

Ref. No.: AUSFB/SEC/2023-24/113

Date: July 21, 2023

To,

National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra. NSE Symbol: AUBANK	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra. Scrip Code: 540611, 958400, 974093, 974094 & 974095
--	---

Dear Sir/Madam,

Sub: Reaffirmation of Credit Rating by CRISIL Ratings

Ref: Disclosure under Regulations 30, 51 and 55 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We wish to inform that CRISIL Ratings has reaffirmed rating of **CRISIL AA/Stable (Double A; Outlook: Stable)** for the Long-Term Debt Instruments (Tier-II Bonds) of the Bank.

The rating for Fixed Deposits of the Bank has been reaffirmed at **CRISIL AA+/Stable (Double A Plus; Outlook: Stable)**.

The rating on Short-term Instruments (Certificate of Deposits) of the Bank has been reaffirmed at **CRISIL A1+ (A One Plus)**.

Rating Rationale of the CRISIL Ratings is enclosed herewith.

The details required pursuant to Regulation 55 of the Listing Regulations read with SEBI Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 are as follows:

Sr. No.	ISIN	Name of the Credit Rating Agency	Credit rating assigned	Outlook	Rating Action	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of verification
1	INE949L08418	CRISIL Ratings	CRISIL AA	Stable	Reaffirm	-	21-07-2023	Verified	21-07-2023
2	INE949L08426	CRISIL Ratings	CRISIL AA	Stable	Reaffirm	-	21-07-2023	Verified	21-07-2023
3	INE949L08434	CRISIL Ratings	CRISIL AA	Stable	Reaffirm	-	21-07-2023	Verified	21-07-2023
4	INE949L08442	CRISIL Ratings	CRISIL AA	Stable	Reaffirm	-	21-07-2023	Verified	21-07-2023

This for your information and records.

Thanking You,

Yours faithfully,

For AU SMALL FINANCE BANK LIMITED

Manmohan Parnami

Company Secretary and Compliance Officer

Membership No.: F9999

investorrelations@aubank.in

Encl.: As above

Registered Office

AU SMALL FINANCE BANK LIMITED

19-A Dhuleshwar Garden, Ajmer Road,

Jaipur- 302001, Rajasthan, India

Phone: +91 141 4110060/61, Fax: +91 141 4110090

CIN: L36911RJ1996PLC011381

Rating Rationale

July 21, 2023 | Mumbai

AU Small Finance Bank Limited

Ratings reaffirmed at 'CRISIL AA+ /CRISIL AA / Stable / CRISIL A1+ '

Rating Action

Rs.125 Crore Tier II Bond	CRISIL AA/Stable (Reaffirmed)
Rs.525 Crore Tier II Bond	CRISIL AA/Stable (Reaffirmed)
Rs.500 Crore Tier II Bond	CRISIL AA/Stable (Reaffirmed)
Rs.40000 Crore Fixed Deposits	CRISIL AA+/Stable (Reaffirmed)
Rs.600 Crore (Reduced from Rs.1200 Crore) Certificate of Deposits	CRISIL A1+ (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AA/CRISIL AA+/Stable/CRISIL A1+' rating on outstanding debt instruments of AU Small Finance Bank Ltd (AU SFB).

CRISIL Ratings has partially **withdrawn** its ratings on Certificate of Deposits of Rs 600 crore (See Annexure 'Details of rating withdrawn' for details) on the client request. This is in line with CRISIL Ratings' withdrawal policy.

The rating reflects the sustenance in the bank's overall performance and its demonstrated ability to meet the expectations around improvement in asset quality and earnings profile despite pandemic induced challenges. The bank's improving liability profile is also reflected in the rating. The bank has demonstrated its ability to manage its asset quality in the post-Covid scenario and maintain non-performing assets (NPAs) at a level which is lower than peers. Post Covid-19, the GNPA's peaked at 4.3% as of March 31, 2021 and remained at elevated levels on account of the pandemic's second wave's disruption. However, with gradual relaxation in lockdown restrictions and resumption in customer's cash-flows led to improved collection efficiency, AU SFB's asset quality has revived strongly. As of March 31, 2023, the bank reported an improved GNPA of 1.66% whereas NNPA stood at 0.42% which is expected to be sustained in the medium term.

Further, the bank has also maintained healthy profitability metrics, despite heightened provisioning requirements. There has also been a sustained improvement in the bank's overall liability profile marked by increasing share of deposits in the overall external liabilities and, continued ramp up in retail deposit franchise.

As on March 31, 2023, the bank's fixed deposits (FDs; including compounded interest) stood at Rs 41,974 crore, registering a growth of 33.7% over the preceding 12 months. The depositor profile for FDs remains diversified with almost 60% of it being sourced from individuals, sole proprietors, partnership firms, among others. In terms of maturity profile of outstanding FDs, the share of deposits having a tenure of more than nine months increased from 76% in March 2019 to 88% as of March 2023. The bank is now attempting to increase focus on its retail deposit franchise and forgo a few wholesale accounts if need be, with the dual objective of reducing cost of funds and to attain higher granularity.

The ratings remain driven by AU SFB's adequate capitalisation, consistent ramp-up in deposit franchise, healthy reported asset quality and adequate profitability. These strengths are partially offset by moderate, though improving, scale of operations and geographic concentration in assets.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has taken a standalone view on the credit risk profile of AU SFB.

Key Rating Drivers & Detailed Description

Strengths:

Adequate capitalisation

Capitalisation, adequate in relation to the bank's scale of operations, is supported by steady internal accruals apart from the bank's track record to raise need-based capital. As on March 31, 2023, the bank's reported networth stood at Rs 10,977 crore as against Rs 7,514 crore on March 31, 2022, driven by a capital raise of Rs 2500 crore (Rs 2000 crore via QIP and Rs 500 crore by Tier II bonds) during the fiscal. The bank's reported overall and tier 1 capital adequacy ratios (CAR) were comfortable at 23.6% and 21.8%, respectively as on March 31, 2023, and both these metrics have remained above 15% historically. Bank is expected to maintain adequate capitalisation with CAR at over 18% on steady state basis.

Sustained ramp-up in deposit franchise

The bank's deposit base has registered a steady growth rate over the three fiscals alongside an increasing share of retail deposits (retail term deposits and CASA) as a proportion of total deposits and, of overall external liabilities as well. Registering a 3 year CAGR of 38.4%, the bank's deposit base stood at Rs 69,365 crore as on March 31, 2023 which constitutes 92% of the total borrowings as compared to 84%, two years ago.

The deposit mix has been evolving, with higher focus on retail deposits. The aggregate share of CASA and retail term deposits (TD, of less than Rs 2 crore) in the total deposit base (including Certificates of Deposit) has been increasing consistently. As compared to 44% as on March 31, 2020, the proportion increased to 69% as of March 31, 2023.

Alongside growth in deposit base, the average cost of funds declined as incremental funds are being sourced in the form of low cost deposits and refinance from financial institutions. For fiscal 2017, cost of funds was 9.6%, which declined to 8.43% for fiscal 2018 and subsequently to 5.9% for fiscal 2022. However, it inched up marginally in fiscal 2023 and Q1FY24. It stood at 6.6% in Q1FY24.

Over fiscal 2019 and 2020, AU SFB had offered a higher rate as incentive to ramp up its retail deposit franchise after the banking sector faced volatility in the deposit base for a short period owing to market disruptions caused by some specific events at a few non-banks and banks. The second half of fiscal 2020 witnessed two major events - one in September 2019 pertaining to a co-operative bank and the other in March 2020 when moratorium was imposed on a large private bank - that had an impact of the deposits inflow for the banking sector. In the aftermath of both, the inflow of incremental deposits moderated for AU SFB for a short span; however, it corrected to its business-as-usual rate soon after.

Over the near to medium term, the bank's ability to sustain improvement in its retail deposit franchise reflected by consistent increase in the share of retail deposits (retail TDs and CASA) in the total deposit and overall liabilities base, while maintaining competitive cost of funds, will serve as a key rating sensitivity factor.

Demonstrated track record of maintaining better than average asset quality metrics, even in a stress case scenario

AU SFB has sustained its asset quality over the past few years supported by strong focus on portfolio monitoring and collection practices. This is in addition to the sound understanding of the operating geography and borrower profile. Up until March 2020, the bank's reported GNPA had remained below 3%. Post the outbreak of the pandemic, the bank's collection efficiency dipped with a sizeable proportion of the book in moratorium. However, as the restrictions were uplifted in stages and economic activity resumed in a staggered manner, the bank's business also picked up, both in terms of collections and disbursements. Thereafter, as the second pandemic wave broke out, a temporary impact was observed over April and May 2021 though, it corrected shortly after that. Reported GNPA's and NNPA's, after rising to 4.3% and 2.3% as on June 30, 2021, respectively started to decline on sequential basis and stood at 1.7% and 0.4% respectively on March 31, 2023.

The bank had a standard restructured portfolio of around 1.2% of gross advances as on March 31, 2023, down from 2.1% of gross advances as at the end of June 2022. Majority of these loans were restructured in Q4'FY21 and Q1'FY22. It was also noted that the bank extended loans under Emergency Credit Line Guarantee Scheme (ECLGS) to the tune of Rs 569 crore in fiscal 2021 and Rs 500 crore fiscal 2022. For some proportion of the portfolio against which ECLGS loans were disbursed, restructuring was also extended. Over the medium to long run, the pace at which the bank reinstates repayment discipline among its borrowers and maintains its resolution rate will remain a key monitorable.

As on March 31, 2023, the bank was carrying Rs 1,133 crore as provisions which forms 1.9% of its gross advances as on that date.

Over the past two fiscals, the bank has diversified its product suite and the SBL (Small Business Loans/loans to micro small and medium enterprises, MSME) book, in particular, has grown at a robust pace and now forms 31% of the total loan book. As the book is of relatively longer tenure and has grown at fast pace, the asset quality behavior here would be a key monitorable. Wheels (vehicle loans), which was the largest asset class with over 40% share in the gross advances until a few quarters ago, currently forms 32% of the gross advances.

Adequate profitability despite costs linked to SFB transition and heightened provisioning requirement post Covid-19

AU SFB's profitability has remained adequate over the last 3-4 years. As anticipated earlier, after commencement of banking operations, return on average assets (RoA) declined from 2.7% (adjusted for exceptional income) in fiscal 2017 to 1.5-2.0% for the succeeding fiscals on account of shrinkage in net interest income (NII), investments in lower-yielding securities in compliance with statutory liquidity ratio (SLR) requirement and other technology and head office costs. As the bank has been able to replace legacy institutional borrowing by low-cost deposits, leading to decline in overall cost of funds, benefits were passed on to the customers as well by the mode of reduction in yield. As a bank, it has more avenues to increase other income on account of aspects like increased customer and distribution network, increase in income from priority sector lending certificates (PSLCs) and cross-sell of products to customers.

In fiscal 2023, bank reported profit after tax of Rs 1428 crore in fiscal 2023 (RoA of 1.79%) as against Rs 1130 crore (RoA of 1.87%) in the previous fiscal. Net interest income increased in fiscal 2023 on account of growth in business volumes, partly impacted by increased cost of funds. Recoveries from write offs, classified under other income, had also increased during the period. Credit cost declined to 0.2% in fiscal 2023 as against 0.6% in previous fiscal. Operating costs inched up to 4.3% in fiscal 2023 from 4% in previous fiscal, primarily due continued investment in credit card business and digital initiatives like QR and video banking.

In the medium term to long term, AU SFB is expected to sustain its net interest margin driven by strong market position in core territories and product segments, which allow it to price in the risks suitably. Operating expense ratios should remain at current levels given there are no major expansion plans in the medium term apart from the regular branch expansion. The

ability of the bank to sustain its overall profitability, while scaling business across fast growing segments like SBL (MSME), and housing will remain critical.

Weaknesses:

Moderate, though improving, scale of operations and geographic concentration in business

Scale of operations, though improving, remains moderate in relation to private banking peers despite higher-than-industry-average growth. Gross advances stood at Rs 59,158 crore as on March 31, 2023, marking a growth of 26% over the year. The bank leverages on its strong presence in the retail asset segment with a diversified product profile. After converting into a bank, AU SFB has diversified into asset segments such as home loans, agricultural-SME loans, gold loans, personal loans and credit cards, business banking, working capital, and overdraft facilities in addition to its businesses of Wheels and SBL. As a strategic call, the bank has curtailed its exposure to corporate segments like lending to non-banking financial companies (NBFCs), builder loans against property (LAP), etc. over the last few quarters.

In terms of gross advances mix, over ~78% of the book is deployed in retail loans with Wheels forming the largest portion at 32% followed by SBL, which accounted for 31% of the book.

Geographically, though it has a strong track record of operations in Rajasthan, Maharashtra, Madhya Pradesh and Gujarat, AU SFB's portfolio is concentrated across the four states to the extent of 76%, with Rajasthan alone accounting for 35% of the advances

Over the medium term, diversity across product suite and geographical base is not expected to change materially as the bank continues to focus on increasing its penetration in these states and product segments, and does not have plans to grow aggressively in newer domains.

CASA, though improving, remains low as a proportion of overall liabilities in comparison with larger private banks

While AU SFB has demonstrated its ability to ramp-up deposit base in the initial phase of its banking journey and continues to do so gradually, its CASA – though improved over the last fiscal – remains lower than that of other larger private banks.

While the share of CASA plus retail deposits rose to 69% as on March 31, 2023 from 44% as on March 31, 2020, share of bulk deposits still remains higher than a number of other private banks. Bulk deposits, as opposed to retail deposits, are inherently rate-sensitive and not sticky. However, 55% of AU SFB's bulk term deposits are reported to be non-callable. Nevertheless, they pose inherent challenges in managing asset liability maturity mismatches, particularly when the liquidity environment is tight. Consequently, building a granular deposit profile with a solid share of CASA is critical.

The share of CASA, though improved, was lower than that for larger private banks at 34.9% of total borrowings (deposits plus other borrowings) and 38.4% of the total deposit base (including certificate of deposits) as on March 31, 2023. Fiscal 2020 witnessed disruptive events at two banks - one in September 2019 and the other in March 2020 that had an impact on deposit inflow for a number of private banks. In the aftermath of both, the inflow of incremental deposits moderated for AU SFB for a short span before correcting to business-as-usual rates soon after.

In the medium to long term, AU SFB's ability to sustain this improvement in CASA such that its share in the total deposits and overall borrowings of the bank increases and demonstrates sustainability, will be a key rating sensitivity factor.

Liquidity: Strong

The bank reported an average Liquidity Coverage Ratio (LCR) of 128% for the quarter ended March 31, 2023, against regulatory requirement of 100%. Moreover, the bank had an adequate balance of excess SLR and other avenues of liquidity. It has also mobilized funds as refinance from NABARD and SIDBI

ESG Profile

CRISIL Ratings believes that AU SFB's Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environment and other sustainability related factors.

AU SFB has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

AU SFB's key ESG highlights:

- As part of its ESG strategy, the bank has identified certain environmental challenges and has been taking actions to make meaningful contribution. With that as the target, the bank has been promoting digital-first approach. By introducing digital visiting cards and digitalized operations through paperless onboarding and video banking platform, the bank has contributed towards reducing carbon footprint which in turn helped the bank save approximately 30,00,000 papers in fiscal 2022.
- The bank encourages the use of renewable energy. As on March 31, 2022, 9% of bank's Wheels book is covered under green portfolio.
- To contribute towards building a responsible banking industry by serving customers across the socio-economic spectrum, the bank is furthering the cause of financial inclusion by making financial services accessible to the under-served. Last fiscal, over 1,93,000 customers were provided financial services under Jan Dhan Yojana.

- The bank has been using energy-efficient systems and sustainable infrastructure for its operations and follow the circular economy model for waste management. In fiscal 2022, the bank installed a 1.25 MW solar plant in Jaipur.
- With an intent to make meaningful contributions to the communities through its AU Foundation, last fiscal the bank contributed towards Covid-19 relief activities, focusing majorly on addressing the oxygen shortage during second wave, strengthening delivery system, providing safety equipment's and trainings, community vaccinations etc.
- About 5-6% of the bank's workforce comprised females and ratio of permanent employees to contract employees was 30.2 times for fiscal 2021. Number of women as part of the workforce were lower than peers, at 5-6% for fiscal 2021 and are estimated to have remained at similar level in fiscal 2022 as well.
- The strength of governance is reflected in the extensive experience of the board and management, over 80% of the board comprised independent directors. More so, there is a distinction between the Chairman and any executive role at the bank.
- In the past, there have been certain exits in key management positions (chief internal auditor and chief risk officer) in a short time window due to personal reasons/ internal movements. In the long run, stability in the senior management will remain a monitorable.

There is growing importance of ESG among investors and lenders. AU SFB's commitment to ESG will play a key role in enhancing stakeholder confidence, given high share of foreign investors as well as access to both domestic and foreign capital markets.

Outlook: Stable

CRISIL Ratings believes AU SFB will sustain its asset quality metrics and profitability at above average levels while scaling up the loan portfolio. The build-up the bank's liability franchise driven by an increasing share of CASA and retail term deposits – in total deposits and overall borrowings - is also expected to continue.

Rating Sensitivity factors

Upward factors

- Continued increase in share of CASA and overall deposits as a proportion of total borrowings in line with other mid-size private sector banks
- Scale-up of operations while maintaining asset quality with GNPA below 3% and, profitability at above RoA level of 2.5% on a steady state basis.

Downward factors

- Deterioration in asset quality reflected in rise in GNPA to over 4% and weakening of earnings profile evidenced by RoMA remaining below 1.5% for a prolonged period, resulting in moderation of capitalization
- Inability to sustain and improve the momentum of traction is overall deposits and CASA declining to and remaining below 30% of total deposits.

About the Bank

AU SFB (formerly Au Financiers (India) Ltd) was incorporated in 1996 as an NBFC, promoted by Mr. Sanjay Agarwal, with 28+ years legacy of being a retail focused institution. AU SFB started its banking operations in April 2017 and listed its shares on Bombay Stock Exchange and National Stock Exchange in July 2017. AU SFB has an established market position in Rajasthan, and has expanded operations to Maharashtra, Gujarat, and other states over the years. AU SFB's main focus is retail asset-financing segment, primarily in the vehicle financing segment (around 32% of gross advances) alongside Small Business Loans to MSMEs (31%). Other segments include housing, gold loans, personal loans, overdraft, and commercial Banking Products.

AU SFB's liability product offerings include the entire gamut of current account, savings account, recurring and term deposits, transaction banking, bouquet of third-party mutual funds and insurance covers.

As on March 31, 2023, AU SFB had established operations across 1027 banking touchpoints while serving 38.6 Lakh customers in 21 States & 3 Union Territories with an employee base of around 28,320, employees.

Key Financial Indicators

For the year ending March 31,	Unit	2023	2022
Total assets	Rs Crore	90,216	69,078
Total income	Rs Crore	9,240	6,915
PAT	Rs Crore	1,428	1,130
Gross NPA	%	1.7	2
Overall capital adequacy ratio	%	23.6	21
Tier I capital adequacy ratio	%	21.8	19.7
Return on assets	%	1.8	1.9

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating assigned with outlook
INE949L08418	Tier II Bonds	30-Nov-18	10.90%	30-May-25	500	Complex	CRISIL AA/Stable
NA	Tier II Bonds^	NA	NA	NA	50	Complex	CRISIL AA/Stable
NA	Certificate of Deposits	NA	NA	7-365 days	600	Simple	CRISIL A1+
NA	Fixed Deposits	NA	NA	NA	40000	Simple	CRISIL AA+/Stable
INE949L08426	Tier II Bonds	3-Aug-22	9.30%	23-Aug-32	50	Complex	CRISIL AA/Stable
INE949L08434	Tier II Bonds	3-Aug-22	9.30%	13-Aug-32	100	Complex	CRISIL AA/Stable
INE949L08442	Tier II Bonds	3-Aug-22	9.30%	3-Aug-32	450	Complex	CRISIL AA/Stable

^Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating assigned with outlook
NA	Certificate of Deposits	NA	NA	7-365 days	600	Simple	Withdrawn

Annexure - Rating History for last 3 Years

		Current		2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	600.0	CRISIL A1+		--	28-07-22	CRISIL A1+	23-11-21	CRISIL A1+	03-12-20	CRISIL A1+	CRISIL A1+
			--		--	07-07-22	CRISIL A1+		--	29-06-20	CRISIL A1+	--
			--		--	29-06-22	CRISIL A1+		--		--	--
Fixed Deposits	LT	40000.0	CRISIL AA+/Stable		--	28-07-22	CRISIL AA+/Stable	23-11-21	F AA+/Positive	03-12-20	F AA+/Stable	--
			--		--	07-07-22	CRISIL AA+/Stable		--		--	--
			--		--	29-06-22	CRISIL AA+/Stable		--		--	--
Non Convertible Debentures	LT		--		--	07-07-22	Withdrawn	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--	29-06-22	CRISIL AA/Stable		--	29-06-20	CRISIL AA-/Stable	--
Subordinated Debt Bond	LT		--		--	28-07-22	Withdrawn	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--	07-07-22	CRISIL AA/Stable		--	29-06-20	CRISIL AA-/Stable	--
			--		--	29-06-22	CRISIL AA/Stable		--		--	--
Tier II Bond	LT	1150.0	CRISIL AA/Stable		--	28-07-22	CRISIL AA/Stable	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	CRISIL AA-/Stable
			--		--	07-07-22	CRISIL AA/Stable		--	29-06-20	CRISIL AA-/Stable	--
			--		--	29-06-22	CRISIL AA/Stable		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Banks and Financial Institutions
CRISILs criteria for rating fixed deposit programmes
CRISILs Criteria for rating short term debt

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations	Ajit Velonie Senior Director	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301

CRISIL Limited
M: +91 99204 93912
B: +91 22 3342 3000
AVEEK.DATTA@crisil.com

Prakruti Jani
Media Relations
CRISIL Limited
M: +91 98678 68976
B: +91 22 3342 3000
PRAKRUTI.JANI@crisil.com

Rutuja Gaikwad
Media Relations
CRISIL Limited
B: +91 22 3342 3000
Rutuja.Gaikwad@ext-crisil.com

CRISIL Ratings Limited
B: +91 22 3342 3000
ajit.velonie@crisil.com

Subhasri Narayanan
Director
CRISIL Ratings Limited
B: +91 22 3342 3000
subhasri.narayanan@crisil.com

Shubhendra Nigam
Manager
CRISIL Ratings Limited
B: +91 22 3342 3000
shubhendra.nigam@crisil.com

For a copy of Rationales / Rating Reports:
CRISILratingdesk@crisil.com

For Analytical queries:
ratingsinvestordesk@crisil.com

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment

and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party 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 the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party 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.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>