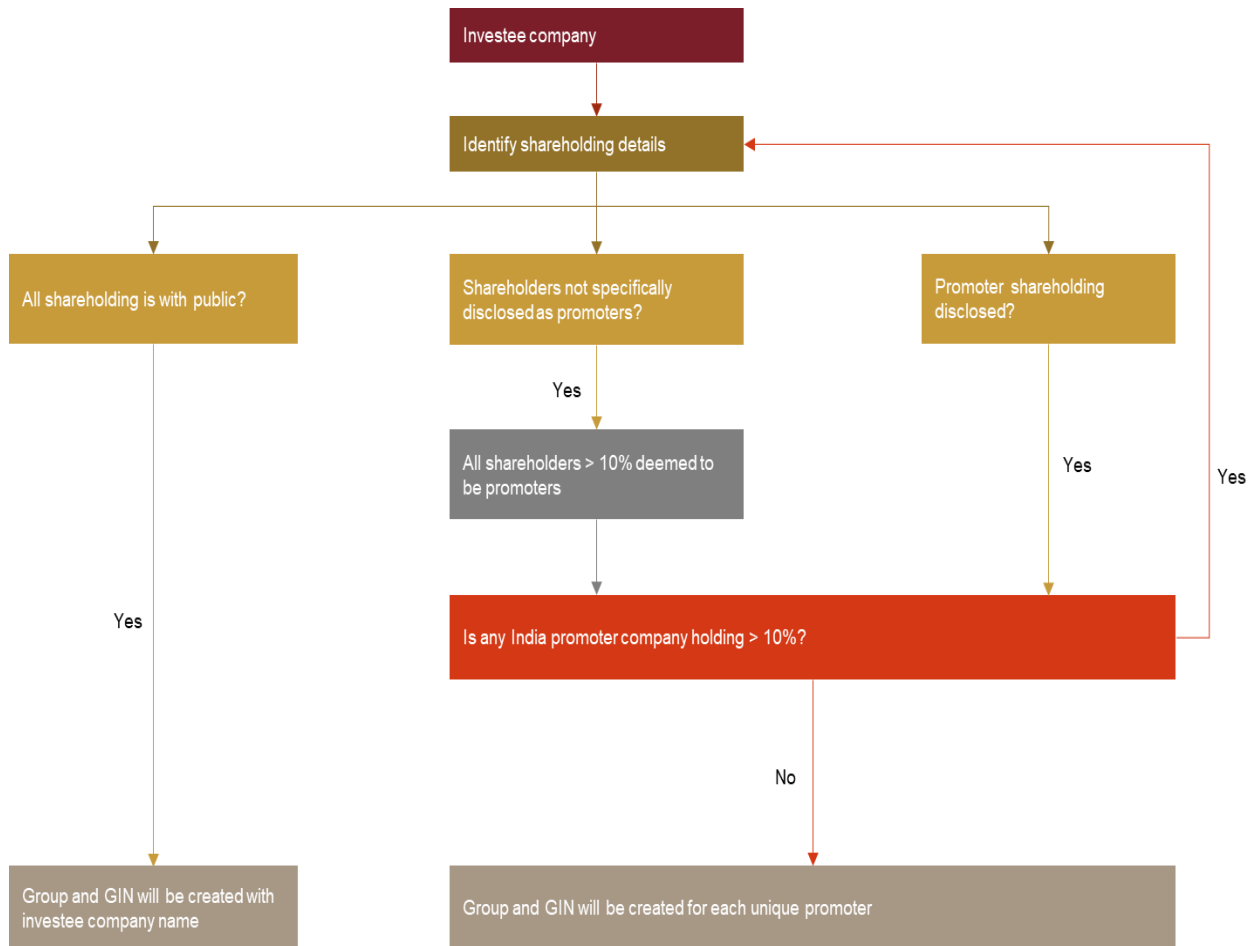
1. For each debt investee company, promoter shareholders will be further evaluated to find the linkages
2. If any promoter company independently holds >10% further evaluation to find next promoters will be carried out.
3. This looped search will keep continuing till no promoter company with >10% holding is found.
4. The investee company will be considered to form a part of each of the above unique promoter shareholders. If family relationships are available, a unique family group will be created for all related promoters
5. Companies with 100% public holding (i.e., with no promoter(s)), company name will be the group name
6. Financial investors like private equity, etc. holding >50% shares in a company/LLP will be considered as a promoter
7. Annual reports and other reliable sources such as Ministry of Company Affairs filings, exchange filings, credit ratings rationale, debt issue offer documents, etc., will be considered for this activity

### Limitations

The methodology agreed upon has limitations in capturing exhaustively all possible 'group companies' given:

- i. Promoters can be entities such as partnership firms, trusts, or foreign companies for which further information availability is a challenge
- ii. Potential control arising from reasons beyond shareholding (such as shareholder agreement)

## Methodology flow chart



## Group identification number (GIN)

### Methodology to create GIN

1. GIN will be a 14 characters alphanumeric identifier unique to each company
2. First 12 characters will contain any one of the following:
  - a. Commonly used name for the group in public domain
  - b. Unique family group GIN will be created for all related promoters
3. Last 2 characters will be (starting from 01), which will be used in case of overlapping/same names emerging using the above steps

E.g.: SHASHINVISHN-01, VIKRAMRASIKL-01, VASISTHACHAN-01

**Note:** In case of shorter names, the unused places will be filled by zeros

### Use of GIN

In order to have a structured database, GIN will be assigned to all the unique group companies of an investee company, derived from the above methodology.

## Illustrations of how the above methodology works

**Scenario 1:** Investee company with a few promoters have shareholding over 10% and a few others with less than 10%.

Steps to be followed:

a) Search all non-individual promoters holding shares greater than 10%

Investee company name	Reported promoters	Promoter level	Holding (%)	CRISIL group name	GIN
Sadbhav Infrastructure Project Ltd	Sadbhav Engineering Ltd	1	57.64	-	Since shareholding is more than 10%, we will evaluate further levels of this promoter
	Shantaben Vishnubhai Patel		0.34	Shantaben Vishnubhai Patel	SHANTABENVIS-01
	Shashin Vishnubhai Patel		0.23	Shashin Vishnubhai Patel	SHASHINVISHN-01

b) Since Sadbhav Engineering Ltd holds more than 10%, its promoters will be evaluated further

Company name	Promoter level	Reported promoters	Holding (%)	CRISIL group name	GIN
Sadbhav Engineering Ltd	2	Shantaben Vishnubhai Patel	28.61	Shantaben Vishnubhai Patel	SHANTABENVIS-01
		Shashin Vishnubhai Patel	3.25	Shashin Vishnubhai Patel	SHASHINVISHN-01
		Vikram Rasiklal Patel	2.7	Vikram Rasiklal Patel	VIKRAMRASIKL-01
		Vasistha Chandulal Patel	2	Vasistha Chandulal Patel	VASISTHACHAN-01
		Bhavna Vikramkumar Patel	0.25	Bhavna Vikramkumar Patel	BHAVNAVIKRAM-01
		Rekhaben Vasisthakumar Patel	0.25	Rekhaben Vasisthakumar Patel	REKHABENVASI-01
		Patel Girishbhai Nandubhai	0.03	Patel Girishbhai Nandubhai	PATELGIRISHB-01

		Patel Vipul Harishchandra	0	Patel Vipul Harishchandra	PATELVIPULHA-01
		Rajshree Pritam Patel	0	Rajshree Pritam Patel	RAJSHREEPRIT-01
		Truptiben Nileshbhai Patel	0	Truptiben Nileshbhai Patel	TRUPTIBENNIL-01

**Result:** Sadbhav Infrastructure Project Ltd would be part of all the unique groups/GINs found in the above two tables.

**Scenario 2: Investee company where no promoter holds more than 10% and family relationship is available in public**

Investee company	Reported promoters	Promoter level	Holding (%)	CRISIL group name	GIN
Reliance Capital Ltd	Anil Ambani	1	0.0	Anil Ambani group	ANILAMBANIGR-01
	Tina Ambani		0.1	Anil Ambani group	ANILAMBANIGR-01
	Jai Anmol Ambani		0.07	Anil Ambani group	ANILAMBANIGR-01
	Jai Anshul A Ambani		0.07	Anil Ambani group	ANILAMBANIGR-01
	Kokila Ambani		0.22	Anil Ambani group	ANILAMBANIGR-01
	Reliance Inceptum Private Ltd		0.06	Reliance Inceptum Pvt Ltd	RELIANCEINCE-01
	Reliance Innoventures Private Ltd		0	Reliance Innoventures Pvt Ltd	RELIANCEINNO-01
	Reliance Infrastructure Consulting & Engineers Pvt Ltd		0.71	Reliance Infrastructure Consulting & Engineers Pvt Ltd	RELIANCEINFR-01
Reliance Infrastructure Management Pvt Ltd	0.28	Reliance Infrastructure Management Pvt Ltd	RELIANCEINFR-02		

**Result:** As none of the non-individual promoters have a shareholding of more than 10%, no further levels will be evaluated and Reliance Capital Ltd will be part of all the unique groups/GINs at level 1.

**Note:** Since it is publicly available that all the above individuals are part of one family, they will be part of one group viz., Anil Ambani group.

**Scenario 3:** Company where shareholding details are available but no shareholder is tagged as a promoter

Company name	Reported shareholders	Promoter level	Holding (%)	Promoter/ shareholder	CRISIL group name	GIN
Visu Leasing And Finance Pvt Ltd	Bee Finance Ltd	1	59.66	Shareholding	Bee Finance Ltd	BEEFINANCELI-01
	Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden NV		11.66	Shareholding	Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V.	NEDERLANDSEF-01
	Alpha Capital Advisors Pvt Ltd		6.81	Shareholding	Alpha Capital Advisors Pvt Ltd	NA

**Result:** Here, all shareholders with holding over 10% will be considered to be promoters

**Note:** As Bee finance limited is not registered in India, further levels will not be evaluated

**Scenario 4:** Company where promoter holding is 0%

Company name	Promoter/shareholder name	Promoter level	Holding (%)	CRISIL Group name	GIN
Northern Arc Capital Ltd	-	1	100% public holding	Northern Arc Capital Ltd	NORTHERNARCC-01
ICICI Bank	-		100% public holding	ICICI Group	ICICIGROUP-01

**Result:** Since there is no promoter for the above company, the group name/GIN would be similar to the investee company name.



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