AU Small Finance Bank Limited

July 27, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Tier-II Bonds	300.00	CARE AA; Stable (Double A; Outlook: Stable)	Assigned
Tier-II Bonds	150.00	CARE AA; Stable (Double A; Outlook: Stable)	Assigned
Tier-II Bonds	200.00	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
Total long-term instruments	**650.00 (Rs. Six hundred fifty crore only)**		
Certificate of deposit	500.00	CARE A1+ (A One Plus)	Reaffirmed
Total short-term instruments	**500.00 (Rs. Five hundred crore only)**		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The ratings assigned to the debt instruments of AU Small Finance Bank Limited (AUSFB) factor in the continued momentum of growth in business and size, post-conversion into a small finance bank (SFB) in April 2017, the establishment of deposit franchise along with a sizeable current account savings account (CASA) deposits, and a moderately-diversified advances portfolio with a largely secured lending portfolio. The ratings also factor-in the experience of the management team, comfortable capitalisation levels supported with periodic equity capital raise, improvement in asset quality parameters during FY22 (refers to the period April 1 to March 31) after being impacted due to COVID-19-related stress, and healthy profitability.
The ratings are, however, constrained by moderate seasoning in AUSFB's new asset verticals, including business banking, home loans, and two-wheeler financing, the regional concentration of advances and deposits as well as the relatively moderate size as compared to mid-sized private sector banks.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Significant scale-up of operations with broad basing the advances in terms of products and geographical spread along with maintaining asset quality and profitability on a sustained basis

Negative factors – Factors that could lead to negative rating action/downgrade:

- Deterioration in asset quality, with gross non-performing assets (GNPA) increasing to more than 4% on a sustained basis
- Deterioration in capital adequacy parameters with capital adequacy ratio (CAR) falling below 17% on a sustained basis
- Moderation in profitability parameters with return on total assets (ROTA) falling below 1% on a sustained basis

Detailed description of the key rating drivers

Key rating strengths

Continued growth momentum in business:

The company commenced operations as a SFB from April 2017 and got the status of a Scheduled Commercial Bank (SCB) in November 2017. In the five years of operations as a SFB, the bank has been able to ramp up its operations from 474 touchpoints as on March 31, 2018, to 953 touchpoints (new and converted) across 20 states and two Union Territories, with 29,883 employees on roll, as on June 30, 2022 (March 31, 2021: 744 touchpoints).
AUSFB, the largest SFB in India, in terms of asset size, has seen steady growth in the total assets increasing from Rs.18,819 crore as on March 31, 2018 to Rs. 68,936 crore as on March 31, 2022 and further to Rs.70,902 crore as on June 30, 2022.
As per the Reserve Bank of India (RBI) guidelines, AUSFB will be eligible to apply for conversion into a universal bank or after a review, RBI may increase its scope of activities after a satisfactory track record of five years of operating as a SFB. However, the conversion would be subject to RBI approval. While the bank would benefit from conversion into a universal bank with the minimum threshold of lending to priority sector reducing from 75% to 40%, the bank's asset strategy would largely continue in

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

line with the current asset profile, and CARE Ratings Limited (CARE Ratings) does not expect the bank to have significant exposure to large-ticket corporate lending for the medium-term, even in case of conversion into a universal bank.

Comfortable capitalisation:

Despite undertaking significant growth in the loan book, AUSFB continues to be sufficiently capitalised as on March 31, 2022 and June 30, 2022, helped by regular capital infusions by way of Qualified Institutional Placement (QIP), stake sale in Aavas Financiers Limited, and steady internal accruals. The bank reported a capital adequacy ratio (CAR) of 19.36% (March 31, 2021: 23.36%) and Tier-I CAR of 18.39% (March 31, 2021: 21.53%) as on June 30, 2022, which were well above the minimum regulatory requirement of 15% and 7.5%, respectively. As AUSFB continues to grow its book at a fast pace, it would require regular capital infusions in addition to internal accruals, which alone may not be sufficient to support growth over the medium-term. Going ahead, CARE Ratings expect AUSFB to maintain sufficient cushion over the minimum regulatory requirements.

AUSFB has demonstrated its ability to raise capital in the past, the latest being Rs.626 crore in the month of March 2021. Furthermore, the restriction of promoters to keep their shareholding of a minimum 26% is no longer applicable from April 20, 2022, as the bank completed its five years of its operations as a SFB. The bank announced bonus issue (1:1) and the same was successfully done on June 12, 2022 resulting in capitalisation of its reserves.

Diversified resource profile with a strong growth in deposit base:

AUSFB has transformed its liabilities profile by developing its deposit base since becoming a SFB in FY18. The deposit franchise has consistently increased from Rs.7,923 crore as on March 31, 2018, to Rs. 52,585 crore as on March 31, 2022, and further to Rs. 54,631 crore as on June 30, 2022.

Initially, CASA deposits growth was slow as compared to total deposit growth, which resulted in the CASA ratio falling from 26.9% as on March 31, 2018, to 14.5% as on March 31, 2020. With a focus on increasing retail deposits, AUSFB offered higher interest rates on saving accounts as compared to mainstream banks and undertook extensive marketing exercises. The bank has a strategy of generating deposits from urban markets and lending in the rural markets. The bank is increasing its touchpoints in urban areas to garner more retail deposits.

As a result, the bank was able to improve its CASA ratio to at 23.00% as on March 31, 2021, and to 37.3% as on March 31, 2022 and further to 38.8% as on June 30, 2022. The bank continues to granularise its deposit book with a focus on increasing retail deposits. The share of retail term deposits to total term deposits (excluding CD) has gone up from 30% as on March 31, 2019, to 49% as on March 31, 2022, and further to 53% as on June 30, 2022, which increases stability in the liability profile. Bulk deposits (over Rs.2 crore) constituted around 47% of the term deposits, as on June 30, 2022. A majority (63%) of the bulk deposits are non-callable, which prevents volatility due to premature withdrawals. While the bank has been increasing its depositor base and the proportion of CASA in the past four years of operating as a SFB, it is relatively lower compared to few mid-sized private sector banks, and the scaling-up of the CASA over the next few years would be a key rating sensitivity for the bank.

Consistent track record of healthy earnings performance:

Post conversion to a SFB and access to deposits, the cost of funds has declined over the past three years for AUSFB, as it has increased the proportion of CASA and retail term deposits, further helped by lowering of the systemic interest rates. Also, as a majority of advances (around 80%) of AUSFB are to the unorganised segment, which typically has a higher yield compared to the organised segment, the net interest margin (NIM) for AUSFB is higher than all the universal banks, ranging between 5-5.5%.

The net interest income (NII) is growing consistently, in line with the growth in advances and deposits. The operating expenses of AUSFB continue to be high and may not come down significantly in the medium-term as the bank is in the expansion phase and because of the digital push. Credit cost[2] improved significantly to 0.6% during FY22 (FY21: 1.5%) supported by notable improvement in asset quality. AUSFB reported a return on total assets (ROTA) of 1.88% for FY22 (FY21: 1.28%, adjusted for gains from stake sale of Aavas Financiers Limited including which, the ROTA was 2.5%). For FY22, AUSFB reported a NIM of 5.37% (FY21: 5.05%) on account of lower cost of funds and ROTA of 1.88% due to lower credit cost. During Q1FY23, the bank reported profit after tax (PAT) of Rs.268 Crore on total income of Rs. 1,979 Crore as compared to PAT of Rs.346 crore on total income of Rs.1,978 crore during Q4FY22. The decline in PAT is on account of mark to market (MTM) and realised loss of Rs. 55 crore booked in Q1FY23.

[2] Credit cost includes provisions on standard assets and provision for diminution in value of investments

Key rating weaknesses

Improving asset quality after stress during Q4FY21 and Q1FY22:

AUSFB has historically been able to manage its asset quality to comfortable levels, despite having significant exposure to segments that are more vulnerable to an economic downturn. About 98% of the advances of AUSFB are secured, which provides comfort, in terms on eventual loss on the portfolio.

The gross NPA levels of AUSFB hovered around 1.7%-2.1% between FY18 and FY20, rising to peak levels of 4.3% as on March 31, 2021, and June 30, 2021, due to the impact of COVID-19 on its borrowers. Wheels and Secured Business Loans – the two biggest segments for AUSFB – saw higher slippages during COVID-19 period of FY21 and FY22.

The asset quality has since been improving quarter on quarter from the peak of June 2021, with the gross NPA reducing to 1.98% as on March 31, 2022, and to 1.96% as on June 30, 2022, due to improved collection efficiency of 105% during Q1FY23 and upgrade of various slipped accounts back to standard book in the current year. As on June 30, 2022, the COVID restructured constituted 2.1% of gross advances, respectively, and the provision cover stood at 2.3% of the gross advances, providing cushion against asset quality shocks. Furthermore, the bank has reported that for approximately 99% of the restructured advances billing has commenced and that 16% provision coverage which stood at Rs. 170 crore is sufficient going forward; based on its experience against standard restructured advances of Rs. 1,044 crore outstanding as on June 30, 2022.

Limited product diversification and lower seasoning of non-vehicle/non-SBL portfolio:

AUSFB has witnessed significant portfolio growth in the MSME segments in the past few years. Post conversion to a SFB, it started new products like business banking, gold loan, agri loan, home loan, etc. As on June 31, 2022, the total wheels segment comprised 37% of the AUM, secured business loans (SBL) was 34%, and other products (which are relatively new) comprised the remaining 29% of the AUM, reflecting concentration in wheels and the MSME segment.

However, the bank has scaled up its efforts to diversify into other products such as business banking, agri MSME, personal loan, home loan, etc. Furthermore, the seasoning of the portfolio built up in these products as well as new geographies is still low, and their performance is yet to be seen.

Regional concentration:

As on June 30, 2022, AUSFB's distribution network is spread around 20 states having 953 touchpoints. Of the 953 touchpoints, 369 touchpoints (39%) are located in Rajasthan, followed by Gujarat having 141 touchpoints (15%), and Madhya Pradesh having 128 touchpoints (13%). These top three states account for 66% of the total branch distribution. In terms of AUM as well, the top three states of Rajasthan, Madhya Pradesh, and Maharashtra collectively constituted 69% of the AUM. The state of Rajasthan alone comprised 40% of the AUM, whereas Maharashtra constituted 12%, and Madhya Pradesh constituted 17%.

The company intends to leverage its branch network to drive greater and deeper penetration in the Western and Northern states of India in which it operates, focusing on low and middle-income individuals and businesses that have limited or no access to formal banking and finance channels, spanning rural, semi-urban and urban markets.

Liquidity: Strong

While the ALM profile has certain negative mismatches within the one-year liquidity bucket, it is within the approved limits. In order to manage the gaps in an optimum manner, AUSFB has been focusing on increasing granular deposit, wherein, retail term deposits and savings deposits has grown significantly during FY22. AUSFB's liquidity coverage ratio (LCR) stood at 129% for the quarter-ended June 30, 2022, as against the regulatory requirement of 100%. AUSFB has maintained sufficient excess statutory liquidity ratio (SLR) and high-quality non-SLR instruments, which can be readily used for repo or liquidated in the secondary market. Furthermore, it can also resort to rupee borrowing in the form of CDs, term money, securitisation of portfolio, and re-finance from various domestic financial institutions (NABARD, SIDBI, MUDRA, NHB, and others) in case of liquidity need. Furthermore, the bank's status as a SFxB, has increased its resource raising ability by providing access to facilities like LAF, MSF and call money market to meet any liquidity requirement. Also, the bank has availability of excess priority sector lending (PSL) portfolio over and above regulatory requirement with optionality to capitalise on the same through the right mix of securitisation and PSLC.

Analytical approach: Standalone

Applicable criteria

Policy on default recognition
Rating Outlook and Credit Watch
Financial Ratios – Financial Sector
Bank
Short Term Instruments

About the company

AU Small Finance Bank Limited (erstwhile AU Financiers (India) Limited) was incorporated in 1996 as a non-banking finance company (NBFC) and started the CV lending business in 2003 as a franchisee originator for HDFC Bank under 'Channel Business' and later moved to lend on its own books since 2007. Over the years, the company forayed into the MSME/SME, housing loans and structured financing and other types of vehicle financing as well.

The company received the license of a SFB from the RBI in December 2016, and commenced banking operations from April 2017. The company received the status of a SCB in November 2017. Post becoming a SFB, it has expanded its product portfolio and geographical footprint. As on June 30, 2022, it has established operations across 953 banking touchpoints serving around 30.7 lakh customers across 20 states and 2 union territories with an employee base of 29,883.

Brief Financials (Rs. crore)	March 31, 2021 (A)	March 31, 2022 (A)	June 30, 2022 (UA)
Total operating income	6,402	6,915	1979
PAT	1,171	1,130	268
Adjusted PAT*	600	1,130	268
Interest coverage (times)	1.84	1.68	1.47
Total Assets#	51,491	68,936	70,902
Net NPA (%)	2.18	0.50	0.56
ROTA (%)	2.50	1.88	1.53
Adjusted ROTA (%)*	1.28	1.88	1.53

A: Audited; UA: Unaudited

Note: All Analytical ratios are as per CARE Ratings' calculations.

*Adjusted for gain from sale of stake in Aavas Financiers Limited.

#Total Assets are adjusted for deferred tax asset

Status of non-cooperation with previous CRA: Not applicable.

Any other information: Not applicable.

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Bonds- Tier-II Bonds	Proposed	-	-	-	200.00	CARE AA; Stable
Bonds- Tier-II Bonds	Proposed	-	-	-	300.00	CARE AA; Stable
Bonds- Tier-II Bonds	Proposed	-	-	-	150.00	CARE AA; Stable
Certificate of deposit	INE949L16BJ4	NA	NA	August 30, 2022	225.00	CARE A1+
Certificate of deposit	Proposed	7-365 days	-	-	275.00	CARE A1+

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term loan	LT	-	-	-	1)Withdrawn (23-Mar-22)	1)CARE AA-; Stable (30-Mar-21)	1)CARE AA-; Stable (30-Mar-20) 2)CARE AA-; Stable (04-Apr-19)
2	Certificate of deposit	ST	500.00	CARE A1+	-	1)CARE A1+ (23-Mar-22)	1)CARE A1+ (30-Mar-21)	1)CARE A1+ (30-Mar-20) 2)CARE A1+ (04-Apr-19)
3	Bonds- Tier-II Bonds	LT	200.00	CARE AA; Stable	-	1)CARE AA; Stable (23-Mar-22)	-	-
4	Bonds- Tier-II Bonds	LT	300.00	CARE AA; Stable				
5	Bonds- Tier-II Bonds	LT	150.00	CARE AA; Stable				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not available.

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Bonds- Tier-II Bonds	Complex
2	Certificate of deposit	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please click here

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:
The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information,please visit www.careedge.in

Ratings

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An S&P Global Company

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RL/AUFIL/298641/TIIB/0722/38372/113838941
July 28, 2022

Mr. Sanjay Agarwal
Managing Director
AU Small Finance Bank Limited
Kanakia Zillion, D wing, Unit no 313, 3rd floor,
LBS CST Road Junction, BKC Annex,
Kurla West
Mumbai City - 400070

Dear Mr. Sanjay Agarwal,

Re: Review of CRISIL Rating on the Rs.525 Crore Tier II Bond of AU Small Finance Bank Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Ratings

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RL/AUFIL/298641/TIIB/0722/38372/113838949
July 28, 2022

Mr. Sanjay Agarwal
Managing Director
AU Small Finance Bank Limited
Kanakia Zillion, D wing, Unit no 313, 3rd floor,
LBS CST Road Junction, BKC Annex,
Kurla West
Mumbai City - 400070

Dear Mr. Sanjay Agarwal,

Re: CRISIL Rating on the Rs.125 Crore Tier II Bond of AU Small Finance Bank Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Details of the Rs.125 Crore Tier II Bond of
AU Small Finance Bank Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

July 28, 2022 | Mumbai

AU Small Finance Bank Limited

'CRISIL AA/Stable' assigned to Tier II Bond; Subordinated Debt Bond Withdrawn

Rating Action

Rs.125 Crore Tier II Bond	**CRISIL AA/Stable (Assigned)**
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.10 Crore Subordinated Debt Bond	**CRISIL AA/Stable (Withdrawn)**
Rs.1200 Crore Certificate of Deposits	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AA/Stable**' rating to Rs.125 crore tier II bond of AU Small Finance Bank Limited (AU SFB) and reaffirmed its 'CRISIL AA/CRISIL AA+/Stable/CRISIL A1+' ratings on outstanding debt instruments.

CRISIL Ratings has also **withdrawn** its rating on Subordinated Debt Bond of Rs.10 crores (See annexure 'Details of Rating Withdrawn') as CRISIL Ratings has received independent confirmation that these instruments have been redeemed. The withdrawal is in line with CRISIL Ratings withdrawal policy.

The rating reflects the sustenance in 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 GNPAs 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 June 30, 2022, the bank reported an improved GNPA of 1.96% whereas NNPA stood at 0.56% which is expected to be sustained in the medium term.

Further, the bank has also maintained healthy profitability metrics, despite heightened provisioning requirement, as reflected in the return on assets (RoA) of 1.59% and 1.28%, respectively for fiscal 2020 and 2021 (adjusted for one-time sale proceeds realized from stake sale of Aavas Financiers). With operating profitability remaining stable and reduction in credit costs, the RoA for fiscal 2022 revived to 1.87% despite an increase in the bank's provision coverage ratio (PCR) to ~75% from 45-50% until H1 of fiscal 2022. For Q1 2023, annualized RoA was 1.5% while PCR remained comfortable at 71.4% as on June 30, 2022.

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. This also factors in the gradual increase in the share of Current and Savings Accounts (CASA) as a share of total deposits and total liabilities, over the last 4 quarters. The deposit base of Rs 54,631 crore as on June 30, 2022 – marks a growth of 48% over the past fiscal and accounts for 90% of total borrowings (excluding securitisation and assignments).

The share of retail term deposits (less than Rs 2 crore) plus CASA in total deposits increased from 45.3% as on March 31, 2020 to 58.4% as on March 31, 2022. Similarly as a proportion of total borrowings, the share increased from 32.3% to 52.4% over the same period. CASA as a proportion of total deposits was 39% on June 30, 2022. This share of CASA in overall deposit base is not expected to come down materially in the coming quarters and will remain a key monitorable.

As on March 31, 2022, the bank's fixed deposits (FDs; including compounded interest) stood at Rs 31,394 crore, registering a growth of 20.7% over the preceding 12 months. The depositor profile for FDs remains diversified with almost 57% 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 87% as of March 2022. 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. On June 30, 2022, the bank's reported networth stood at Rs 7,789 crore as against Rs 6,490 crore on June 30, 2021. On June 30, 2022, the bank's reported overall and tier 1 capital adequacy ratios (CAR) were comfortable at 18.4% and 19.4%, respectively and both these metrics have remained above 15% historically. Over fiscal 2020 and 2021, the bank has cumulatively realized Rs 834.8 crore as proceeds from selling its stake in Aavas Financiers Ltd (Aavas). These proceeds have bolstered the networth. After the last round of dilution in November 2020, the bank holds 0.004% stake in Aavas. Besides, the bank plans to raise capital in the current fiscal to fund future growth and 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 last two to 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 40.1%, the bank's deposit base stood at Rs 54,631 crore as on June 30, 2022 which constitutes 90% of the total borrowings as compared to 86%, a year 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 45.3% as on March 31, 2020, the proportion increased to 58.4% as of March 31, 2022.

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 6.83% for fiscal 2021, For fiscal 2022, average cost of funds further reduced to 5.9% and and further to 5.7% for Q1 2023.

Over fiscal 2019 and 2020, AU SFB had offered a higher rate 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. From 54% for April 2020, collection efficiency (including over dues, excluding prepayments) improved to 96% in Q2'FY21. The collection efficiency momentum was sustained and reached 107% in Q4'FY21. 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 GNPAs and NNPAs, after rising to 4.3% and 2.2% and 4.3% and 2.3% as on March 31 and June 30, 2021, respectively started to decline in the second half of fiscal 2022 and stood at 2.0% and 0.6% respectively on June 30, 2022.

The bank had a standard restructured portfolio of Rs 1044 crore as at the end of June 2022 which accounted for 2.1% of the gross advances as on that date. 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 570 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 June 30, 2022, the bank was carrying Rs 1,155 crore as provisions which forms 2.3% of its gross advances as on that date.

Over the past two fiscals, the bank has diversified its product suite and the SBL (loans to micro small and medium enterprises, MSME) book, in particular, has grown at a robust pace and now forms 34% 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 overall assets under management (AUM) until a few quarters ago, currently forms 37% of the AUM.

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.

The Bank's yields declined in fiscal 2021 due to its cautious lending approach given the uncertainty around the pandemic. This resulted in a decline of 10 bps in net interest margins for fiscal 2021. Other income, excluding one-time gain from the sale of stake in Aavas Financiers Ltd, also remained flat over the year. Additional provisioning requirement post Covid-19 losses led to a credit cost of 1.3% for fiscal 2021 as compared to sub 0.6% credit costs for previous years. Resultantly, RoA (return on assets, adjusted for one-time gain and tax benefit on it) for fiscal 2021 was 1.28% as against 1.59 for the previous fiscal.

However, for fiscal 2022, the NII had increased on account of reduced cost of incremental funding while yields remained high. Recoveries from write offs, classified under other income, had also increased during the period. After an incremental provisioning of Rs 361 crore in fiscal 2022, RoA for the year stood at 1.87%. For Q1 2023, the bank reported an RoA of 1.5% (annualized).

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.

Weakness:

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. AUM was at Rs 50,161 crore as on June 30, 2022, marking a growth of 37% over the year. The first quarter of fiscal 2022 witnessed a decline in AUM due to muted demand, cautious disbursement strategy and lockdown restrictions amidst second wave of Covid-19. However, subsequent revival in the second quarter resulted in healthy pick up in AUM over the subsequent quarters, leading to a pick up in growth in AUM. 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 AUM mix, over ~80% of the book is deployed in retail loans with Wheels forming the largest portion at 37% followed by SBL, which accounted for 34% 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 79%, with Rajasthan alone accounting for 40% of the overall AUM.

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 retail deposits as of March 31, 2022 rose to 58.4% as on March 31, 2022 from 45.3% 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, 68% 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 38.8% of the total deposit base (including certificate of deposits) as on June 30, 2022. 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 129% for the quarter ended June 30, 2022, 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 in in the last fiscal.

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 30,00,000 papers in fiscal 2022.
- The bank encourages the use of renewable energy. As on March 31, 2022, 8.5% 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 70% 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 Company

AU SFB (formerly Au Financiers (India) Ltd) was incorporated in 1996 as an NBFC, promoted by Mr. Sanjay Agarwal, with 25+ 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 37% of AUM) alongside Small Business Loans to MSMEs (34%). 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 June 30, 2022, AU SFB had established operations across 953 banking touchpoints while serving 30.7 Lakh customers in 20 States & 2 Union Territories with an employee base of 28,883, employees.

Key Financial Indicators

Particulars as on/for fiscal	Unit	Q1 2023	2022	2021
Total assets	Rs.Cr	71,041	70,814	54,694
Total income@	Rs.Cr	1979	6915	5720
PAT@	Rs.Cr	268	1130	600
Gross NPA	%	2.0	2.0	4.3
Overall capital adequacy ratio	%	19.4	21.0	23.4
Tier I capital adequacy ratio	%	18.4	19.7	21.5
Return on assets @	%	1.5	1.9	1.3

@net of exceptional income adjusted for taxes for fiscal 2021 and 2020

Any other information: Not applicable

Note on complexity levels of the rated instrument:
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Annexure - Details of Instrument(s)

ISIN	Nature of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Amount (Rs.In Cr)	Complexity Level	Rating Assigned with Outlook
NA	Tier II Bonds^	NA	NA	NA	125	Complex	CRISIL AA/Stable
NA	Tier II Bonds^	NA	NA	NA	525	Complex	CRISIL AA/Stable
INE949L08418	Tier II Bonds	30-Nov-18	10.90%	30-May-25	500	Complex	CRISIL AA/Stable
NA	Certificate of Deposits	NA	NA	7-365 days	1200	Simple	CRISIL A1+
NA	Fixed Deposits	NA	NA	NA	40000	Simple	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.Cr)	Complexity Levels
INE949L08095	Subordinated Debt Bond	05-Jun-13	13.00%	05-Mar-19	10	Complex

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	1200.0	CRISIL A1+	07-07-22	CRISIL A1+	23-11-21	CRISIL A1+	03-12-20	CRISIL A1+	17-06-19	CRISIL A1+	CRISIL A1+
			--	29-06-22	CRISIL A1+		--	29-06-20	CRISIL A1+		--	--
Fixed Deposits	LT	40000.0	CRISIL AA+/Stable	07-07-22	CRISIL AA+/Stable	23-11-21	F AA+/Positive	03-12-20	F AA+/Stable		--	--
			--	29-06-22	CRISIL AA+/Stable		--		--		--	--
Non Convertible Debentures	LT		--	29-06-22	CRISIL AA/Stable	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	17-06-19	CRISIL AA-/Stable	Withdrawn
			--		--		--	29-06-20	CRISIL AA-/Stable		--	--
Subordinated Debt Bond	LT	10.0	Withdrawn	07-07-22	CRISIL AA/Stable	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	17-06-19	CRISIL AA-/Stable	Withdrawn
			--	29-06-22	CRISIL AA/Stable		--	29-06-20	CRISIL AA-/Stable		--	--
Tier II Bond	LT	1150.0	CRISIL AA/Stable	07-07-22	CRISIL AA/Stable	23-11-21	CRISIL AA-/Positive	03-12-20	CRISIL AA-/Stable	17-06-19	CRISIL AA-/Stable	CRISIL AA-/Stable
			--	29-06-22	CRISIL AA/Stable		--	29-06-20	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

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