

Ref No: 16/SE/CS/AUG/2025-26



Date: August 20, 2025

To,

<b>Listing Department</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai – 400001</b>	<b>Listing &amp; Compliance Department</b> <b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, 5<sup>th</sup> Floor</b> <b>Plot No.C/1, “G” Block</b> <b>Bandra- Kurla Complex</b> <b>Bandra(E), Mumbai- 400051</b>
<b>BSE Scrip Code: 544020</b>	<b>NSE Symbol: ESAFSFB</b>

Dear Sir / Madam,

**Sub: Announcement under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Intimation on the recent rating action of Brickwork Ratings (BWR) dated August 19, 2025 on Tier II Bonds**

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III, we wish to inform that Brickwork Ratings (BWR), the Credit Rating Agency, has downgraded the Credit Rating of Tier II Bonds (under BASEL III) of ESAF Small Finance Bank Limited (the Bank) aggregating to ₹20 Crores from “BWR A-/Stable” to “BWR BBB+/Stable” category vide rationale released on August 19, 2025. The rating letter and rationale is enclosed.

Summary of the rating action is as below:

<b>Instrument</b>	<b>Amount</b>	<b>Rating</b>
Tier II Bonds (under Basel III) (ISIN: INE818W08081)	₹ 20 Crore	BWR BBB+/ Stable; Downgraded from BWR A-/Stable

Details as per BSE's Circular No. 20230714-34 dated July 14, 2023, and NSE's Circular No. NSE /CML/2023/57 dated July 14, 2023, are as under:

Date of occurrence of event / information	August 19, 2025
Time of occurrence of event / information	07:04 P.M.

Requesting you to take the same into your records.

Thanking you,

Yours Faithfully,

**For ESAF Small Finance Bank Limited**

**Ranjith Raj. P**  
**Company Secretary and Compliance Officer**

**ESAF SMALL FINANCE BANK LIMITED**

RBI License No.: MUM 124, CIN: U65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur - 680 651, Kerala.

Ph. No: 0487 7123456, 123457, Email: customercare@esafbank.com [www.esafbank.com](http://www.esafbank.com)



**Brickwork Ratings India Pvt. Ltd.**

3rd Floor, Raj Alkaa Park, Kalena Agrahara,  
Bannerghatta Road, Bengaluru - 560 076  
P: +91 80 4040 9940 | F: +91 80 4040 9941

**BWR/NCD//CRC/HS/0086/2025-26**

**19 Aug 2025**

To  
**Mr. Gireesh CP**  
Chief Finance Officer  
**ESAF Small Finance Bank Ltd.**  
2nd Floor, Hepzibah Complex  
Mannuthy P.O., Thrissur - 680651, Kerala

Dear Sir/ Madam,

Sub: Review of Rating of Basel III Tier-II bonds of ESAF Small Finance Bank Ltd. for Rs. 20 Crores (Rupees Twenty Crores only), BWR rating letter dated 4 Oct 2024.

Upon reviewing the performance of ESAF Small Finance Bank Ltd, based on the information provided by you and publicly available sources, Brickwork Ratings has downgraded the rating to BWR BBB+/ Stable for ESAF Small Finance Bank Ltd's NCD issue of 20 Crores, initially rated by BWR on 18 Mar 2022. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

Please note that the rating is valid until 18<sup>th</sup> Aug 2026, subject to the terms and conditions outlined in your mandate, BWR rating letter dated 4 Oct 2024 and Brickwork Rating's standard disclaimer appended below.

Non submission of No Default Statement (NDS) on a monthly basis will result in publishing your Company's/ entity's name on BWR website under the "NDS Not Submitted" Section.

Additionally, please note that failure to submit the NDS for three consecutive months, or if BWR is unable to verify timely debt servicing through any other source, will result in migrating your rating to Issuer Not Co- operative ( INC) within seven days of the third consecutive month of non-submission. At its discretion, BWR may migrate your rating to the INC category before the end of the three-month period if the NDS is not received.

Looking forward to your continued cooperation in maintaining timely submissions for accurate surveillance.

A copy of the press release issued by Brickwork Ratings in this regard is enclosed.

Regards,

Hemant Sagare  
Director – Ratings



**DISCLAIMER :** Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as “Instruments”]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR’s best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports 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 Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR’s opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user’s financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR’s ratings reflect BWR’s opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, “BWR Party”) guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR 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 Rating Rationales or Rating Reports. Each BWR Party disclaims 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 BWR Party be liable to any one 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 Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and



**Brickwork Ratings India Pvt. Ltd.**

3rd Floor, Raj Alkaa Park, Kalena Agrahara,  
Bannerghatta Road, Bengaluru - 560 076  
P: +91 80 4040 9940 | F: +91 80 4040 9941

procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, [www.brickworkratings.com](http://www.brickworkratings.com). More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.



## Rating Rationale

19 Aug 2025

### ESAF Small Finance Bank Ltd.

**Brickwork Ratings downgrades the rating for the Basel III Tier II bonds aggregating to Rs. 20.00 Cr of ESAF Small Finance Bank Ltd.**

#### Particulars:

Instruments**	Amount Rs Cr		Tenure	Rating*	
	Previous	Present		Previous (4 Oct 2024)	Present
Tier II Bonds (under Basel III)	20.00	<b>20.00</b>	Long Term	BWR A-/Stable/ removal from ISSUER NOT COOPERATING* Category (Reaffirmation with Revision in Outlook from Negative to Stable)	<b>BWR BBB+/ Stable/ (Downgraded)</b>
<b>Total</b>	20.00	<b>20.00</b>		<b>Rupees Twenty Cr Only</b>	

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

\*\* Details of bonds rated are provided in Annexure-II

#### RATING ACTION/OUTLOOK

Brickwork Ratings (BWR) downgrades the long term rating for Basel III Tier II bonds of Rs 20.00 Cr of ESAF Small Finance Bank Ltd. at BWR BBB+/ Stable, as tabulated above.

BWR has principally relied on the company's financials up to FY25, unaudited financials of Q1FY26, publicly available information, and information/clarifications provided by the company. The rating downgrade necessarily factors in the continued weakening of the asset quality, especially with the Gross NPA ratios crossing more than 7% levels and continued losses for the fifth consecutive quarter impacting the ROAs of the Bank. The Bank's additions to NPAs were relatively higher than the efforts to reduce them through recoveries, upgrades and write offs. The Bank had incurred a net loss of Rs. 521 Cr for FY25, and continued with a net loss of Rs. 81 Cr for the quarter ended 30 Jun 2025. The loss is mainly driven by higher provisions on weaker assets. The bank's majority portfolio consists of microfinance and the stress in the sector continues to impact the bank's overall performance. The Bank had however been making cautious disbursements to the MFI sector and gradually attempting to grow its non micro finance sector. The Bank's total capital adequacy ratio was maintained above 20% levels since FY24, which was above the minimum regulatory requirements. The Bank continues to be supported by a steady capital infusion to sustain the capitalization levels and maintain low gearing levels, with adequate liquidity to meet its near to medium term obligations. The Bank continues to be supported by the promoters and experienced board and management team. BWR shall monitor the developments in the Bank with respect to the improvement in collections and disbursements vis a vis the improvement in the micro finance



industry (MFI) sector, and its impact on the asset quality and profitability. BWR maintains the stable outlook in view of the expectations of improvement in the MFI sector over the next few quarters, and its effect on the bank's performance to improve upon its overall credit risk profile.

#### **KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:**

The distinguishing feature of Tier-II capital instruments under Basel III is the existence of the point of non-viability (PONV) trigger, and the occurrence of such a situation may result in the loss of principal to investors, and hence, to default on the instrument by the issuer. According to the Basel III guidelines, the PONV trigger will be determined by the RBI. BWR believes that the PONV trigger is a remote possibility in the Indian context, given the robust regulatory and supervisory framework and the systemic importance of the banking sector. The inherent risk associated with the PONV feature is adequately factored into the rating on the instrument. The tier II bonds (under Basel III) of the bank are partly raised for a tenor of 10 years at a competitive coupon rate to strengthen the capital structure of the bank. Further details of the bonds such as the coupon rate, frequency of interest payment etc are given in Annexure - II.

#### **KEY RATING DRIVERS**

##### **Credit Strengths:-**

##### **Adequate Capitalization level**

The bank's total CRAR stood at 22.74% as of 30 June 2025 which has improved from 21.8% as of 31 March 2025, and its Tier I ratio was 18.4% as of 30 June 2025 and 17.6% as of 31 March 2025, comfortably above the minimum regulatory requirement, to support its business growth. The bank was listed on the stock exchanges in November 2023, wherein it had raised capital amounting to Rs. 463 Cr through the Initial Public offering (IPO). The bank has raised Non-Convertible Debentures (Tier II Subordinated Bonds) on private placement basis of Rs. 50 Cr on 14 Aug 2025. The Bank is also planning on strengthening its capitalisation levels through further capital infusion during the next one year.

##### **Strong Board and Management**

Mr. P R Ravi Mohan, Chairman has over 41 years of experience and was engaged in providing technical assistance regarding banking supervision and financial stability to 13 countries in Sub Saharan Africa. He was heading the Banking Supervision Department of RBI and also worked as Chief General Manager with the Department of Banking Operations and Development of RBI.

ESAF SFB is promoted by Mr. K Paul Thomas, CEO and Managing Director who is also the founder of ESAF group. He has over 34 years of industry experience, of which more than 24 years are in the microfinance sector. They are accompanied by one executive director, one non-executive director, five non executive independent directors and two Non-Executive Nominee Director. The company has comfort that the promoter ESAF Holdings can infuse capital and maintain the CRAR.

##### **Credit Risks:-**

##### **Weakening Asset Quality Metrics**

The bank's asset quality weakened. GNPA in absolute terms increased from Rs. 1242 Cr as of 30 Jun 2024 to Rs. 1363.63 Cr as of 30 Jun 2025. GNPA ratio weakened from 6.6% in Q1FY25 to 7.48% in Q1FY26. NNPA in absolute terms increased from Rs. 583.8 Cr as of 30 Jun 2024 to Rs. 660.9 Cr as of



30 Jun 2025. NNPA ratio weakened from 3.2% in Q1FY25 to 3.77% in Q1FY26. Slippages have increased YoY from Rs. 390.4 Cr in Q1FY25 to Rs. 468.1 Cr in Q1FY26. Recoveries and upgrades have been slow and have declined YoY. While there were no write offs during the Q1FY26, as was seen in the previous few quarters, the bank had Sale to ARCs of Rs. 362.4 Cr during Q1FY26, however. GNPA levels remained high

For gold loans, on a YoY basis, SMA-0 has increased and the SMA-1 and SMA-2 have declined, indicating stable asset quality. For micro loans, on a YoY basis, SMA-0 and SMA-1 have declined but SMA-2 has increased. For retail loans and other loans, on a YoY basis, SMA-0, SMA-1 and SMA-2 have all increased, indicating likely slippages to increase over the near term in the event of continued slower collections. GNPA for gold loans have been on the declining side for Q1FY25. GNPA for micro loans has not changed much and has weakened YoY. GNPA for retail and other loans have been increasing quarter on quarter. It has more than doubled from Q1FY25 on YoY. Provision Coverage Ratio at 73.2% as of 30 June 2025 was better than 61.9% as of 30 Jun 2024, but asset quality remains a concern.

Going forward, reduction in slippages to NPA and an improvement in its collection efficiency to improve upon its asset quality shall be the key monitorable. Any further significant deterioration in the asset quality i.e. increase in the Gross NPA ratios shall be a key rating sensitivity.

### **Weakening Earnings profile**

Net Interest Income (NII) weakened by 35.71% from Rs. 588 Cr in Q1FY25 to Rs. 378 Cr in Q1FY26. The lower yields from disbursements in loans from non MFI books impacted the interest income of the bank, apart from incremental cost of borrowings. NIM weakened to 6%, yet remains better than most PSBs. This was on account of change in loan mix and increase in slippages. Pre-provisioning operating profit (PPoP) declined to Rs. 124.92 Cr in Q1FY26 from Rs. 254 Cr in Q1FY25. The bank reported a loss of Rs. 81.22 Cr in Q1FY26 as compared to a profit of Rs. 63 Cr in Q1FY25. The bank faced macro-level systematic stress primarily in the microlending book. On a YoY basis, Cost to income increased from 64% in Q1FY25 to 78.2% in Q1FY26, ROA weakened from 0.9% in Q1FY25 to -0.3% in Q1FY26 and ROE have weakened from 9.9% in Q1FY25 to -17.1% in Q1FY26.

### **Diversifying the Portfolio Mix and Concentration risk remains monitorable**

Diversifying the credit risk profile across the product mix and geographies remains monitorable. A gradual reduction of concentration of business in certain states will assist in improving upon its over credit profile and the asset quality. The bank's portfolio primarily comprises small ticket size and has short tenure loans requiring healthy collection efficiency levels at least at par with its peers in the industry. Maintaining a balanced portfolio mix with better yields and healthy collection efficiency will reduce asset quality concerns and improve profitability. 60% of the Banking Outlets network in south India. While the bank operates in 26 states, its advances and loan portfolio are heavily concentrated in the southern region of India, particularly in its home state of Kerala and Tamil Nadu, which together account for 59% of the total gross advances as of June 2025.

### **Operating in an intense competitive landscape**

The bank faces stiff competition from both other Small Finance Banks (SFBs) and larger universal banks. The presence of multiple players offering similar financial products, particularly in the priority sector



lending space, puts pressure on margins and limits pricing power. Additionally, larger universal banks, with their broader reach and greater financial resources, often offer more attractive loan terms, making it challenging for smaller institutions like SFBs to compete effectively. This reflects in bank's various financial parameters such as RoA reduced to -0.3% in Q1FY26 from 0.9% in Q1FY25, yield on advances reduced to 16.2% in Q1FY26 from 20.2% in Q1FY25, NIM reduced to 6% in Q1FY26 from 9.4% in Q1FY25 and cost-to-income ratio deteriorated to 78.2% in Q1FY26 from 64% in Q1FY25.

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

For arriving at its ratings, BWR has considered the standalone approach for the Company. BWR 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, the company's ability to show substantial growth in its loan portfolio, while maintaining asset quality, profitability, and adequate liquidity will be a key rating sensitivity factor.

#### **Positives:**

- The rating could be upgraded if the bank significantly improves upon its asset quality better than the industry average with sustained improvement in GNPA by less than 5%, scales up business operations and improves profitability.
- Diversification across geography and sector-wise in the corporate loan segment, without adversely affecting profit margins.

#### **Negatives:**

- The rating may be downgraded if there is a further significant deterioration in asset quality with GNPA above 10% .
- Decline in CRAR below 18%, substantial fall in AUM resulting in weakening profitability metrics could result in downgrade of the rating and or outlook .

### **LIQUIDITY INDICATORS: ADEQUATE**

The bank had cash and bank balances of Rs. 1093.35 Cr. as of 30 June 2025. As of 31 Mar 2025, LCR stands at 140%, leverage ratio stands at 6.63% and NSFR stands at 165.26%. They all are above the regulatory requirements. The company is yet to make the disclosure for June 2025. Additionally, the bank's loan portfolio consists of small tenured loans which enhances the liquidity condition.

### **COMPANY PROFILE**

ESAF Small Finance Bank Ltd (ESAF SFBL) was incorporated in May 2016, received the final license from RBI on Nov 18, 2016 to establish a Small Finance Bank (SFB) and started its commercial operations in Mar 2017. On 27 Dec 2018, it received "Scheduled Commercial Bank" status from RBI. ESAF SFB is promoted by Mr. K Paul Thomas, CEO and Managing Director who is also the founder of ESAF group. He has over 34 years of industry experience, of which more than 24 years are in the microfinance sector.

As of 31st March 2025, ESAF Small Finance Bank has a network of 787 branches, 693 ATMs and 1,106 Customer Service Centres across 24 States and 2 Union Territories with a customer base of more than 9 Million and 12,520 employees.

### KEY FINANCIAL INDICATORS (Standalone)

Particulars	Units	FY23 Audited	FY24 Audited	FY25 Audited	Q1FY26 Unaudited
Total Loan book	Rs. Cr.	16,331	19,659	19643	19809
Total Deposits	Rs. Cr.	14,666	19,868	23276	22698
PAT	Rs. Cr.	302	426	-521.4	-81.22
Gearing	Times	1.4x	0.8	0.56	0.51
CRAR	%	19.8	23.3	21.8	22.74
GNPA	%	2.5	4.8	6.9	7.48

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:** None from other CRA

### RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sr. No.	Name of the instrument	Current Rating 2025			Rating History			
		Type	Amount (Rs Cr)	Rating	2024	2023	2022	2021
1	Tier II Bonds (under Basel III)	Long Term	20	BWR BBB+/Stable/ <b>(Downgrade d)</b>	<b>04-Oct-2024</b> BWR A-/Stable /removal from ISSUER NOT COOPERATING* Category <b>(Reaffirmation with Revision in Outlook from Negative to Stable)</b>  <b>04-Apr-2024</b> BWR A-/Negative / ISSUER NOT COOPERATING*/ <b>Downgrade</b>	-	<b>30-Dec-2022</b> BWR A/ Negative <b>(Reaffirmed)</b> Rs. 20 Cr  <b>Withdrawn</b> on non-utilization Rs. 280 Cr  <b>18-Mar-2022</b> BWR A/ Negative <b>(Assignment)</b> Rs. 300 Cr  <b>Withdrawn</b> on redemption Unsecured NCD Rs. 50 Cr	<b>16-Mar-2021</b> BWR A Stable <b>(Reaffirmed)</b> Unsecured NCD Rs. 50 Cr
	<b>Total</b>		<b>20</b>		<b>Rupees Twenty Cr Only</b>			

**Note-** Unsecured NCDs of Rs. 50 Cr was withdrawn on redemption in March 2022 and Rs.280 Cr was withdrawn on non-utilization in Dec 2022.

**COMPLEXITY LEVELS OF THE INSTRUMENTS: Highly Complex**

For more information, visit <http://www.brickworkratings.com/download/ComplexityLevels.pdf>

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Bank Financial Institution](#)
- [Approach to Financial Ratios](#)
- [Capital Instruments Issued by Banks and FIs](#)

Analytical Contacts	
<b>Jiya Nair</b> Analyst - Ratings B : +91 22 2831 1426, +91 22 2831 1439 <a href="mailto:jiya.n@brickworkratings.com">jiya.n@brickworkratings.com</a>	<b>Hemant Sagare</b> Director - Ratings B : +91 80 4040 9940 Ext 364 <a href="mailto:hemant.sagare@brickworkratings.com">hemant.sagare@brickworkratings.com</a>
1-860-425-2742	I <a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**ESAF SMALL FINANCE BANK**

**ANNEXURE-I**

**Details of Bank Loan Facilities rated by BWR: NA**

**ANNEXURE-II**

**INSTRUMENT (Bonds) DETAILS**

Instrument	Issue Date	Amount (Rs. Cr.)	Coupon Rate	Maturity Date	ISIN	Complexity@
Tier II Bonds (under Basel III)	31 Mar 2022	20.00	11.25%	30 Apr 2032	INE818W08081	Highly Complex

@<http://www.brickworkratings.com/download/ComplexityLevels.pdf>

**ANNEXURE III**

**List of entities consolidated: NA**



**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

#### **About Brickwork Ratings**

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,560 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner.

#### **DISCLAIMER :**

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports 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 Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR 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 Rating Rationales or Rating Reports. Each BWR Party disclaims 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 BWR Party be liable to any one 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 Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, [www.brickworkratings.com](http://www.brickworkratings.com). More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.