ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/1
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 30,774.40 crore Non-Convertible Debenture Programme of Aditya Birla Finance Limited (Rs. 17,577.20 crore outstanding, Rs. 12,777.20 crore unutilised)

This is with reference to your email requesting revalidation of rating for the Non-Convertible Debenture Programme of Rs. 30,774.40 crore.

We confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A) with a Stable Outlook,** assigned to the captioned Non-Convertible Debenture Programme of your company and last communicated to you vide our letter dated **January 29, 2024 and February 01, 2024** stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref: ICRA/Aditya Birla Finance Limited/29012024/1 and Ref: ICRA/Aditya Birla Finance Limited/29012024/8 dated January 29, 2024 and Ref: ICRA/Aditya Birla Finance Limited/01022024/2 dated February 01, 2024.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07BX1	Non-convertible debenture	Oct-19-2015	8.77%	Oct-17-2025	15.0	[ICRA]AAA (Stable)
INE860H07BZ6	Non-convertible debenture	Nov-03-2015	8.71%	50% on Nov-01-2024 & 50% on Oct-31-2025	500.0	[ICRA]AAA (Stable)
INE860H07CL4	Non-convertible debenture	Feb-23-2016	8.85%	Feb-23-2026	10.0	[ICRA]AAA (Stable)
INE860H07CM2	Non-convertible debenture	Mar-09-2016	8.90%	Mar-06-2026	10.0	[ICRA]AAA (Stable)
INE860H07CS9	Non-convertible debenture	Mar-21-2016	8.90%	Mar-20-2026	5.0	[ICRA]AAA (Stable)
INE860H07FD4	Non-convertible debenture	Jun-13-2017	8.00% XIRR	Jun-11-2027	5.0	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Jun-26-2018	8.90%	Jun-26-2025	51.0	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Dec-21-2018	9.15%	Dec-21-2028	15.0	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Dec-27-2018	9.10%	Dec-21-2028	69.0	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Feb-12-2019	9.15%	Dec-21-2028	38.5	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Mar-29-2019	9.15%	Dec-21-2028	150.0	[ICRA]AAA (Stable)
INE860H07GS0	Non-convertible debenture	May-20-2019	9.00%	50%: May-19-2028 50%: May-18-2029	1,500.0	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-12-2019	8.65%	Jun-12-2024	173.0	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-24-2019	8.65%	Jun-12-2024	198.0	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-28-2019	8.65%	Jun-12-2024	111.6	[ICRA]AAA (Stable)
INE860H07GU6	Non-convertible debenture	Jul-04-2019	8.70%	Jul-04-2029	29.2	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jul-24-2019	8.65%	Jun-12-2024	98.7	[ICRA]AAA (Stable)
INE860H07GX0	Non-convertible debenture	Jan-20-2020	8.15%	25%: Jan-20-2027 25%: Jan-20-2028 25%: Jan-19-2029 25%: Jan-18-2030	1,000.0	[ICRA]AAA (Stable)
INE860H07HA6	Non-convertible debenture	Apr-28-2020	7.69%	Apr-25-2025	25.0	[ICRA]AAA (Stable)
INE860H07HD0	Non-convertible debenture	Dec-23-2020	6.25%	Dec-23-2025	75.0	[ICRA]AAA (Stable)
INE860H07HE8	Non-convertible debenture	Feb-18-2021	7.24%	Feb-18-2031	25.0	[ICRA]AAA (Stable)
INE860H07HK5	Non-convertible debenture	May-31-2021	7.26%	25%: May-31-2028 25%: May-31-2029 25%: May-31-2030 25%: May-30-2031	750.0	[ICRA]AAA (Stable)
INE860H07HM1	Non-convertible debenture	Jun-17-2021	Zero Coupon	Jun-14-2024	75.0	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07HN9	Non-convertible debenture	Jul-26-2021	6.55%	Jul-24-2026	500.0	[ICRA]AAA (Stable)
INE860H07HO7	Non-convertible debenture	Aug-05-2021	5.85%	Aug-02-2024	250.0	[ICRA]AAA (Stable)
INE860H07HP4	Non-convertible debenture	Oct-04-2021	7.10%	Oct-03-2031	50.0	[ICRA]AAA (Stable)
INE860H07HQ2	Non-convertible debenture	Oct-04-2021	6.45%	Oct-01-2026	115.0	[ICRA]AAA (Stable)
INE860H07HR0	Non-convertible debenture	Jan-21-2022	3M T-bill Linked	Jan-21-2025	500.0	[ICRA]AAA (Stable)
INE860H07HS8	Non-convertible debenture	Jan-21-2022	6.40%	Jul-22-2025	350.0	[ICRA]AAA (Stable)
INE860H07HU4	Non-convertible debenture	Jun-08-2022	7.60%	Jun-06-2025	110.0	[ICRA]AAA (Stable)
INE860H07HU4	Non-convertible debenture	Jun-14-2022	7.60%	Jun-06-2025	250.0	[ICRA]AAA (Stable)
INE860H07HU4	Non-convertible debenture	Jul-01-2022	7.60%	Jun-06-2025	250.0	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Jul-12-2022	8.90%	Jun-26-2025	300.0	[ICRA]AAA (Stable)
INE860H07HW0	Non-convertible debenture	Jul-12-2022	Zero Coupon	Jul-11-2025	325.0	[ICRA]AAA (Stable)
INE860H07HX8	Non-convertible debenture	Aug-18-2022	7.50%	Aug-18-2025	400.0	[ICRA]AAA (Stable)
INE860H07HY6	Non-convertible debenture	Aug-24-2022	Zero Coupon	Aug-23-2024	136.0	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Sep-08-2022	9.15%	Dec-21-2028	25.0	[ICRA]AAA (Stable)
INE860H07HX8	Non-convertible debenture	Sep-19-2022	7.50%	Aug-18-2025	465.0	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Sep-28-2022	8.90%	Jun-26-2025	25.0	[ICRA]AAA (Stable)
INE860H07IA4	Non-convertible debenture	Oct-14-2022	7.90%	Sep-19-2025	510.0	[ICRA]AAA (Stable)
INE860H07IB2	Non-convertible debenture	Nov-18-2022	Zero Coupon	Nov-28-2024	50.0	[ICRA]AAA (Stable)
INE860H07IC0	Non-convertible debenture	Nov-18-2022	7.95%	Mar-18-2026	597.0	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Nov-18-2022	8.12%	Nov-18-2032	200.0	[ICRA]AAA (Stable)
INE860H07IE6	Non-convertible debenture	Nov-29-2022	7.93%	Jan-15-2026	305.0	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Nov-29-2022	8.90%	Jun-26-2025	25.0	[ICRA]AAA (Stable)
INE860H07IF3	Non-convertible debenture	Dec-05-2022	7.95%	Dec-03-2027	50.0	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Dec-21-2022	8.12%	Nov-18-2032	400.0	[ICRA]AAA (Stable)
INE860H07IG1	Non-convertible debenture	Dec-27-2022	7.92%	Dec-27-2027	410.0	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Dec-30-2022	7.88%	Feb-12-2026	400.0	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Feb-02-2023	7.88%	Feb-12-2026	150.0	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Feb-02-2023	7.88%	Feb-12-2026	151.7	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Feb-09-2023	8.90%	Jun-26-2025	30.0	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Feb-09-2023	8.12%	Nov-18-2032	225.0	[ICRA]AAA (Stable)
INE860H07II7	Non-convertible debenture	Mar-06-2023	8.12%	Mar-06-2028	523.0	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Mar-15-2023	8.12%	Nov-18-2032	100.0	[ICRA]AAA (Stable)
INE860H07II7	Non-convertible debenture	Mar-21-2023	8.12%	Mar-06-2028	75.5	[ICRA]AAA (Stable)
INE860H07IJ5	Non-convertible debenture	Mar-21-2023	8.30%	Sep-16-2026	210.0	[ICRA]AAA (Stable)
INE860H07IK3	Non-convertible debenture	May-2-2023	8.01%	May-2-2028	1,000.0	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07IM9	Non-convertible debenture	Jun-08-2023	7.90%	Jun-08-2028	328.0	[ICRA]AAA (Stable)
INE860H07IO5	Non-convertible debenture	Jul-13-2023	7.97%	Jul-13-2028	350.0	[ICRA]AAA (Stable)
INE860H07IO5	Non-convertible debenture	Jul-27-2023	7.97%	Jul-13-2028	585.0	[ICRA]AAA (Stable)
INE860H07HN9	Non-convertible debenture	Jul-27-2023	6.55%	Jul-24-2026	225.0	[ICRA]AAA (Stable)
INE860H07IW8	Non-convertible debenture	Feb-14-2024	8.16%	Feb-14-2029	175.0	[ICRA]AAA (Stable)
INE860H07IX6	Non-convertible debenture	Feb-29-2024	FBIL 6M OIS+1.69%	Feb-26-2027	200.0	[ICRA]AAA (Stable)
INE860H07FD4	Non-convertible debenture	Mar-11-2024	8.35%	Jun-11-2027	50.0	[ICRA]AAA (Stable)
INE860H07IY4	Non-convertible debenture	Mar-18-2024	8.33%	May-19-2027	1,187.0	[ICRA]AAA (Stable)
INE860H07IY4	Non-convertible debenture	Mar-28-2024	8.33%	May-19-2027	85.0	[ICRA]AAA (Stable)

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/2
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 700 crore Perpetual Debt Programme of Aditya Birla Finance Limited (Rs. 200 crore outstanding, Rs. 500 crore unutilised)

This is with reference to your email requesting revalidation of rating for the perpetual debt programme of Rs. 700 crore.

We confirm that the rating of **"[ICRA]AA+" (pronounced ICRA double A plus) with a Stable Outlook**, assigned to the captioned perpetual debt programme of your company and last communicated to you vide our letter dated **January 29, 2024** stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: ICRA/Aditya Birla Finance Limited/29012024/6.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H08DZ0	Perpetual debt programme	Jul-21-2017	8.70%	-	200.0	[ICRA]AA+ (Stable)

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/3
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 15,000 crore Retail NCD Programme of Aditya Birla Finance Limited (Rs. 2,000 crore outstanding, Rs. 13,000 crore unutilised)

This is with reference to your email requesting revalidation of rating for the Retail NCD Programme of Rs. 15,000 crore.

We confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A) with a Stable Outlook,** assigned to the captioned Retail NCD Programme of your company and last communicated to you vide our letter dated **January 29, 2024** stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: ICRA/Aditya Birla Finance Limited/29012024/5 and Ref: ICRA/Aditya Birla Finance Limited/29012024/9 dated January 29, 2024.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07IQ0	Retail non-convertible debenture	Oct-09-2023	8.00%	Oct-09-2026	205.31	[ICRA]AAA (Stable)
INE860H07IR8	Retail non-convertible debenture	Oct-09-2023	Zero coupon	Oct-09-2026	10.73	[ICRA]AAA (Stable)
INE860H07IT4	Retail non-convertible debenture	Oct-09-2023	8.05%	Oct-09-2028	234.02	[ICRA]AAA (Stable)
INE860H07IU2	Retail non-convertible debenture	Oct-09-2023	Zero coupon	Oct-09-2028	10.80	[ICRA]AAA (Stable)
INE860H07IP2	Retail non-convertible debenture	Oct-09-2023	7.80%	Oct-09-2033	14.58	[ICRA]AAA (Stable)
INE860H07IS6	Retail non-convertible debenture	Oct-09-2023	8.10%	Oct-09-2033	1,524.57	[ICRA]AAA (Stable)

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/4
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 4,900 crore Subordinated Debt Programme of Aditya Birla Finance Limited (Rs. 2,549 crore outstanding, Rs. 2,351 crore unutilised)

This is with reference to your email requesting revalidation of rating for the Subordinated Debt Programme of Rs. 4,900 crore.

We confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A) with a Stable Outlook,** assigned to the captioned subordinated debt programme of your company and last communicated to you vide our letter dated January 29, 2024 stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: ICRA/Aditya Birla Finance Limited/29012024/4 and Ref: ICRA/Aditya Birla Finance Limited/29012024/10 dated January 29, 2024.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H08DL0	Subordinated debt programme	Jun-17-2015	9.25%	Jun-06-2025	25.0	[ICRA]AAA (Stable)
INE860H08DM8	Subordinated debt programme	Jul-14-2015	9.25%	Jul-11-2025	30.0	[ICRA]AAA (Stable)
INE860H08DN6	Subordinated debt programme	Aug-25-2015	9.25%	Aug-22-2025	33.0	[ICRA]AAA (Stable)
INE860H08DP1	Subordinated debt programme	Mar-08-2016	9.10%	Mar-06-2026	25.0	[ICRA]AAA (Stable)
INE860H08DQ9	Subordinated debt programme	Mar-10-2016	9.10%	Mar-10-2026	8.0	[ICRA]AAA (Stable)
INE860H08DR7	Subordinated debt programme	Mar-18-2016	9.10%	Mar-10-2026	25.5	[ICRA]AAA (Stable)
INE860H08DS5	Subordinated debt programme	Jun-23-2016	9.10%	Jun-23-2026	52.5	[ICRA]AAA (Stable)
INE860H08DT3	Subordinated debt programme	Jul-28-2016	8.97%	Jul-28-2026	100.0	[ICRA]AAA (Stable)
INE860H08DU1	Subordinated debt programme	Jul-28-2016	8.95%	Jul-28-2026	75.0	[ICRA]AAA (Stable)
INE860H08DV9	Subordinated debt programme	Sep-29-2016	8.90%	Sep-29-2026	200.0	[ICRA]AAA (Stable)
INE860H08DW7	Subordinated debt programme	Nov-21-2016	8.90%	Nov-20-2026	200.0	[ICRA]AAA (Stable)
INE860H08DX5	Subordinated debt programme	Mar-09-2017	8.25%	Mar-09-2027	10.0	[ICRA]AAA (Stable)
INE860H08DY3	Subordinated debt programme	May-18-2017	8.50%	May-18-2027	165.0	[ICRA]AAA (Stable)
INE860H08EA1	Subordinated debt programme	Dec-04-2018	9.76%	Dec-04-2028	250.0	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Jun-06-2019	8.95%	Jun-06-2029	200.0	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Dec-30-2019	8.95%	Jun-06-2029	100.0	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Feb-13-2020	8.95%	Jun-06-2029	50.0	[ICRA]AAA (Stable)
INE860H08ED5	Subordinated debt programme	Dec-29-2020	7.43%	Dec-27-2030	80.0	[ICRA]AAA (Stable)
INE860H08EE3	Subordinated debt programme	Jun-11-2021	7.34%	Jun-11-2031	75.0	[ICRA]AAA (Stable)
INE860H08EG8	Subordinated debt programme	Dec-06-2021	7.43%	Dec-05-2031	35.0	[ICRA]AAA (Stable)
INE860H08EG8	Subordinated debt programme	Feb-28-2022	7.43%	Dec-05-2031	210.0	[ICRA]AAA (Stable)
INE860H08DJ4	Subordinated debt programme	Dec-12-2014	9.75%	Dec-12-2024	45.0	[ICRA]AAA (Stable)
INE860H08DJ4	Subordinated debt programme	Dec-12-2014	9.75%	Dec-12-2024	5.0	[ICRA]AAA (Stable)
INE860H08DK2	Subordinated debt programme	Sep-01-2015	9.45%	Jan-09-2025	35.0	[ICRA]AAA (Stable)
INE860H08DK2	Subordinated debt programme	Sep-01-2015	9.45%	Jan-09-2025	10.0	[ICRA]AAA (Stable)
INE860H08EI4	Subordinated debt programme	Jun-26-2023	8.03%	Jun-24-2033	160.0	[ICRA]AAA (Stable)
INE860H08EI4	Subordinated debt programme	Aug-30-2023	8.03%	Jun-24-2033	270.0	[ICRA]AAA (Stable)
INE860H08EI4	Subordinated debt programme	Feb-23-2024	8.03%	Jun-24-2033	75.0	[ICRA]AAA (Stable)

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/5
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 1,500 crore Unsecured Non-Convertible Debenture Programme of Aditya Birla Finance Limited (Rs. 203 crore outstanding, Rs. 1,297 crore unutilised)

This is with reference to your email requesting revalidation of rating for the unsecured non-convertible debenture programme of Rs.1,500 crore.

We confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A) with a Stable Outlook,** assigned to the captioned unsecured non-convertible debenture programme of your company and last communicated to you vide our letter dated **January 29, 2024** stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: ICRA/Aditya Birla Finance Limited/29012024/3 dated January 29, 2024.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H08EH6	Unsecured non-convertible debenture	Aug-06-2020	7.57%	Aug-03-2035	49.0	[ICRA]AAA (Stable)
INE860H08EF0	Unsecured non-convertible debenture	Aug-06-2020	7.57%	Aug-03-2035	49.0	[ICRA]AAA (Stable)
INE860H08EC7	Unsecured non-convertible debenture	Aug-06-2020	7.57%	Aug-03-2035	56.0	[ICRA]AAA (Stable)
INE860H08EJ2	Unsecured non-convertible Debenture	Aug-06-2020	7.57%	Aug-03-2035	49.0	[ICRA]AAA (Stable)

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/Aditya Birla Finance Limited/08042024/6
April 08, 2024

M/s Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400013

Dear Sir/Madam,

Re: ICRA Rating for Rs. 15,000 crore Commercial Paper programme of Aditya Birla Finance Limited

This is with reference to your email requesting revalidation of rating for the captioned programme.

We hereby confirm that the "**[ICRA]A1+"** (pronounced as ICRA A one plus) rating assigned to the captioned programme and last communicated to you vide our letter dated **January 29, 2024** stands. Instruments with **[ICRA]A1+** rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

Additionally, we wish to highlight the following with respect to the rating:
(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;
(b) Subject to Clause (c) below, once the instrument is issued, the rating is valid throughout the life of the captioned programme (which shall have a maximum maturity of twelve months from the date of the issuance of the instrument).
(c) Notwithstanding anything containing in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the commercial paper issued by you. The above rating of "[ICRA]A1+" is revalidated for your Commercial Paper size of **Rs. 15,000 crore**. In case, you propose to enhance the size of the commercial paper programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of commercial paper.

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).
Further, you are requested to us inform immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.
We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.
We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

February 02, 2024(Revised)

Aditya Birla Finance Limited: Ratings reaffirmed/assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Subordinated debt programme	3,400.00	3,400.00	[ICRA]AAA (Stable); reaffirmed
Subordinated debt programme	-	1,500.00	[ICRA]AAA (Stable); assigned
Bank lines	70,000.00	70,000.00	[ICRA]AAA (Stable)/[ICRA]A1+; reaffirmed
Non-convertible debenture	25,774.40	25,774.40	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	497.00	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Non-convertible debenture	-	5,000.00	[ICRA]AAA (Stable); assigned
Retail non-convertible debenture	5,000.00	5,000.00	[ICRA]AAA (Stable); reaffirmed
Retail non-convertible debenture	-	10,000.00	[ICRA]AAA (Stable); assigned
Unsecured non-convertible debenture	1,500.00	1,500.00	[ICRA]AAA (Stable); reaffirmed
Perpetual debt programme	700.00	700.00	[ICRA]AA+ (Stable); reaffirmed
Commercial paper programme	15,000.00	15,000.00	[ICRA]A1+; reaffirmed
Total	**1,21,871.40**	**1,37,874.40**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has considered the consolidated business and financial profile of Aditya Birla Capital Limited (ABCL) and its Group entities (collectively referred to as the ABCL Group and enlisted in Annexure II)[1] as the basis for the ratings. The ratings also factor in the implicit support expected from the parent – Grasim Industries Limited (Grasim; rated [ICRA]AAA (Stable)/[ICRA]A1+).

The ratings factor in the diversified presence of the ABCL Group across various segments such as lending, life insurance, health insurance, asset management, asset reconstruction and securities broking among others leading to diversity in its revenue profile. The ratings also consider the management's vast experience in the financial services domain. Further, the ratings factor in the strong ultimate parentage and the strategic fit and importance of the ABCL Group, which houses all the financial services entities (lending, asset management and insurance among others), to the Aditya Birla Group. Support from the promoter group is demonstrated by the strong capital and managerial aid and the stated intent of the parent to ensure adequate capitalisation and liquidity of the ABCL Group. ABCL's adequate capitalisation level is supported by internal capital generation and the track record of capital infusions from the parent with recent capital raise of Rs. 3,000 crore in June 2023, of which the promoters infused Rs. 1,250 crore.

Further, the ratings factor in ABCL's borrowing profile, which remains diversified, though the funding cost is expected to increase in the near term with the recent Reserve Bank of India (RBI) circular on higher risk weights for bank credit to non-banking financial companies (NBFCs).

ICRA notes that ABCL's consolidated gearing is expected to increase, given the high growth of the lending business. Apart from the recent capital raise, the capital requirement of ABCL's lending business is projected to be met through its expected dividend inflow and the monetisation of its stake in Aditya Birla Insurance Brokers Limited (ABIBL)[2] and Aditya Birla Sun Life Asset Management Company Limited (ABSL AMC)[3]. ABCL Group's profitability (excluding the insurance business) remains healthy, supported by the lending and asset management businesses.

[1] *For rating Aditya Birla Finance Limited and Aditya Birla Housing Finance Limited, consolidated view with its parent ABCL has been considered*

[2] *ABCL's board has approved the sale of its entire 50.002% stake in ABIBL, subject to requisite approvals*

[3] *Promoter stake (ABCL and Sun Life) of 86.5% in ABSL AMC has to be reduced to 75% by October 2024*

ABCL's consolidated asset quality profile remains moderate with gross stage 3% of 2.6% as on September 30, 2023 (3.1% as on March 31, 2023). ICRA notes the growing share of unsecured segments, which are exposed to higher asset quality challenges and increased credit costs. However, the improved net interest margins are likely to support the profitability. Going forward, the ABCL Group's ability to control slippages across segments remains a key monitorable. Going forward, the ABCL Group's ability to manage its asset quality while maintaining its gearing levels, given the expectations of high portfolio growth, will remain a key rating sensitivity.

ICRA has reaffirmed and withdrawn the rating outstanding on the Rs. 497.00-crore non-convertible debenture programme as the instruments have been redeemed in full and there are no dues outstanding against the same. The rating was withdrawn at the request of the company and in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Strong ultimate parentage of Grasim; key management personnel with vast experience in financial services domain – ABCL is a subsidiary of Grasim, which held 52.69% as of December 31, 2023 while the other companies in the Aditya Birla Group had a 16.29% stake. ABCL is the holding company of all the financial services entities of the Group and is a prominent growth driver for the Group. Its strategic significance to the Aditya Birla Group is reflected in the capital support from the parent (latest being Rs. 1,250 crore in Q1 FY2024), as and when required. The ABCL Group enjoys strong financial flexibility by virtue of being a part of the Aditya Birla Group. ICRA expects Grasim to maintain shareholding in excess of 51% in the company. ICRA also takes into consideration the vast experience of ABCL's key management personnel in the financial services domain.

Diversified financial services group – The ABCL Group is a diversified financial services group with a presence in various segments such as lending, life insurance, health insurance, asset management, asset reconstruction and securities broking among others. ABCL's lending business is through two entities – Aditya Birla Finance Limited (ABFL; with an NBFC licence) and Aditya Birla Housing Finance Limited (ABHFL; with a housing finance company (HFC) licence). ABCL's consolidated lending book increased at a high pace to Rs. 1,08,962 crore (+41% YoY) as on September 30, 2023, with secured business loans contributing 33%, followed by large & mid corporate (27%), personal & consumer (18%), HFC (13%, excluding construction finance) and unsecured business loans (9%).

Further, the concentration of the top 20 groups declined to 11% of the total exposure of ABFL (50% of ABCL's consolidated adjusted net worth[4]) as of September 30, 2023 (13% of the total exposure and 58% of the adjusted net worth as on September 30, 2022). While a large part of the portfolio is secured (>65% of ABFL's portfolio and 100% of ABHFL's portfolio), which helps reduce losses in the event of defaults, ICRA notes ABCL's rising focus on the unsecured retail segments which are exposed to asset quality pressures.

Apart from lending, the ABCL Group has a prominent presence in the asset management business through ABSL AMC, which is the sixth largest asset management company (AMC) in terms of the average assets under management (AUM). The ABCL Group has a presence in both life insurance (through Aditya Birla Sun Life Insurance Company Limited) and health insurance (through Aditya Birla Health Insurance Company Limited). While the health insurance entity is in the initial years (growing at a fast pace), the life insurance company had a market share in terms of individual new business premium of 2.4% in FY2023.

ABFL's portfolio stood at Rs. 93,523 crore as on September 30, 2023 (YoY growth of 44%) with secured business loans, large & mid corporate, personal & consumer loans, unsecured business segment forming 39%, 31%, 21% and 10% respectively, of the portfolio. Portfolio growth was largely driven by the growth in the retail unsecured and small and medium-sized enterprise (SME) segments.

Good financial flexibility and diversified funding profile – As a part of the Aditya Birla Group, ABCL has good financial flexibility in raising funds at competitive rates. Its (lending businesses) borrowing profile remains diversified with bank term loans, debentures, commercial paper (CP), National Housing Bank (NHB) and external commercial borrowings forming 53%, 24%, 9%,

[4] *Adjusted net worth is adjusted for net worth of insurance companies and fair value gain of Rs. 2,739 crore due to Aditya Birla Health Insurance Company Limited (ABHI)*

3% and 2%, respectively, of the total borrowings as on September 30, 2023. The ABCL Group also maintains adequate unutilised bank lines and has a board-approved funding line from Grasim, which can be utilised in case of liquidity requirements.

ABFL's borrowing profile comprised bank term loans, non-convertible debentures, commercial paper, external commercial borrowings (ECBs) and others with a share of 54%, 25%, 9%, 3%, and 9% respectively, as on September 30, 2023. ICRA also notes the diversification in the borrower profile as ABFL has borrowings from corporate treasuries, banks, mutual funds, insurance companies and high-net-worth individuals (HNIs).

Adequate capitalisation; demonstrated ability to raise equity – ABCL's capitalisation remains adequate with a consolidated adjusted gearing (borrowings/adjusted net worth) of 4.8 times as on September 30, 2023 (4.6 times as of September 30, 2022). While the lending business has grown substantially, the capitalisation has been supported by the recent equity raise of Rs. 3,000 crore in Q1 FY2024. Considering the growth plans of the lending business, the consolidated gearing is likely to increase. The internal accruals and the likely monetisation of the stake in ABIBL and ABSL AMC by ABCL are expected to support the growth plans of the lending business in the near to medium term. Further, given the strong parentage and its demonstrated ability to raise capital, ABCL's capitalisation profile is expected to remain adequate. ICRA expects support from the parent to be forthcoming as and when required.

ICRA has also taken note of the recent changes made by RBI towards consumer credit and bank credit to NBFCs. The increase in risk weighted assets for unsecured consumer loans is not likely to materially impact the capital adequacy ratios of Aditya Birla Finance, owing to adequate buffer available over regulatory requirements.

ABFL's gearing increased to 6.3 times as on September 30, 2023 from 5.3 times as on September 30, 2022, given its high portfolio growth. The Tier I of the company stood at 13.8% as on September 30, 2023. Considering the significant growth plans, the company is likely to require capital in the medium term. ICRA expects equity infusion from the parent, ABCL, to meet the growth plans.

Improving profitability – The Group's profitability is largely supported by its lending and asset management businesses, but is partially offset by the losses in the health insurance entity (Aditya Birla Health Insurance Company Limited). Excluding the insurance business (life and health insurance), ABCL's profitability remained healthy with an annualised return on equity of 13.4% in H1 FY2024 (13.0%[5] in FY2023). ICRA expects the profitability to remain comfortable. Further, ICRA notes the diversity in revenues with income from the lending operations and the asset management business.

ABFL's net interest margin (NIM) improved to 5.8% in H1 FY2024 from 5.5% in H1 FY2023 on account of the change in the product mix towards higher-yielding retail and unsecured loans. However, the NIM is expected to be in this range despite further changes in the portfolio mix, given the increase in the cost of funds. The credit cost has increased marginally and remains high due to the rise in the share of the unsecured portfolio. Operating expenses remains elevated and are likely to remain high, given the company's plan to expand its branch presence to support its high growth plans. ABFL's return on assets remained in the range of 2.2-2.3% but its return on equity increased to 17.2% (H1 FY2024) from 13.6% (H1 FY2023) with the rise in leverage.

Credit challenges

Asset quality remains moderate with growth in relatively riskier retail unsecured loans – ABCL's consolidated gross and net stage 3 assets for the lending businesses stood at 2.6% and 1.4%, respectively, as on September 30, 2023 compared to 3.1% and 1.8%, respectively, as on March 31, 2023 (3.6% and 2.1%, respectively as on September 30, 2022). The reported asset quality was supported by the high growth in the AUM. The restructured book declined to ~Rs. 1,642 crore or 1.5% of the total portfolio as on September 30, 2023 from 3.2% as on September 30, 2022. Moreover, the Group's provision coverage ratio improved to 46.3% as of September 2023 from 41.3% as of September 2022.

ICRA notes the reduction in the concentration of the top group exposures and in ticket sizes across segments and the granularisation of the portfolio with the increased share of smaller-ticket retail loans. However, with the significant ramp-up

[5] *Excluding fair value gain of Rs. 2,739 crore due to difference between fair value of retained interest in ABHI and derecognition of net assets of ABHI as it ceased to be a subsidiary and has been accounted for as a joint venture w.e.f. October 21, 2022*

in its relatively riskier retail unsecured loan book in the last couple of years and the expected high growth in its scale of operations, the company's ability to maintain its asset quality indicators over economic cycles would be a key monitorable. Further, the growth in long-term loan assets, like retail mortgage loans, remains largely untested.

ABFL's gross stage 3 assets increased on an absolute basis but declined on percentage terms to 2.6% as on September 30, 2023 compared to 3.5% as on September 30, 2022, due to high portfolio growth. With rise in provision coverage ratio, the net stage 3 declined on absolute basis as of September 30, 2023, resulting in an improvement in the net stage 3 assets/net worth to 9.6% as on September 30, 2023 (12.4% as on September 30, 2022). The company's restructured loans declined to 1.1% as on September 30, 2023 (2.5% as on September 30, 2022). ABFL's asset quality remains exposed to slippages from unsecured segments.

Liquidity position: Strong

The ABCL Group had cash and liquid investments of Rs. 6,893 crore and unutilised bank lines of Rs. 8,160 crore as on December 31, 2023 against debt repayments of Rs. 16,361 crore due in the next six months. Further, the liquidity will be supported by collections from the loan book. The liquidity profile is also supported by a board-approved funding line from Grasim.

At the standalone level, ABFL had debt amounting to Rs. 13,992 crore as on December 31, 2023, maturing by June 2024, against which it had cash and liquid investments worth Rs. 5,266 crore and undrawn bank lines of Rs. 6,080 crore. Collections from the loan book provide further comfort.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A material change in the expected level of support or a material deterioration in the credit risk profile of ABCL's parent (i.e. Grasim) could warrant a rating downgrade. Pressure on the ratings could also arise if there is a deterioration in the ABCL's consolidated capitalisation profile (adjusted gearing) on a sustained basis and/or weakening of the ABCL Group's solvency levels (net stage 3 assets divided by adjusted net worth) to more than 20% on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Ultimate Parent: Grasim Industries Limited (Grasim; rated [ICRA]AAA (Stable)/[ICRA]A1+) ICRA factors in the strategic importance of ABCL for the parent, which is demonstrated in the availability of strong financial, operational and managerial support.
Consolidation/Standalone	While arriving at the ratings for ABFL, ICRA has considered the consolidated business and financial profile of ABCL. *The names of the entities considered for the consolidated analysis are mentioned in Annexure II.*

About the company

ABFL is a wholly-owned subsidiary of ABCL. It is registered as an NBFC and provides corporate loans, project finance, mortgage loans, personal & consumer loans, unsecured business loans, real estate loans, etc. It also has a wealth management business. Its portfolio stood at Rs. 93,523 crore as on September 30, 2023, with secured business loans, large & mid corporate, personal & consumer loans, unsecured business loans segment forming 39%, 31%, 21% and 10%, respectively of the portfolio.

Aditya Birla Capital Limited

Aditya Birla Capital Limited (ABCL) is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India (RBI). It is the holding company of the financial services businesses of the Aditya Birla Group. Pursuant to the merger of Aditya Birla Nuvo Limited (ABNL) and Grasim Industries Limited, ABCL got listed on the Bombay Stock Exchange and the National Stock Exchange in September 2017. As on December 31, 2023, the promoter group held a stake of 68.98% (of which Grasim holds 52.69%) in ABCL.

Grasim Industries Limited

Incorporated in 1947, Grasim, the flagship company of the Aditya Birla Group, is a ~$12-billion business conglomerate. On a standalone basis, its core businesses include chemical and textile manufacturing, apart from insulators. It is a leading global player in viscose staple fibre (with an installed production capacity of ~800 KTPA) and the largest chlor-alkali producer in India (installed production capacity of 1,264 KTPA). In January 2021, Grasim announced its foray into the decorative paints business, with an initial capital expenditure of Rs. 5,000 crore to be spent over the next 2.5-3 years.

On a consolidated basis, Grasim also has a strong presence in cement, financial services, fashion retail, telecommunications, and renewable power generation industries. Its 57.27% subsidiary, UltraTech Cement Limited (UTCL), is the largest cement producer in India. In financial services, Grasim has presence through its 52.69% subsidiary, ABCL, which is among the top five financial companies in India.

Key financial indicators (audited)

Aditya Birla Finance Limited	FY2022	FY2023	H1 FY2024#
Total income	5,797	8,268	5,905
PAT	1,108	1,554	1,064
Total managed assets	56,969	84,123	98,305
Return on managed assets	2.1%	2.2%	2.3%
Reported gearing (times)	4.7	6.2	6.3
Gross stage 3	3.5%	3.1%	2.6%
CRAR	21.8%	16.4%	16.3%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; # Unaudited figures

Aditya Birla Capital Limited (consolidated)	FY2022	FY2023	H1 FY2024#
Total income	22,241	30,201	14,782
PAT	1,660	2,085^	1,390
PAT (excluding insurance business)	1,851	2,140^	1,413
Total managed assets	141,140	180,754	205,972
Return on managed assets*	2.6%	2.4%^	2.5%
Reported gearing (times)*	4.2	5.2^	4.8^
Gross stage 3	3.5%	3.1%	2.6%
CRAR	NA	NA	NA

*Source: Company, ICRA Research; Amount in Rs. crore; All ratios as per ICRA's calculations; # Unaudited figures; *Excluding insurance business; ^Excluding FV gain on ABHI*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Dec-31-23 (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Feb-2-24	Aug-4-23	Feb-3-23	Feb-07-22	Feb-23-21 Sep-30-20
1	Non-convertible debenture	Long term	25,774.40	16,300.20	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	Non-convertible debenture	Long term	497.00	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
3	Non-convertible debenture	Long term	5,000.00	-	[ICRA]AAA (Stable)	-	-	-	-
4	Non-convertible debenture	Long term	-	-	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5	Non-convertible debenture	Long term	-	-	-	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
6	Unsecured non-convertible debenture	Long term	1,500.00	203.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (stable)
7	Retail non-convertible debenture	Long term	5,000.00	2,000.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (stable)
8	Retail non-convertible debenture	Long term	10,000.00	-	[ICRA]AAA (Stable)				
9	Subordinated debt programme	Long term	3,400.00	2,474.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (stable)
10	Subordinated debt programme	Long term	1,500.00	-	[ICRA]AAA (Stable)	-	-	-	-
11	Subordinated debt programme	Long term	-	-	-	[ICRA]AAA (Stable); withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (stable)
12	Perpetual debt programme	Long term	700.00	200.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (Stable)
13	Bank lines	Long term / Short term	70,000.00	53,865.39	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+
14	Commercial paper programme	Short term	15,000.00	7,210.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
15	Commercial paper programme (IPO financing)	Short term	-	-	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+

Source: Company, ICRA Research

Complexity level of the rated instruments

Instrument	Complexity Indicator
Retail non-convertible debenture	Very Simple
Non-convertible debenture	Very Simple/Simple^
Unsecured non-convertible debenture	Very Simple
Subordinated debt programme	Simple
Perpetual debt programme	Moderately Complex
Commercial paper programme	Very Simple
Bank lines	Simple

^ The applicable indicator is 'Very Simple' for ISINs with a fixed rate payout and 'Simple' for ISINs with a floating payout

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07BX1	Non-convertible debenture	Oct-19-2015	8.77%	Oct-17-2025	15.00	[ICRA]AAA(Stable)
INE860H07BZ6	Non-convertible debenture	Nov-03-2015	8.71%	50% on Nov-01-2024 & 50% on Oct-31-2025	500.00	[ICRA]AAA (Stable)
INE860H07CL4	Non-convertible debenture	Feb-23-2016	8.85%	Feb-23-2026	10.00	[ICRA]AAA (Stable)
INE860H07CM2	Non-convertible debenture	Mar-09-2016	8.90%	Mar-06-2026	10.00	[ICRA]AAA (Stable)
INE860H07CS9	Non-convertible debenture	Mar-21-2016	8.90%	Mar-20-2026	5.00	[ICRA]AAA (Stable)
INE860H07FD4	Non-convertible debenture	Jun-13-2017	8.00% XIRR	Jun-11-2027	5.00	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Jun-26-2018	8.90%	Jun-26-2025	51.00	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Dec-21-2018	9.15%	Dec-21-2028	15.00	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Dec-27-2018	9.10%	Dec-21-2028	69.00	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Feb-12-2019	9.15%	Dec-21-2028	38.50	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Mar-29-2019	9.15%	Dec-21-2028	150.00	[ICRA]AAA (Stable)
INE860H07GS0	Non-convertible debenture	May-20-2019	9.00%	50%: May-19-2028 50%: May-18-2029	1,500.00	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-12-2019	8.65%	Jun-12-2024	173.00	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-24-2019	8.65%	Jun-12-2024	198.00	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jun-28-2019	8.65%	Jun-12-2024	111.60	[ICRA]AAA (Stable)
INE860H07GU6	Non-convertible debenture	Jul-04-2019	8.70%	Jul-04-2029	29.20	[ICRA]AAA (Stable)
INE860H07GT8	Non-convertible debenture	Jul-24-2019	8.65%	Jun-12-2024	98.70	[ICRA]AAA (Stable)
INE860H07GX0	Non-convertible debenture	Jan-20-2020	8.15%	25%: Jan-20-2027 25%: Jan-20-2028 25%: Jan-19-2029 25%: Jan-18-2030	1,000.00	[ICRA]AAA (Stable)
INE860H07HA6	Non-convertible debenture	Apr-28-2020	7.69%	Apr-25-2025	25.00	[ICRA]AAA (Stable)
INE860H07HD0	Non-convertible debenture	Dec-23-2020	6.25%	Dec-23-2025	75.00	[ICRA]AAA (Stable)
INE860H07HE8	Non-convertible debenture	Feb-18-2021	7.24%	Feb-18-2031	25.00	[ICRA]AAA (Stable)
INE860H07HI9	Non-convertible debenture	Mar-31-2021	6.15%	Mar-28-2024	420.00	[ICRA]AAA (Stable)
INE860H07HK5	Non-convertible debenture	May-31-2021	7.26%	25%: May-31-2028 25%: May-31-2029 25%: May-31-2030 25%: May-30-2031	750.00	[ICRA]AAA (Stable)
INE860H07HM1	Non-convertible debenture	Jun-17-2021	Zero Coupon	Jun-14-2024	75.00	[ICRA]AAA (Stable)
INE860H07HN9	Non-convertible debenture	Jul-26-2021	6.55%	Jul-24-2026	500.00	[ICRA]AAA (Stable)
INE860H07HO7	Non-convertible debenture	Aug-05-2021	5.85%	Aug-02-2024	250.00	[ICRA]AAA (Stable)
INE860H07HP4	Non-convertible debenture	Oct-04-2021	7.10%	Oct-03-2031	50.00	[ICRA]AAA (Stable)
INE860H07HQ2	Non-convertible debenture	Oct-04-2021	6.45%	Oct-01-2026	115.00	[ICRA]AAA (Stable)
INE860H07HR0	Non-convertible debenture	Jan-21-2022	3M T-bill Linked	Jan-21-2025	500.00	[ICRA]AAA (Stable)
INE860H07HS8	Non-convertible debenture	Jan-21-2022	6.40%	Jul-22-2025	350.00	[ICRA]AAA (Stable)
INE860H07HU4	Non-convertible debenture	Jun-08-2022	7.60%	Jun-06-2025	110.00	[ICRA]AAA (Stable)
INE860H07HU4	Non-convertible debenture	Jun-14-2022	7.60%	Jun-06-2025	250.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H07HU4	Non-convertible debenture	Jul-01-2022	7.60%	Jun-06-2025	250.00	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Jul-12-2022	8.90%	Jun-26-2025	300.00	[ICRA]AAA (Stable)
INE860H07HW0	Non-convertible debenture	Jul-12-2022	Zero Coupon	Jul-11-2025	325.00	[ICRA]AAA (Stable)
INE860H07HX8	Non-convertible debenture	Aug-18-2022	7.50%	Aug-18-2025	400.00	[ICRA]AAA (Stable)
INE860H07HY6	Non-convertible debenture	Aug-24-2022	Zero Coupon	Aug-23-2024	136.00	[ICRA]AAA (Stable)
INE860H07GM3	Non-convertible debenture	Sep-08-2022	9.15%	Dec-21-2028	25.00	[ICRA]AAA (Stable)
INE860H07HX8	Non-convertible debenture	Sep-19-2022	7.50%	Aug-18-2025	465.00	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Sep-28-2022	8.90%	Jun-26-2025	25.00	[ICRA]AAA (Stable)
INE860H07IA4	Non-convertible debenture	Oct-14-2022	7.90%	Sep-19-2025	510.00	[ICRA]AAA (Stable)
INE860H07IB2	Non-convertible debenture	Nov-18-2022	Zero Coupon	Nov-28-2024	50.00	[ICRA]AAA (Stable)
INE860H07IC0	Non-convertible debenture	Nov-18-2022	7.95%	Mar-18-2026	597.00	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Nov-18-2022	8.12%	Nov-18-2032	200.00	[ICRA]AAA (Stable)
INE860H07IE6	Non-convertible debenture	Nov-29-2022	7.93%	Jan-15-2026	305.00	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Nov-29-2022	8.90%	Jun-26-2025	25.00	[ICRA]AAA (Stable)
INE860H07IF3	Non-convertible debenture	Dec-05-2022	7.95%	Dec-03-2027	50.00	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Dec-21-2022	8.12%	Nov-18-2032	400.00	[ICRA]AAA (Stable)
INE860H07IG1	Non-convertible debenture	Dec-27-2022	7.92%	Dec-27-2027	410.00	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Dec-30-2022	7.88%	Feb-12-2026	400.00	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Feb-02-2023	7.88%	Feb-12-2026	150.00	[ICRA]AAA (Stable)
INE860H07IH9	Non-convertible debenture	Feb-02-2023	7.88%	Feb-12-2026	151.70	[ICRA]AAA (Stable)
INE860H07FT0	Non-convertible debenture	Feb-09-2023	8.90%	Jun-26-2025	30.00	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Feb-09-2023	8.12%	Nov-18-2032	225.00	[ICRA]AAA (Stable)
INE860H07II7	Non-convertible debenture	Mar-06-2023	8.12%	Mar-06-2028	523.00	[ICRA]AAA (Stable)
INE860H07ID8	Non-convertible debenture	Mar-15-2023	8.12%	Nov-18-2032	100.00	[ICRA]AAA (Stable)
INE860H07II7	Non-convertible debenture	Mar-21-2023	8.12%	Mar-06-2028	75.50	[ICRA]AAA (Stable)
INE860H07IJ5	Non-convertible debenture	Mar-21-2023	8.30%	Sep-16-2026	210.00	[ICRA]AAA (Stable)
INE860H07IK3	Non-convertible debenture	May-2-2023	8.01%	May-2-2028	1,000.00	[ICRA]AAA (Stable)
INE860H07IM9	Non-convertible debenture	Jun-08-2023	7.90%	Jun-08-2028	328.00	[ICRA]AAA (Stable)
INE860H07IO5	Non-convertible debenture	Jul-13-2023	7.97%	Jul-13-2028	350.00	[ICRA]AAA (Stable)
INE860H07IO5	Non-convertible debenture	Jul-27-2023	7.97%	Jul-13-2028	585.00	[ICRA]AAA (Stable)
INE860H07HN9	Non-convertible debenture	Jul-27-2023	6.55%	Jul-24-2026	225.00	[ICRA]AAA (Stable)
NA	Non-convertible debenture^				9,474.20	[ICRA]AAA (Stable)
NA*	Non-convertible debenture^				5,000.00	[ICRA]AAA (Stable)
INE860H07GL5	Non-convertible debenture	Dec-21-2018	9.15%	Dec-21-2023	70.00	[ICRA]AAA (Stable); withdrawn
INE860H07GL5	Non-convertible debenture	Dec-27-2018	9.10%	Dec-21-2023	81.00	[ICRA]AAA (Stable); withdrawn
INE860H07GL5	Non-convertible debenture	Jan-07-2019	9.15%	Dec-21-2023	16.00	[ICRA]AAA (Stable); withdrawn
INE860H07HC2	Non-convertible debenture	Oct-22-2020	5.90%	Dec-29-2023	330.00	[ICRA]AAA (Stable); withdrawn
INE860H08EH6	Unsecured non-convertible Debenture	Aug-06-2020	7.57%	Aug-03-2035	49.00	[ICRA]AAA (Stable)
INE860H08EF0	Unsecured non-convertible debenture	Aug-06-2020	7.57%	Aug-03-2035	49.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H08EC7	Unsecured non-convertible debenture	Aug-06-2020	7.57%	Aug-03-2035	56.00	[ICRA]AAA (Stable)
INE860H08EJ2	Unsecured non-convertible Debenture	Aug-06-2020	7.57%	Aug-03-2035	49.00	[ICRA]AAA (Stable)
NA	Unsecured non-convertible Debenture^				1,297.00	[ICRA]AAA (Stable)
INE860H08DL0	Subordinated debt programme	Jun-17-2015	9.25%	Jun-06-2025	25.00	[ICRA]AAA (Stable)
INE860H08DM8	Subordinated debt programme	Jul-14-2015	9.25%	Jul-11-2025	30.00	[ICRA]AAA (Stable)
INE860H08DN6	Subordinated debt programme	Aug-25-2015	9.25%	Aug-22-2025	33.00	[ICRA]AAA (Stable)
INE860H08DP1	Subordinated debt programme	Mar-08-2016	9.10%	Mar-06-2026	25.00	[ICRA]AAA (Stable)
INE860H08DQ9	Subordinated debt programme	Mar-10-2016	9.10%	Mar-10-2026	8.00	[ICRA]AAA (Stable)
INE860H08DR7	Subordinated debt programme	Mar-18-2016	9.10%	Mar-10-2026	25.50	[ICRA]AAA (Stable)
INE860H08DS5	Subordinated debt programme	Jun-23-2016	9.10%	Jun-23-2026	52.50	[ICRA]AAA (Stable)
INE860H08DT3	Subordinated debt programme	Jul-28-2016	8.97%	Jul-28-2026	100.00	[ICRA]AAA (Stable)
INE860H08DU1	Subordinated debt programme	Jul-28-2016	8.95%	Jul-28-2026	75.00	[ICRA]AAA (Stable)
INE860H08DV9	Subordinated debt programme	Sep-29-2016	8.90%	Sep-29-2026	200.00	[ICRA]AAA (Stable)
INE860H08DW7	Subordinated debt programme	Nov-21-2016	8.90%	Nov-20-2026	200.00	[ICRA]AAA (Stable)
INE860H08DX5	Subordinated debt programme	Mar-09-2017	8.25%	Mar-09-2027	10.00	[ICRA]AAA (Stable)
INE860H08DY3	Subordinated debt programme	May-18-2017	8.50%	May-18-2027	165.00	[ICRA]AAA (Stable)
INE860H08EA1	Subordinated debt programme	Dec-04-2018	9.76%	Dec-04-2028	250.00	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Jun-06-2019	8.95%	Jun-06-2029	200.00	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Dec-30-2019	8.95%	Jun-06-2029	100.00	[ICRA]AAA (Stable)
INE860H08EB9	Subordinated debt programme	Feb-13-2020	8.95%	Jun-06-2029	50.00	[ICRA]AAA (Stable)
INE860H08ED5	Subordinated debt programme	Dec-29-2020	7.43%	Dec-27-2030	45.00	[ICRA]AAA (Stable)
INE860H08ED5	Subordinated debt programme	Dec-29-2020	7.43%	Dec-27-2030	35.00	[ICRA]AAA (Stable)
INE860H08EE3	Subordinated debt programme	Jun-11-2021	7.34%	Jun-11-2031	75.00	[ICRA]AAA (Stable)
INE860H08EG8	Subordinated debt programme	Dec-06-2021	7.43%	Dec-05-2031	35.00	[ICRA]AAA (Stable)
INE860H08EG8	Subordinated debt programme	Feb-28-2022	7.43%	Dec-05-2031	210.00	[ICRA]AAA (Stable)
INE860H08DJ4	Subordinated debt programme	Dec-12-2014	9.75%	Dec-12-2024	45.00	[ICRA]AAA (Stable)
INE860H08DJ4	Subordinated debt programme	Dec-12-2014	9.75%	Dec-12-2024	5.00	[ICRA]AAA (Stable)
INE860H08DK2	Subordinated debt programme	Sep-01-2015	9.45%	Jan-09-2025	35.00	[ICRA]AAA (Stable)
INE860H08DK2	Subordinated debt programme	Sep-01-2015	9.45%	Jan-09-2025	10.00	[ICRA]AAA (Stable)
INE860H08EI4	Subordinated debt	Jun-26-2023	8.03%	Jun-24-2033	160.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	programme					
INE860H08EI4	Subordinated debt programme	Aug-30-2023	8.03%	Jun-24-2033	270.00	[ICRA]AAA (Stable)
NA	Subordinated debt programme^				926.00	[ICRA]AAA (Stable)
NA*	Subordinated debt programme	-	-	-	1,500.00	[ICRA]AAA (Stable)
INE860H07IQ0	Retail non-convertible debenture	Oct-09-2023	8.00%	Oct-09-2026	205.31	[ICRA]AAA (Stable)
INE860H07IR8	Retail non-convertible debenture	Oct-09-2023	Zero coupon	Oct-09-2026	10.73	[ICRA]AAA (Stable)
INE860H07IT4	Retail non-convertible debenture	Oct-09-2023	8.05%	Oct-09-2028	234.02	[ICRA]AAA (Stable)
INE860H07IU2	Retail non-convertible debenture	Oct-09-2023	Zero coupon	Oct-09-2028	10.80	[ICRA]AAA (Stable)
INE860H07IP2	Retail non-convertible debenture	Oct-09-2023	7.80%	Oct-09-2033	14.58	[ICRA]AAA (Stable)
INE860H07IS6	Retail non-convertible debenture	Oct-09-2023	8.10%	Oct-09-2033	1,524.57	[ICRA]AAA (Stable)
NA	Retail non-convertible debenture				2,999.99	[ICRA]AAA (Stable)
NA*	Retail non-convertible debenture	-	-	-	10,000.00	[ICRA]AAA (Stable)
INE860H08DZ0	Perpetual debt programme	Jul-21-2017	8.70%	-	200.00	[ICRA]AA+ (Stable)
NA	Perpetual debt programme^				500.00	[ICRA]AA+ (Stable)
NA	Bank lines –Long-term/ short-term fund based/non-fund based	-	-	-	70,000.00	[ICRA]AAA(Stable) /[ICRA]A1+
INE860H140H3	Commercial Paper	Mar 15, 2023	8.14%	Mar 14, 2024	150.00	[ICRA]A1+
INE860H140H3	Commercial Paper	Mar 15, 2023	8.14%	Mar 14, 2024	75.00	[ICRA]A1+
INE860H140K7	Commercial Paper	Apr 20, 2023	7.85%	Apr 19, 2024	250.00	[ICRA]A1+
INE860H140U6	Commercial Paper	Jul 3, 2023	7.38%	Jan 3, 2024	150.00	[ICRA]A1+
INE860H140U6	Commercial Paper	Jul 6, 2023	7.38%	Jan 3, 2024	250.00	[ICRA]A1+
INE860H140X0	Commercial Paper	Jul 13, 2023	7.50%	Mar 7, 2024	50.00	[ICRA]A1+
INE860H140X0	Commercial Paper	Jul 14, 2023	7.50%	Mar 7, 2024	25.00	[ICRA]A1+
INE860H140H3	Commercial Paper	Jul 17, 2023	7.50%	Mar 14, 2024	100.00	[ICRA]A1+
INE860H140Z5	Commercial Paper	Jul 24, 2023	7.61%	Jul 23, 2024	25.00	[ICRA]A1+
INE860H141A6	Commercial Paper	Jul 26, 2023	7.35%	Jan 24, 2024	200.00	[ICRA]A1+
INE860H141A6	Commercial Paper	Aug 3, 2023	7.35%	Jan 24, 2024	25.00	[ICRA]A1+
INE860H141F5	Commercial Paper	Aug 3, 2023	7.48%	Feb 20, 2024	50.00	[ICRA]A1+
INE860H141F5	Commercial Paper	Aug 4, 2023	7.48%	Feb 20, 2024	25.00	[ICRA]A1+
INE860H141K5	Commercial Paper	Aug 31, 2023	7.60%	Mar 4, 2024	200.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Sep 4, 2023	7.60%	Feb 15, 2024	200.00	[ICRA]A1+
INE860H141K5	Commercial Paper	Sep 6, 2023	7.60%	Mar 4, 2024	150.00	[ICRA]A1+
INE860H141A6	Commercial Paper	Oct 25, 2023	7.68%	Jan 24, 2024	150.00	[ICRA]A1+
INE860H141A6	Commercial Paper	Oct 25, 2023	7.68%	Jan 24, 2024	25.00	[ICRA]A1+
INE860H141A6	Commercial Paper	Oct 25, 2023	7.68%	Jan 24, 2024	5.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Oct 31, 2023	7.70%	Jan 30, 2024	25.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Oct 31, 2023	7.70%	Jan 30, 2024	50.00	[ICRA]A1+

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE860H141Q2	Commercial Paper	Oct 31, 2023	7.70%	Jan 30, 2024	75.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Nov 1, 2023	7.70%	Jan 30, 2024	250.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Nov 1, 2023	7.70%	Jan 30, 2024	150.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Nov 1, 2023	7.70%	Jan 30, 2024	50.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Nov 1, 2023	7.70%	Jan 30, 2024	40.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 2, 2023	7.70%	Feb 1, 2024	250.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 2, 2023	7.70%	Feb 1, 2024	5.00	[ICRA]A1+
INE860H141Q2	Commercial Paper	Nov 2, 2023	7.70%	Jan 30, 2024	50.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	250.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	100.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	100.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	50.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	100.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	25.00	[ICRA]A1+
INE860H141R0	Commercial Paper	Nov 3, 2023	7.70%	Feb 1, 2024	5.00	[ICRA]A1+
INE860H141S8	Commercial Paper	Nov 9, 2023	7.70%	Feb 8, 2024	250.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 16, 2023	7.75%	Feb 15, 2024	300.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 16, 2023	7.75%	Feb 15, 2024	100.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 16, 2023	7.75%	Feb 15, 2024	50.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 17, 2023	7.75%	Feb 15, 2024	50.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 17, 2023	7.75%	Feb 15, 2024	25.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 17, 2023	7.75%	Feb 15, 2024	100.00	[ICRA]A1+
INE860H141M1	Commercial Paper	Nov 17, 2023	7.75%	Feb 15, 2024	50.00	[ICRA]A1+
INE860H141T6	Commercial Paper	Nov 21, 2023	7.83%	May 20, 2024	25.00	[ICRA]A1+
INE860H141F5	Commercial Paper	Nov 21, 2023	7.75%	Feb 20, 2024	50.00	[ICRA]A1+
INE860H141F5	Commercial Paper	Nov 21, 2023	7.75%	Feb 20, 2024	10.00	[ICRA]A1+
INE860H141F5	Commercial Paper	Nov 22, 2023	7.75%	Feb 20, 2024	25.00	[ICRA]A1+
INE860H141U4	Commercial Paper	Nov 24, 2023	7.85%	Feb 23, 2024	1,000.00	[ICRA]A1+
INE860H141U4	Commercial Paper	Nov 24, 2023	7.85%	Feb 23, 2024	65.00	[ICRA]A1+
INE860H141U4	Commercial Paper	Nov 24, 2023	7.85%	Feb 23, 2024	5.00	[ICRA]A1+
INE860H141V2	Commercial Paper	Nov 29, 2023	7.85%	Feb 28, 2024	500.00	[ICRA]A1+
INE860H141W0	Commercial Paper	Dec 4, 2023	7.90%	Mar 22, 2024	25.00	[ICRA]A1+
INE860H141K5	Commercial Paper	Dec 5, 2023	7.92%	Mar 4, 2024	500.00	[ICRA]A1+
INE860H141K5	Commercial Paper	Dec 6, 2023	7.92%	Mar 4, 2024	250.00	[ICRA]A1+
INE860H140X0	Commercial Paper	Dec 7, 2023	7.92%	Mar 7, 2024	50.00	[ICRA]A1+
INE860H140X0	Commercial Paper	Dec 8, 2023	7.92%	Mar 7, 2024	50.00	[ICRA]A1+
INE860H141X8	Commercial Paper	Dec 8, 2023	8.00%	Jun 14, 2024	50.00	[ICRA]A1+
NA	Commercial Paper	-	-	7-365 days	7,790.00	[ICRA]A1+

*Source: Company; *Yet to be placed; ^Unutilised*

Please click here to view details of lender-wise facilities rated by ICRA

Key features of rated perpetual debt programme

The one notch lower rating assigned to ABFL's perpetual debt programme compared to the [ICRA]AAA rating for the other long-term debt programmes reflects the specific features of these instruments wherein the debt servicing is additionally linked to meeting the regulatory norms on capitalisation and reported profitability. The domestic regulatory norms include regulatory approvals from the RBI for debt servicing (including principal repayments) if the company reports a loss and is not liable to service the debt in case it breaches the minimum regulatory capitalisation norms.

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Aditya Birla PE Advisors Private Limited	100.00%	Full consolidation
Aditya Birla Capital Technology Services Limited	100.00%	Full consolidation
Aditya Birla Trustee Company Private Limited	100.00%	Full consolidation
Aditya Birla Money Limited	73.53%	Full consolidation
Aditya Birla Financial Shared Services Limited	100.00%	Full consolidation
Aditya Birla Finance Limited	100.00%	Full consolidation
Aditya Birla Housing Finance Limited	100.00%	Full consolidation
Aditya Birla Sun Life Insurance Company Limited	51.00%	Full consolidation
Aditya Birla Sun Life Pension Management Limited	51.00%	Full consolidation
Aditya Birla Insurance Brokers Limited	50.002%	Full consolidation
Aditya Birla Money Mart Limited	100.00%	Full consolidation
Aditya Birla Money Insurance Advisory Services Limited	100.00%	Full consolidation
Aditya Birla ARC Limited	100.00%	Full consolidation
Aditya Birla Stressed Asset AMC Private Limited	100.00%	Full consolidation
Aditya Birla Special Situation Fund 01	100.00%	Full consolidation
ABARC-AST-001-Trust	100.00%	Full consolidation
ABARC-AST-008-Trust	100.00%	Full consolidation
ABARC-AST-010-Trust	100.00%	Full consolidation
Aditya Birla Capital Digital Limited	100.00%	Full consolidation
Aditya Birla Sun Life Trustee Private Limited	50.85%	Equity method
Aditya Birla Wellness Private Limited	51.00%	Equity method
Aditya Birla Sun Life AMC Limited	50.00%	Equity method
Aditya Birla Sun Life AMC (Mauritius) Ltd.	50.00%	Equity method
Aditya Birla Sun Life Asset Management Company Ltd., Dubai	50.00%	Equity method
Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore	50.00%	Equity method
Aditya Birla Health Insurance Co. Limited	45.91%	Equity method

Source: Company; Details as on September 30, 2023

Corrigendum

Document dated February 2, 2024 has been updated with revision in applicable rating methodologies on Page number 4. The NBFC methodology includes reference to various cross-sector methodologies and hence the rating methodologies of "Implicit Support from Parent or Group" and "Rating Approach – Consolidation" which were mentioned separately inadvertently in the rationale have been removed.

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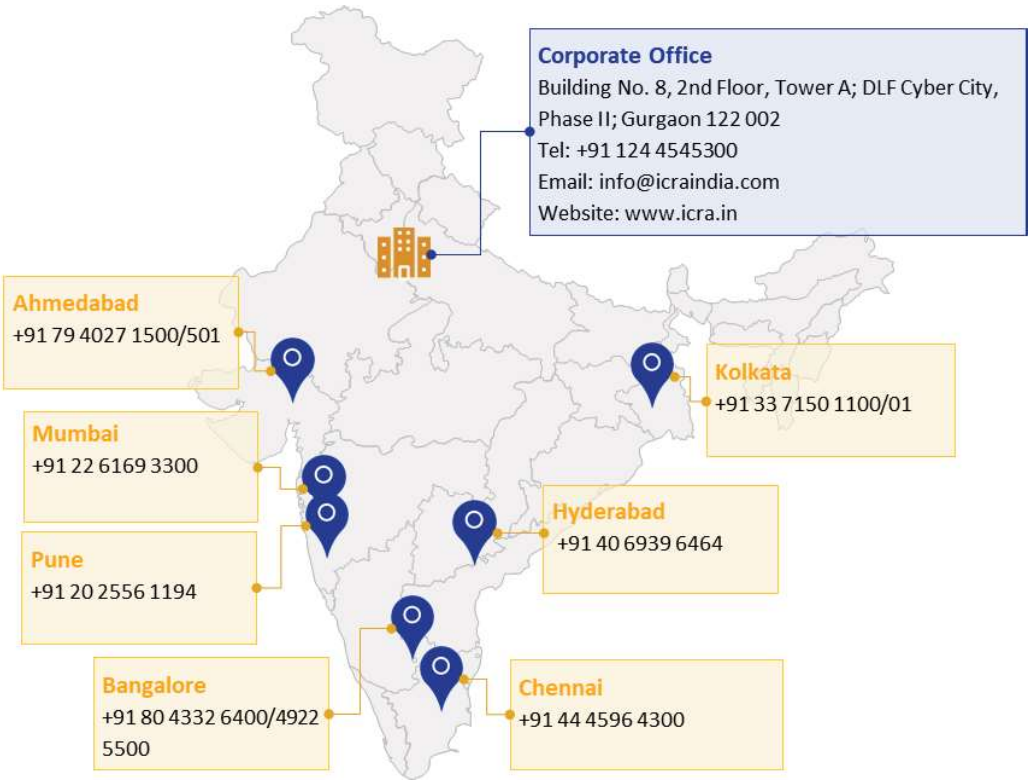

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Mr. Chandramohan Amritkar
Head Treasury
Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
Elphinstone Road,
Mumbai 400 013

April 04, 2024

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Aditya Birla Finance Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of:

- INR 40 billion Long-term Non-Convertible Debentures [public issue]*: 'IND AAA'; Outlook Stable (The rated limit is interchangeable with unsecured subordinated redeemable NCDs, limit stands unutilized)
- INR359.066billion Long-term Non-Convertible Debentures: 'IND AAA'; Outlook Stable
- INR7billion Perpetual debt: 'IND AA+' ;Outlook Stable
- INR15.233billion Principal Protected Market linked debentures: 'IND PP-MLD AAA'; Outlook Stable
- INR41.5 billion Lower tier 2 Subordinated debt: 'IND AAA'; Outlook Stable

Please refer to annexure for details.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

K Gupta

Karan Gupta
Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE860H07BX1	19/10/2015	8.77% p.a	17/10/2025	IND AAA/Stable	150
NCDs	INE860H07BZ6	03/11/2015	8.71% p.a	31/10/2025	IND AAA/Stable	5000
NCDs	INE860H07CL4	23/02/2016	8.8500% p.a	20/02/2026	IND AAA/Stable	100
NCDs	INE860H07CM2	09/03/2016	8.9000% p.a.	06/03/2026	IND AAA/Stable	100

NCDs	INE860H07CS9	21/03/2016	8.9000% p.a.	20/03/2026	IND AAA/Stable	50
NCDs	INE860H07FD4	13/06/2017	8.0000% XIRR	11/06/2027	IND AAA/Stable	50
NCDs	INE860H07FT0	26/06/2018	8.90% p.a	26/06/2025	IND AAA/Stable	510
NCDs	INE860H07GM3	21/12/2018	9.1500% p.a	21/12/2028	IND AAA/Stable	150
NCDs	INE860H07GM3	27/12/2018	9.1000% p.a	21/12/2028	IND AAA/Stable	690
NCDs	INE860H07GM3	12/02/2019	Coupon 9.1500% - 9.0500% XIRR	21/12/2028	IND AAA/Stable	385
NCDs	INE860H07GM3	29/03/2019	Coupon 9.1500% - 8.6500% XIRR	21/12/2028	IND AAA/Stable	1500
NCDs	INE860H07GS0	20/05/2019	9.0000% p.a.	08/05/2029	IND AAA/Stable	15000
NCDs	INE860H07GT8	12/06/2019	8.65% p.a.	12/06/2024	IND AAA/Stable	1730
NCDs	INE860H07GT8	24/06/2019	Coupon 8.65% p.a. - 8.6500% on XIRR Basis	12/06/2024	IND AAA/Stable	1980
NCDs	INE860H07GT8	28/06/2019	Coupon 8.65% p.a. - 8.6500% on XIRR Basis	12/06/2024	IND AAA/Stable	1116
NCDs	INE860H07GU6	04/07/2019	Coupon 8.70% p.a	04/07/2029	IND AAA/Stable	292
NCDs	INE860H07GT8	24/07/2019	Coupon 8.65% p.a. - 8.500% on XIRR Basis	12/06/2024	IND AAA/Stable	987
NCDs	INE860H07GX0	20/01/2020	Coupon 8.15% p.a	18/01/2030	IND AAA/Stable	10000
NCDs	INE860H07HA6	28/04/2020	7.69% p.a	25/04/2025	IND AAA/Stable	250
NCDs	INE860H07HD0	23/12/2020	6.25%pa	23/12/2025	IND AAA/Stable	750
NCDs	INE860H07HE8	18/02/2021	7.24%	18/02/2031	IND AAA/Stable	250
NCDs	INE860H07HI9	31/03/2021	Coupon 6.15% p.a.	28/03/2024	WD	4200
NCDs	INE860H07HK5	31/05/2021	7.2600% p.a	30/05/2031	IND AAA/Stable	7500
NCDs	INE860H07HM1	17/06/2021	Zero coupon	14/06/2024	IND AAA/Stable	750
NCDs	INE860H07HN9	26/07/2021	6.55% p.a.	24/07/2026	IND AAA/Stable	5000
NCDs	INE860H07HO7	05/08/2021	5.85% p.a	02/08/2024	IND AAA/Stable	2500
NCDs	INE860H07HP4	04/10/2021	7.10%	03/10/2031	IND AAA/Stable	500
NCDs	INE860H07HQ2	04/10/2021	6.45%	01/10/2026	IND AAA/Stable	1150
NCDs	INE860H07HR0	21/01/2022	5.22%, 3 month T bill as on 21 January 2022 + Spread 165bp	21/01/2025	IND AAA/Stable	5000

NCDs	INE860H07HS8	21/01/2022	6.40%	21/07/2025	IND AAA/Stable	3500
NCDs	INE860H07HU4	08/06/2022	7.60%	06/06/2025	IND AAA/Stable	1100
NCDs	INE860H07HU4	14/06/2022	7.60%	06/06/2025	IND AAA/Stable	2500
NCDs	INE860H07HU4	01/07/2022	7.60%	06/06/2025	IND AAA/Stable	2500
NCDs	INE860H07FT0	12/07/2022	7.8000% p.a. on XIRR basis	26/06/2025	IND AAA/Stable	3000
NCDs	INE860H07HW0	12/07/2022	Zero Coupon	11/07/2025	IND AAA/Stable	3250
NCDs	INE860H07HX8	18/08/2022	7.50%	18/08/2025	IND AAA/Stable	4000
NCDs	INE860H07HY6	24/08/2022	Zero coupon	23/08/2024	IND AAA/Stable	1360
NCDs	INE860H07GM3	08/09/2022	9.1500% p.a	21/12/2028	IND AAA/Stable	250
NCDs	INE860H07HX8	19/09/2022	7.50%	18/08/2025	IND AAA/Stable	4650
NCDs	INE860H07FT0	28/09/2022	7.5700% p.a. on XIRR basis	26/06/2025	IND AAA/Stable	250
NCDs	INE860H07IA4	14/10/2022	7.90%	19/09/2025	IND AAA/Stable	5100
NCDs	INE860H07IB2	18/11/2022	7.92%	28/11/2024	IND AAA/Stable	500
NCDs	INE860H07IC0	18/11/2022	7.95%	18/03/2026	IND AAA/Stable	5970
NCDs	INE860H07ID8	18/11/2022	8.12%	18/11/2032	IND AAA/Stable	2000
NCDs	INE860H07IE6	29/11/2022	7.93%	15/01/2026	IND AAA/Stable	3050
NCDs	INE860H07FT0	29/11/2022	8.90%	26/06/2025	IND AAA/Stable	250
NCDs	INE860H07IF3	05/12/2022	7.95%	03/12/2027	IND AAA/Stable	500
NCDs	INE860H07ID8	21/12/2022	8.12%	18/11/2032	IND AAA/Stable	4000
NCDs	INE860H07IG1	27/12/2022	7.92%	27/12/2027	IND AAA/Stable	4100
NCDs	INE860H07IH9	30/12/2022	7.88%	12/02/2026	IND AAA/Stable	4000
NCDs	INE860H07IH9	02/02/2023	8.02%	12/02/2026	IND AAA/Stable	1500
NCDs	INE860H07IH9	02/02/2023	8.02%	12/02/2026	IND AAA/Stable	1517
NCDs	INE860H07FT0	09/02/2023	7.98%	26/06/2025	IND AAA/Stable	300
NCDs	INE860H07ID8	09/02/2023	8.05%	18/11/2032	IND AAA/Stable	2250

NCDs	INE860H07II7	06/03/2023	8.12%	06/03/2028	IND AAA/Stable	5230
NCDs	INE860H07ID8	15/03/2023	8.12%	18/11/2032	IND AAA/Stable	1000
NCDs	INE860H07II7	21/03/2023	8.12%	06/03/2028	IND AAA/Stable	755
NCDs	INE860H07IJ5	21/03/2023	8.30%	16/09/2026	IND AAA/Stable	2100
NCDs	INE860H07IK3	02/05/2023	8.01%	02/05/2028	IND AAA/Stable	10000
NCDs	INE860H07IM9	08/06/2023	7.90%	08/06/2028	IND AAA/Stable	3280
NCDs	INE860H07IO5	13/07/2023	7.97%	13/07/2028	IND AAA/Stable	3500
NCDs	INE860H07IO5	27/07/2023	7.97%	13/07/2028	IND AAA/Stable	5850
NCDs	INE860H07HN9	27/07/2023	6.55%	24/07/2026	IND AAA/Stable	2250
NCDs	INE860H07IQ0	09/10/2023	8.00%	09/10/2026	IND AAA/Stable	2053.1
NCDs	INE860H07IR8	09/10/2023	0.00%	09/10/2026	IND AAA/Stable	107.3
NCDs	INE860H07IT4	09/10/2023	8.05%	09/10/2028	IND AAA/Stable	2340.2
NCDs	INE860H07IU2	09/10/2023	0.00%	09/10/2028	IND AAA/Stable	108
NCDs	INE860H07IP2	09/10/2023	7.80%	09/10/2033	IND AAA/Stable	145.8
NCDs	INE860H07IS6	09/10/2023	8.10%	09/10/2033	IND AAA/Stable	15245.7
NCDs	INE860H07IW8	14/02/2024	8.16%	14/02/2029	IND AAA/Stable	1750
NCDs	INE860H07IX6	29/02/2024	FBIL 6M OIS + 1.69%	26/02/2027	IND AAA/Stable	2000
NCDs	INE860H07FD4	11/03/2024	0.00%	11/06/2027	IND AAA/Stable	500
NCDs	INE860H07IY4	18/03/2024	8.33%	19/05/2027	IND AAA/Stable	11870
NCDs	INE860H07IY4	28/03/2024	8.33%	19/05/2027	IND AAA/Stable	850
NCDs (Unutilised)					IND AAA/Stable	163293.9
Subordinated debt	INE860H08DL0	17/06/2015	9.25	06/06/2025	IND AAA/Stable	250
Subordinated debt	INE860H08DM8	14/07/2015	9.25	11/07/2025	IND AAA/Stable	300
Subordinated debt	INE860H08DN6	25/08/2015	9.25	22/08/2025	IND AAA/Stable	330
Subordinated	INE860H08DP1	08/03/2016	9.1	06/03/2026	IND	250

debt					AAA/Stable	
Subordinated debt	INE860H08DQ9	10/03/2016	9.1	10/03/2026	IND AAA/Stable	80
Subordinated debt	INE860H08DR7	18/03/2016	9.1	10/03/2026	IND AAA/Stable	255
Subordinated -debt	INE860H08DS5	23/06/2016	9.1	23/06/2026	IND AAA/Stable	525
Subordinated debt	INE860H08DT3	28/07/2016	8.97	28/07/2026	IND AAA/Stable	1000
Subordinated debt	INE860H08DU1	28/07/2016	8.95	28/07/2026	IND AAA/Stable	750
Subordinated debt	INE860H08DV9	29/09/2016	8.9	29/09/2026	IND AAA/Stable	2000
Subordinated Debt	INE860H08DW7	21/11/2016	8.9	20/11/2026	IND AAA/Stable	2000
Subordinated debt	INE860H08DX5	09/03/2017	8.25	09/03/2027	IND AAA/Stable	100
Subordinated debt	INE860H08DY3	18/05/2017	8.5	18/05/2027	IND AAA/Stable	1650
Subordinated debt	INE860H08EA1	04/12/2018	9.76	04/12/2028	IND AAA/Stable	2500
Subordinated debt	INE860H08EB9	12/06/2019	8.95	06/06/2029	IND AAA/Stable	2000
Subordinated debt	INE860H08EB9	30/12/2019	Coupon -8.95% p.a; XIRR - 8.67%	06/06/2029	IND AAA/Stable	1000
Subordinated debt	INE860H08EB9	13/02/2020	Coupon -8.95% p.a; XIRR - 8.25%	06/06/2029	IND AAA/Stable	500
Subordinated debt	INE860H08ED5	30/12/2020	7.43	27/12/2030	IND AAA/Stable	800
Subordinated debt	INE860H08EE3	14/06/2021	7.34	11/07/2031	IND AAA/Stable	750
Subordinated debt	INE860H08EG8	06/12/2021	7.43	05/12/2031	IND AAA/Stable	350
Subordinated debt	INE860H08EG8	28/02/2022	7.43% p.a. (XIRR - 7.65%)	05/12/2031	IND AAA/Stable	2100
Subordinated debt	INE860H08EI4	26/06/2023	8.03	24/06/2033	IND AAA/Stable	1600
Subordinated debt	INE860H08EI4	30/08/2023	8.03	24/06/2033	IND AAA/Stable	2700
Subordinated debt	INE860H08EI4	23/02/2024	8.03	24/06/2033	IND AAA/Stable	750
Subordinated debt (Unutilised)					IND AAA/Stable	6960
PPMLD	INE860H07HT6	04/05/2022	Coupon linked to performance of underlying / reference index Scenario If performance of underlying on final fixing date coupon1 Greater than 50% of digital level 6.0082% p.a. (6.0000% XIRR (Annualized yield))2 Less than or equal to 50% of digital level 0	03/05/2024	IND PP-MLD AAA/Stable	451
PPMLD	INE860H07HV2	28/06/2022	Coupon linked to performance of underlying / reference index Scenario If performance of underlying on final fixing date coupon 1 Greater than 50% of digital Level 7.3400% p.a. (7.3300% XIRR (Annualised yield))2 Less than or	27/06/2024	IND PP-MLD AAA/Stable	250

			equal to 50% of digital level 0			
PPMLD	INE860H07HZ3	26/08/2022	Principal protected (10 year G-Sec price linked) secured rated listed redeemable NCDs. ABFL NCD series PPMLD E3 FY22-FY23 – date of maturity 9 April 2025	09/04/2025	IND PP-MLD AAA/Stable	1022
NCDs (Unutilised)					IND PP-MLD AAA/Stable	13500
Perpetual debt	INE860H08DZ0	21/07/2017	8.70%		IND AAA/Stable	2000
Perpetual debt (Unutilised)					IND AAA/Stable	5000

Mr. Chandramohan Amritkar
Head Treasury
Aditya Birla Finance Limited
One Indiabulls Centre, Tower 1,
18th Floor, Jupiter Mills Compound,
Elphinstone Road,
Mumbai 400 013

March 05, 2024

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Aditya Birla Finance Limited

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In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

K Gupta

Karan Gupta
Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE860H07BX1	19/10/2015	8.77% p.a	17/10/2025	IND AAA/Stable	150
NCDs	INE860H07BZ6	03/11/2015	8.71% p.a	31/10/2025	IND AAA/Stable	5000
NCDs	INE860H07CL4	23/02/2016	8.85% p.a	23/02/2026	IND AAA/Stable	100
NCDs	INE860H07CM2	09/03/2016	8.9% p.a.	06/03/2026	IND AAA/Stable	100

NCDs	INE860H07CS9	21/03/2016	8.9% p.a.	20/03/2026	IND AAA/Stable	50
NCDs	INE860H07FD4	13/06/2017	8% XIRR	11/06/2027	IND AAA/Stable	50
NCDs	INE860H07FT0	26/06/2018	8.90% p.a	26/06/2025	IND AAA/Stable	510
NCDs	INE860H07GM3	21/12/2018	9.15% p.a	21/12/2028	IND AAA/Stable	150
NCDs	INE860H07GM3	27/12/2018	9.1% p.a	21/12/2028	IND AAA/Stable	690
NCDs	INE860H07GM3	12/02/2019	Coupon 9.1500% - 9.0500% XIRR	21/12/2028	IND AAA/Stable	385
NCDs	INE860H07GM3	29/03/2019	Coupon 9.1500% - 8.6500% XIRR	21/12/2028	IND AAA/Stable	1500
NCDs	INE860H07GS0	20/05/2019	9% p.a.	18/05/2029	IND AAA/Stable	15000
NCDs	INE860H07GT8	12/06/2019	8.65% p.a.	12/06/2024	IND AAA/Stable	1730
NCDs	INE860H07GT8	24/06/2019	Coupon 8.65% p.a. - 8.6500% on XIRR Basis	12/06/2024	IND AAA/Stable	1980
NCDs	INE860H07GT8	28/06/2019	Coupon 8.65% p.a. - 8.6500% on XIRR Basis	12/06/2024	IND AAA/Stable	1116
NCDs	INE860H07GU6	04/07/2019	Coupon 8.70% p.a	04/07/2029	IND AAA/Stable	292
NCDs	INE860H07GT8	24/07/2019	Coupon 8.65% p.a. - 8.500% on XIRR Basis	12/06/2024	IND AAA/Stable	987
NCDs	INE860H07GX0	20/01/2020	Coupon 8.15% p.a	18/01/2030	IND AAA/Stable	10000
NCDs	INE860H07HA6	28/04/2020	7.69% p,a	25/04/2025	IND AAA/Stable	250
NCDs	INE860H07HD0	23/12/2020	6.25%	23/12/2025	IND AAA/Stable	750
NCDs	INE860H07HE8	18/02/2021	Coupon 7.24% p.a.	18/02/2031	IND AAA/Stable	250
NCDs	INE860H07HI9	31/03/2021	Coupon 6.15% p.a.	28/03/2024	IND AAA/Stable	4200
NCDs	INE860H07HK5	31/05/2021	7.2600%.p.a	30/05/2031	IND AAA/Stable	7500
NCDs	INE860H07HM1	17/06/2021	Zero Coupon	14/06/2024	IND AAA/Stable	750
NCDs	INE860H07HN9	26/07/2021	6.55%	24/07/2026	IND AAA/Stable	5000
NCDs	INE860H07HO7	05/08/2021	5.85%	02/08/2024	IND AAA/Stable	2500
NCDs	INE860H07HP4	04/10/2021	7.10%	03/10/2031	IND AAA/Stable	500
NCDs	INE860H07HQ2	04/10/2021	6.45%	01/10/2026	IND AAA/Stable	1150
NCDs	INE860H07HR0	21/01/2022	5.22% p.a. (Floating Coupon with Quarterly Reset, Payable Annually)	21/01/2025	IND AAA/Stable	5000

NCDs	INE860H07HS8	21/01/2022	6.40%	22/07/2025	IND AAA/Stable	3500
NCDs	INE860H07HU4	08/06/2022	7.60%	06/06/2025	IND AAA/Stable	1100
NCDs	INE860H07HU4	14/06/2022	7.60%	06/06/2025	IND AAA/Stable	2500
NCDs	INE860H07HU4	01/07/2022	7.60%	06/06/2025	IND AAA/Stable	2500
NCDs	INE860H07FT0	12/07/2022	7.8% p.a. on XIRR basis	26/06/2025	IND AAA/Stable	3000
NCDs	INE860H07HW0	12/07/2022	Zero Coupon	11/07/2025	IND AAA/Stable	3250
NCDs	INE860H07HX8	18/08/2022	7.50%	18/08/2025	IND AAA/Stable	4000
NCDs	INE860H07HY6	24/08/2022	Zero Coupon	23/08/2024	IND AAA/Stable	1360
NCDs	INE860H07GM3	08/09/2022	9.15% p.a	21/12/2028	IND AAA/Stable	250
NCDs	INE860H07HX8	19/09/2022	7.50%	18/08/2025	IND AAA/Stable	4650
NCDs	INE860H07FT0	28/09/2022	7.57% p.a. on XIRR basis	26/06/2025	IND AAA/Stable	250
NCDs	INE860H07IA4	14/10/2022	7.90%	19/09/2025	IND AAA/Stable	5100
NCDs	INE860H07IB2	18/11/2022	7.92%	28/11/2024	IND AAA/Stable	500
NCDs	INE860H07IC0	18/11/2022	7.95%	18/03/2026	IND AAA/Stable	5970
NCDs	INE860H07ID8	18/11/2022	8.12%	18/11/2032	IND AAA/Stable	2000
NCDs	INE860H07IE6	29/11/2022	7.93%	15/01/2026	IND AAA/Stable	3050
NCDs	INE860H07FT0	29/11/2022	8.9%	26/06/2025	IND AAA/Stable	250
NCDs	INE860H07IF3	05/12/2022	7.95%	03/12/2027	IND AAA/Stable	500
NCDs	INE860H07ID8	21/12/2022	8.12%	18/11/2032	IND AAA/Stable	4000
NCDs	INE860H07IG1	27/12/2022	7.92%	27/12/2027	IND AAA/Stable	4100
NCDs	INE860H07IH9	30/12/2022	7.88%	12/02/2026	IND AAA/Stable	4000
NCDs	INE860H07IH9	02/02/2023	8.02%	12/02/2026	IND AAA/Stable	1500
NCDs	INE860H07IH9	02/02/2023	8.02%	12/02/2026	IND AAA/Stable	1517
NCDs	INE860H07FT0	09/02/2023	7.98%	26/06/2025	IND AAA/Stable	300
NCDs	INE860H07ID8	09/02/2023	8.05%	18/11/2032	IND	2250

					AAA/Stable	
NCDs	INE860H07II7	06/03/2023	8.12%	06/03/2028	IND AAA/Stable	5230
NCDs	INE860H07ID8	15/03/2023	8.12%	18/11/2032	IND AAA/Stable	1000
NCDs	INE860H07II7	21/03/2023	8.12%	06/03/2028	IND AAA/Stable	755
NCDs	INE860H07IJ5	21/03/2023	8.3%	16/09/2026	IND AAA/Stable	2100
NCDs	INE860H07IK3	02/05/2023	8.01%	02/05/2028	IND AAA/Stable	10000
NCDs	INE860H07IM9	08/06/2023	7.9%	08/06/2028	IND AAA/Stable	3280
NCDs	INE860H07IO5	13/07/2023	7.97%	13/07/2028	IND AAA/Stable	3500
NCDs	INE860H07IO5	27/07/2023	7.97%	13/07/2028	IND AAA/Stable	5850
NCDs	INE860H07HN9	27/07/2023	6.55%	24/07/2026	IND AAA/Stable	2250
NCDs	INE860H07IW8	14/02/2024	8.16%	14/02/2029	IND AAA/Stable	1750
NCDs	INE860H07IX6	29/02/2024	FBIL 6M OIS + 1.69%	26/02/2027	IND AAA/Stable	2000
NCDs	INE860H07IQ0	09/10/2023	8%	09/10/2026	IND AAA/Stable	2053.062
NCDs	INE860H07IR8	09/10/2023	0%	09/10/2026	IND AAA/Stable	107.259
NCDs	INE860H07IT4	09/10/2023	8.05%	09/10/2028	IND AAA/Stable	2340.19
NCDs	INE860H07IU2	09/10/2023	0%	09/10/2028	IND AAA/Stable	108.046
NCDs	INE860H07IP2	09/10/2023	7.8%	09/10/2033	IND AAA/Stable	145.77
NCDs	INE860H07IS6	09/10/2023	8.1%	09/10/2033	IND AAA/Stable	15245.673
NCDs (Unutilised)					IND AAA/Stable	212314
Perpetual debt	INE860H08DZ0		9%		IND AAA/Stable	2000
Perpetual debt (unutilised)					IND AAA/Stable	5000
PPMLD	INE860H07HT6	04/05/2022	Coupon linked to performance of underlying / reference index Scenario If performance of underlying on final fixing date coupon1 Greater than 50% of digital level 6.0082% p.a. (6.0000% XIRR (Annualized yield))2 Less than or equal to 50% of digital level 0	03/05/2024	IND PP-MLD AAA/Stable	4510
PPMLD	INE860H07HV2	28/06/2022	Coupon linked to performance of underlying / reference index Scenario If performance of underlying on final fixing date coupon1 Greater than 50% of digital Level 7.3400% p.a. (7.3300% XIRR (Annualised yield))2 Less than or equal to 50% of digital level 0	27/06/2024	IND PP-MLD AAA/Stable	2500
PPMLD	INE860H07HZ3	26/08/2022	Principal protected (10 year G-Sec price linked) secured rated listed	09/04/2025	IND PP-	1022

			redeemable NCDs. ABFL NCD series PPMLD E3 FY22-FY23 – date of maturity 9 April 2025		MLD AAA/Stable	
PPMLD (Unutilised)					IND PP-MLD AAA/Stable	7201
Subordinated Debt	INE860H08DL0	17/06/2015	9.25%	06/06/2025	IND AAA/Stable	250
Subordinated Debt	INE860H08DM8	14/07/2015	9.25%	11/07/2025	IND AAA/Stable	300
Subordinated Debt	INE860H08DN6	25/08/2015	9.25%	22/08/2025	IND AAA/Stable	330
Subordinated Debt	INE860H08DP1	08/03/2016	9.1%	06/03/2026	IND AAA/Stable	250
Subordinated Debt	INE860H08DQ9	10/03/2016	9.1%	10/03/2026	IND AAA/Stable	80
Subordinated Debt	INE860H08DR7	18/03/2016	9.1%	10/03/2026	IND AAA/Stable	255
Subordinated Debt	INE860H08DS5	23/06/2016	9.1%	23/06/2026	IND AAA/Stable	525
Subordinated Debt	INE860H08DT3	28/07/2016	8.97%	28/07/2026	IND AAA/Stable	1000
Subordinated Debt	INE860H08DU1	28/07/2016	8.95%	28/07/2026	IND AAA/Stable	750
Subordinated Debt	INE860H08DV9	29/09/2016	8.9%	29/09/2026	IND AAA/Stable	2000
Subordinated Debt	INE860H08DW7	21/11/2016	8.9%	20/11/2026	IND AAA/Stable	2000
Subordinated Debt	INE860H08DX5	09/03/2017	8.25%	09/03/2027	IND AAA/Stable	100
Subordinated Debt	INE860H08DY3	18/05/2017	8.5%	18/05/2027	IND AAA/Stable	1650
Subordinated Debt	INE860H08EA1	04/12/2018	9.76%	04/12/2028	IND AAA/Stable	2500
Subordinated Debt	INE860H08EB9	12/06/2019	8.95%	06/06/2029	IND AAA/Stable	2000
Subordinated Debt	INE860H08EB9	30/12/2019	Coupon -8.95% p.a; XIRR - 8.67%	06/06/2029	IND AAA/Stable	1000
Subordinated Debt	INE860H08EB9	13/02/2020	Coupon -8.95% p.a; XIRR - 8.25%	06/06/2029	IND AAA/Stable	500
Subordinated Debt	INE860H08ED5	30/12/2020	7.4300% p.a.	27/12/2030	IND AAA/Stable	800
Subordinated Debt	INE860H08EE3	11/06/2021	7.3400% p.a.	11/06/2031	IND AAA/Stable	750
Subordinated Debt	INE860H08EG8	06/12/2021	7.43% p.a.	05/12/2031	IND AAA/Stable	350
Subordinated Debt	INE860H08EG8	28/02/2022	7.43% p.a. (XIRR - 7.65%)	05/12/2031	IND AAA/Stable	2100
Subordinated Debt	INE860H08EI4	26/06/2023	8.03% p.a.	24/06/2033	IND AAA/Stable	1600
Subordinated	INE860H08EI4	30/08/2023	8.03% p.a.	24/06/2033	IND	2700

Debt					AAA/Stable	
Subordinated Debt	INE860H08EI4	23/02/2024	8.03% p.a.	24/06/2033	IND AAA/Stable	750
Subordinated Debt (Unutilised)					IND AAA/Stable	16960

Aditya Birla Finance Limited

Issuer Credit Research

Ratings

Long-Term Issuer Rating	IND AAA
Long-Term Non-Convertible Debentures (NCDs; INR359.066 billion)	IND AAA
Bank Loans (INR500 billion)	IND AAA
Perpetual Debt (INR7 billion)	IND AA+
Lower Tier 2 Subordinated Debt (INR21.5 billion)	IND AAA
Principal Protected Market Linked Debentures (PP-MLDs; INR15.233 billion)	IND PP-MLD AAA
Commercial Papers (CPs; INR150 billion)	IND A1+

Outlooks

Long-Term Issuer Rating	Stable
Long-Term NCDs (INR359.066 billion)	Stable
Bank Loans (INR500 billion)	Stable
Perpetual Debt (INR7 billion)	Stable
PP-MLDs (INR15.233 billion)	Stable
Lower Tier 2 Subordinated Debt (INR21.5 billion)	Stable

Financial Data

Aditya Birla Finance Ltd

	31 Mar 21	31 Mar 22
Total assets (USD billion)	6.9	6.9
Total assets (INR billion)	507.5	569.6
Total equity (INR billion)	88.4	98.6
Net income (INR billion)	7.6	11.1

Source: Ind-Ra

Analysts

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Analytical Approach: India Ratings and Research (Ind-Ra) factors into Aditya Birla Finance Limited's (ABFL) ratings the credit profile of Grasim Industries Limited (Grasim; 'IND AAA'/Stable), which is the ultimate parent of ABFL through Grasim Industries' ownership (a 55.42% stake) in Aditya Birla Capital Ltd (ABFL's parent). The ratings factor in Ind-Ra's expectation that the financial services segment would continue to be highly important for Grasim and the larger Aditya Birla group (AB group) franchise from a long-term perspective.

Ind-Ra understands that the financial services business remains a key focus area for the AB group, and it has a close oversight from the group's top management, although its share in the consolidated balance sheet and profitability of the ultimate parent and the group is modest. In addition, Grasim's management has stated that the financial services business continues to be among the core businesses for them, and Grasim will maintain its majority ownership in the financial services business, and as such, intends to provide all required support to the business. On a standalone basis, ABFL has created a sizeable franchise in the non-banking financial company (NBFC) domain, with a fairly diversified portfolio across segments.

Key Rating Drivers

Stronger Parent with High Propensity and Ability to Support: Ind-Ra expects ABFL to receive timely financial support from Grasim. The AB group considers ABFL's lending business to be critical to its long-term growth prospects. ABFL has received regular equity infusions (INR 37.47 billion over FY13-3QFY23) from its erstwhile parent, Aditya Birla Nuvo Ltd, and subsequently, from Aditya Birla Capital. Grasim has a strong operating profile, with adequate resources in terms of on-book liquidity and investment book to support ABFL's requirements. The AB group has stated that there is close co-ordination between the management of Grasim and the financial services business, and Grasim's intention and interest is to ensure a smooth flow of resources from itself to the financial services segment at all times. There also is a board overlap between Grasim (the ultimate parent) and the financial services arm, Aditya Birla Capital, which houses ABFL and holds 100% stake in it.

Established Franchise with Spread-out Portfolio: ABFL has a diversified book across segments (3QFY23: loan book: INR711.18 billion; equity: INR109 billion) and is a significant player in the NBFC segment. ABFL has also been classified in the upper layer category by the Reserve Bank of India, requiring adherence to a wider regulatory compliance, of which listing before FY26 remains a crucial milestone to be achieved. ABFL's advances grew 45.6% yoy to INR711.18 billion as of 3QFY23. ABFL's legacy portfolio mainly consisted of the capital market business (FY12: 44% of book; 3QFY23: 5.9%). During FY12-FY13, it had entered into other businesses across semi-wholesale/wholesale business segments such as loan against property (LAP)/small and medium-sized enterprises (SME), project finance and corporate lending. However, ABFL has incrementally increased share of granular retail & SME proportion in the loan book through expanding in the SME/MSME segment, with product facilities focused on term loan/working capital debt loans, LAP, lease rental discounting, business loans/personal loans along with supply chain finance compared to the wholesale book (project finance, and structured finance).

Incrementally, the company has entered into new retail segments such as business, personal and digital loans, to improve its blended margins, bolster growth and enhance its diversification. These segments are characterised by high levels of competition from banks and NBFCs. The wholesale book moderated growth over FY20-3QFY23 due to a cautious approach to reduce ticket size along with increased pricing pressure from competition. The share of retail and SME book stood at 66% of overall asset under management (AUM) as of 3QFY23.

Disbursements are on improving trend for the past three quarters and grew 23.74% yoy as of 9MFY23. Growth in disbursements along with higher retention across borrowers compared to the historical trend for ABFL, as interest rate where on a rising trend in the past nine months, resulted in loan growth of 11.8% qoq and 45.6% yoy. (FY22: 12.6%; FY21: 3.5%). However, Ind-Ra believes ABFL in its operating segment would face high competition from small finance banks, private banks and larger NBFCs. ABFL plans to expand franchise by branch expansion to over 325 by 31 March 2023 (from 272 branches currently), largely in Tier 2 and 3 cities, by scaling up the retail and SME book.

Diversified Funding: ABFL's funding profile remains comfortable and diversified across banks, financial institutions and capital markets. Post-September 2018, the company has reduced its share of CPs (3QFY23: 11.0% of the total funding mix; FY18: 25%). As planned, ABFL plans to maintain CPs' share below 15% of the overall total loan book, keeping it matched with short tenure loan book. Furthermore, the bank funding's share in the overall funding mix increased to 52.0% in 3QFY23 (FY18: 40.2%). NCDs (29%), external commercial borrowing (5%), cash credit/working capital demand loan (2%) are the other borrowing avenues for ABFL. As the mix of funding and asset side is balanced between fixed and floating in the same share, there has been pass-through of rising funding cost to borrowers. As per management, ABFL would match the proportion of short-term borrowings in its liabilities to the extent of short-term assets in the overall AUM to contain gaps in the asset liability tenor.

Liquidity Indicator – Adequate: In terms of asset liability management, ABFL's contractual structural liquidity statement at end-December 2022 had cumulative surplus in the time buckets up to one year. ABFL had unutilised bank lines of INR90 billion as of December 2022 along with high-quality liquid assets (cash, government securities, and callable deposits) of INR25.8 billion. The company has a diversified funding profile, with adequate access to banks and capital markets, and it has the capability to raise funds at competitive rates. Moreover, considering ABFL is a part of the Aditya Birla group, Ind-Ra expects the ultimate parent to support it during the time of stress.

Stable Profitability Buffers: ABFL's return on assets, which was 1.8%-2.0% during FY17-FY19, had moderated to 1.5% in FY21. However, the change in product mix more towards retail and SMEs, along with the increase in unsecured book in overall mix, has helped ABFL improve the lending yields and hence driving the return on assets to 2.4% as of 3QFY23 (FY22: 2.3%). The net interest margins also improved to 7% in 3QFY23 (FY22: 6.2%), as there has been a doubling of exposure on the unsecured side (digital loans, retail unsecured loans) in 9MFY23. Although moving to granular in retail and SME would attract a higher operating & credit cost, it could be compensated with a rise in yields. Also, while the company operates at highly competitive yields in project finance, large and mid-corporate and the SF space, its share in the overall book has moderated. The company's ability to manage its credit costs with a changing book mix remains a key monitorable.

Adequate Capitalisation: ABFL's equity-to-assets ratio moderated to 14.4% in 3QFY23 (FY22: 17.3%), due to strong loan growth which remained higher than internal accruals. The Tier-1 ratio stood at 14.8% in 3QFY23 (FY22: 18.07%). The increase in the entity's leverage to 5.82x as of 3QFY23 (1QFY23: 4.64x) would necessitate a capital raise in the medium term to continue higher loan growth than internal accruals. Furthermore, the agency expects ABFL to maintain above-average equity and liquidity buffers to absorb any possible asset quality pressures with a changing book mix along with seasoning.

Asset Quality on Improving trend through Resolution: ABFL's asset quality has faced headwinds post September 2018, with an increase in delinquencies, partly due to the slowdown in the broader economy. The company however witnessed resolution in certain assets, leading to a moderation in gross stage 3 assets to 3.14% in 3QFY23 (FY22: 3.1%) from the peak of 3.9% in 3QFY22. The standard restructured book also reduced to 1.5% in 3QFY23 (FY22: 3.1%). ABFL disbursed around INR18.37 billion under the Emergency Credit Linked Guaranteed

Applicable Criteria

Financial Institutions Rating Criteria

Rating FI Subsidiaries and Holding Companies

Rating of Financial Institutions Legacy Hybrids and Sub-Debt

Non-Bank Finance Companies Criteria

The Rating Process

Evaluating Corporate Governance

Scheme as of 3QFY23, thereby benefitting 12.9% of the overall AUM. The overall Expected Credit Loss provisions stood at 2.18% in 3QFY23 (FY22: 3.0%). The provision coverage ratio improved to 49.3% in 3QFY23 (3QFY22: 41.9%). However, its unsecured book, which is yet to be seasoned, could witness higher delinquencies in the event of rising pressure on borrower cashflows due to inflation.

The company's credit costs grew to 1.78% as of 3QFY23 (3QFY22: 1.43%), largely due to a higher loan book mix towards the unsecured segment which stood at 24.3% of the loan book as of 3QFY23 (FY22: 16.5%). ABFL's exposures under project finance are diversified across infrastructure assets (roads and power-transmission, distribution and renewables), hospitality, healthcare and others, with a focus on better-rated corporates with strong sponsors.

The existing non-performing assets have largely come from the large and mid-corporate segments, particularly from the corporate finance, structured finance and project finance book. However, an incremental rise in delinquencies could be driven by other segments such as SME, semi-wholesale and retail unsecured loans, as the business momentum and cash flows of borrowers would be affected by inflationary and rising interest rates pressures. Ind-Ra will monitor the overall delinquencies for ABFL in the medium term, along with the seasoning of this unsecured book in the medium term.

Rating Sensitivities

Negative: Developments that could, individually or collectively, lead to a negative rating action include:

- dilution of the support expectations, which could be on account of weakened commercial prospects, a weak operating/financial performance or otherwise;
- ABFL's sustained below-average operating performance, inability to manage the asset quality as the book seasons out over the medium term, resulting in higher-than-expected losses, a continued higher-than-articulated leverage ratio, weakened liability or liquidity profile, or diminished business prospects, or any other adverse impact;
- lack of timely support in terms of equity capital or liquidity, if required;
- any material deterioration in the standalone profile of ABFL or in the credit profile of Grasim; and
- ABFL's gross leverage exceeding 6x on a sustained basis with the existing loan portfolio.

ESG

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on ABFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

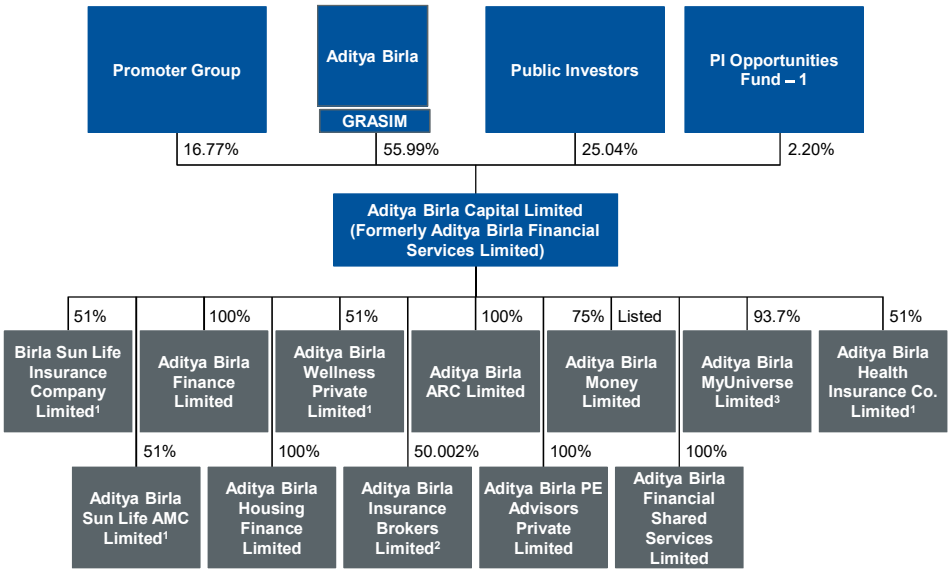
Profile

Started in 1991, ABFL was previously known as Birla Global Finance. It was a step-down subsidiary of Aditya Birla Nuvo and post-merger of the latter with Grasim, ABFL has become the 100% subsidiary of Aditya Birla Capital. Grasim holds a 55.42% stake in Aditya Birla Capital while the promoters hold another 15.63% share. ABFL has a wide experience in security-based lending (capital market funding) and corporate finance. The company started its project finance and mortgage finance line of business in FY12. On the non-fund side, the company runs a debt and syndication advisory business.

This business is a part of Aditya Birla Capital which also includes life insurance, housing finance and asset management businesses as larger subsidiaries.

Figure 1

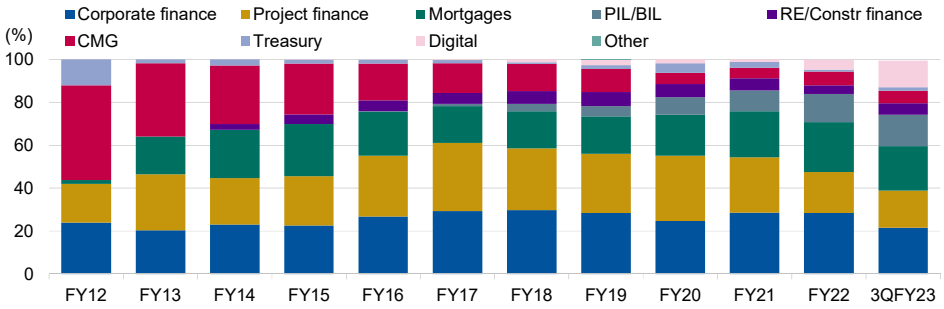
Group Structure



Source: Ind-Ra

Figure 2

Portfolio Trend for ABFL



CMG: capital market group, BIL: business instalment loan, PIL: personal loan.
Source: Company data, Ind-Ra

Products/Portfolio

Capital Market Finance

ABFL reduced its reliance on capital markets to 6.2% of the total loan book in FY22 (FY18: 13%). This is the oldest business segment of ABFL with about two decades of presence. The company finances both retail and high net worth individuals through promoter funding, broker and high net worth individuals funding products.

Corporate Finance

The company targets SMEs/mid corporates, rural finance and funds vendors/channels of large corporates. A large part of the company's advances in this segment are in the form of short-term working capital limits, while the remainder are term loans. Supply chain financing are largely based on strong anchors which moderates repayment risk.

Project Finance

To achieve scale in the lending business, the company entered into an infrastructure financing business in FY12, as the scope of expansion in its traditional line of business was limited. The infra lending business (project finance, structured finance and certain term & working capital loans) constituted about 17% of the total loan business of the company as of FY22.

The average tenure of company's loan in this segment is three to five years, with an average ticket size of INR1 billion-1.2 billion. The majority loans in the portfolio are operational in nature, with strong sponsors backing the projects. Also, ABFL closely monitors the progress of projects it funds and the majority of the projects have complete financial closure during the funding stage. The major part of the book is rated at 'A-' and above and is well distributed across sectors. A large portion of portfolio is towards renewables (25%) and infrastructure largely roads (20%-25%), and the rest is well diversified across hospitality, healthcare and transmission etc.

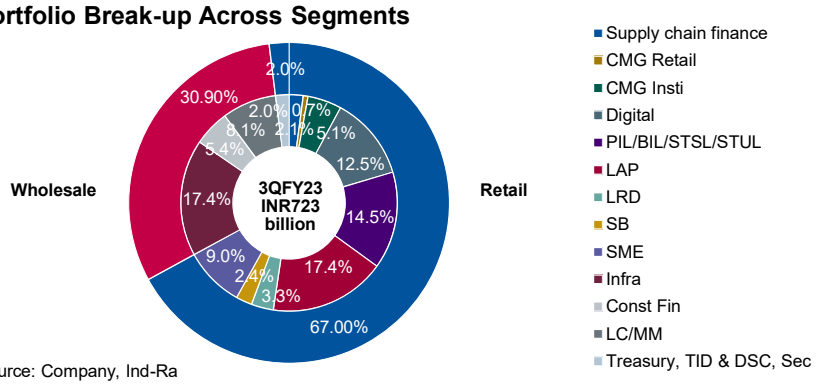
Lending in project finance is done based on strong parentage, promoter pedigree; cash flow assessment is largely done for brownfield expansion projects.

Mortgage Finance

This business was started along with project finance in FY13 to support the company's expansion plan. It is likely to be among the loan portfolio growth drivers for ABFL (26% of overall book as of 3QFY23), largely consisting of retail & SME loans, LAP and LRD along with construction finance. The company operates in LAP, LRD, commercial purchase and construction finance. For LAP, the company primarily uses a collateral-driven business model, although it also validates its borrowers' strength through a cash flow analysis. Certain accounts in the construction finance book have benefitted through a change in the date of commencement of operations.

Figure 3

Portfolio Break-up Across Segments



Source: Company, Ind-Ra

Strategy

ABFL's growth is likely to be driven by personal loans and business loans, largely acquired digitally, SME and project finance segments. While the operations are largely concentrated in large cities, the company plans to expand to cover more geographies.

ABFL has invested in creating a strong in-house digital platform and is looking at reducing the turnaround time across the product lines. It has built book in unsecured business and personal loans, and plans to grow this segment along with educational loans for margin improvement. Growth in unsecured personal loan/business loan/ digital loans incrementally would be largely

through partnerships. In the supply chain segment, it plans to grow vendor financing at a higher rate than channel financing, as the risk is on the (vendor) anchor, who are better rated corporates thereby providing comfort on receivables while lending. In the large corporate & mid-corporates book, the plan is to focus on emerging corporates and lower ticket exposures to improve granularity and reduce the concentration risk.

The company would like to address the entire gamut of financial verticals through in-house products and leverage cross-functional synergies for structuring and providing an entire basket of solutions to customers across the financial products for Aditya Birla group as a whole.

The management focus would be to build book with minimal credit cost, as ABFL lends at rates near to banks'. Also, it participates in consortium lending with multiple banks. The assessment by ABFL is based on a strong promoter background with steady cash flows to service ongoing liabilities along with secured collateral covers.

ABFL has positioned itself where banks cannot operate; it is largely involved in the extension of working capital needs, merger & acquisitions, promoter funding, loans against shares, holding company financing etc. However, regulation in few product verticals is evolving and could pose a business risk. With the new scale-based regulation, ABFL would require to list within three years probably before FY26.

Risk Management/Appraisal Process

ABFL has a separate business & credit team for each line of business along with a business team, whereby both teams report to business heads. All sanctions are signed off by both business and credit risk underwriting teams. It has a centralised risk management team for all sub-segments of financial services. There are four levels of risk management committee, with each having various powers and authority. Each of the committee's powers is defined with a clear hierarchy for approval limit, based on risk parameters. ABFL for different business units have set monitoring criteria in place for assessing risk parameters such as covenants, concentration, receivables and inventory verification, escrow control, assessing collateral and cashflow cover, capping single party exposures.

Credit Risk

Capital Market Finance

While the default rate has been low, the event risk is the biggest risk in the business. Any extreme sharp movement in the market or scrip can wipe off the margins and the collateral can deteriorate before call/liquidation can be exercised, as liquidity also dries up during such events. In this event, non-payment by a borrower will lead to losses on the loan. Operational risk remains the other significant risk, as many clients have long-term relationships with the company. During stress, the company could be reluctant to allow liquidation of underlying stocks in anticipation of a margin top-up from borrowers.

Corporate Finance

In the supply chain, ABFL targets vendors of its group companies and other vendors in the same line of business. The credit risk from the business sourced within the Aditya Birla Group would provide better borrower insights to assess the repayment track record than the business sourced outside the group. Since this is a highly competitive and mostly unsecure business, any dilution in the appraisal standard could result in high loses in the event of delinquencies. With the augment of GST filings, incremental reference points have increased to establish credit worthiness of borrowers. For SMEs, large and mid-corporates, loans are given with proper due diligence of the borrower's business, while ascertaining cash flow along with a strong collateral cover. CIBIL score, along with track record with the existing banker, is analysed while assessing the borrower's profile. Average ticket size for large corporates with turnover higher than INR25 billion would be around INR0.55 billion. In the mid-corporate segment, the turnover of the entity would be between INR2.5 billion to 25 billion and average exposure would be INR300 million-400 million.

Project Finance

Credit risk in the infrastructure segment is high particularly due to the execution risk. ABFL is somewhat shielded from the risk, given it provides only last-mile funding/bridge funding and ensures it has recourse to project sponsor. In addition, the company's late entry in this segment (when the infrastructure space was getting tougher) has helped it in taking a hard view on the loan proposals.

Nevertheless, the company's high reliance on project sponsor may result in less stringent evaluation of project risk, which in the event of any stress on sponsor/unwillingness of sponsor could result in losses. The risk is exaggerated in case of a large ticket and highly concentrated loan book, where any default can have a disproportionate impact on the profitability. Extension or over dependence on regulatory authorities for payments can also lead to the extension of receivables for the project funded where the cash flow cover could deteriorate over time, thus requiring strong ring fencing and cross collaterisation clauses.

Mortgage Finance

Any sharp correction in collateral prices, especially if the borrowers are under stress, could result in a sharp rise in delinquencies, testing the company's ability to act quickly and profitably liquidate collaterals. Average ticket size in construction finance would be around INR1 billion and with 1.5x-2x collateral cover. Also, as a large part of sourcing is done through debt service account, there exist risks for a churn, leading to a higher cost of on-boarding client through that channel.

Stressed Loans

ABFL's gross non-performing loan ratio during FY22 and FY21 was 3.1% and 2.7%, respectively. The changing book mix towards retail and SME along with rise in unsecured loan portion in the loan book would incrementally keep the credit cost higher than the historical rate. The credit cost for 3QFY23 stood at 1.9%(FY22:1.2%). The gross stage 3 assets stood at 3.1% and net stage 3 assets stood at 1.6% in 3QFY23. The book benefitted from the Emergency Credit Linked Guaranteed Scheme accounted for 14.2% of advances as of FY22, as the company disbursed around INR15.2 billion till FY22 under the scheme. The restructured book stood at INR10.8 billion in 3QFY23, comprising 1.5% of the total advances (FY22: 3.1%). The slippages from the restructured and ECLGS supported book need to be monitored.

The overall provision coverage improved to 49.3% in 3QFY23 from 44.1% in 2QFY22, and thereby could lead to a moderation in the credit cost in the medium term.

Market and Operational Risk

Market risk is an important consideration for ABFL. In its capital market funding, any sharp movement in the collateral price can increase the credit risk. However, capital market lending comprised 5% share in the overall book in 3QFY23 and has been moderating.

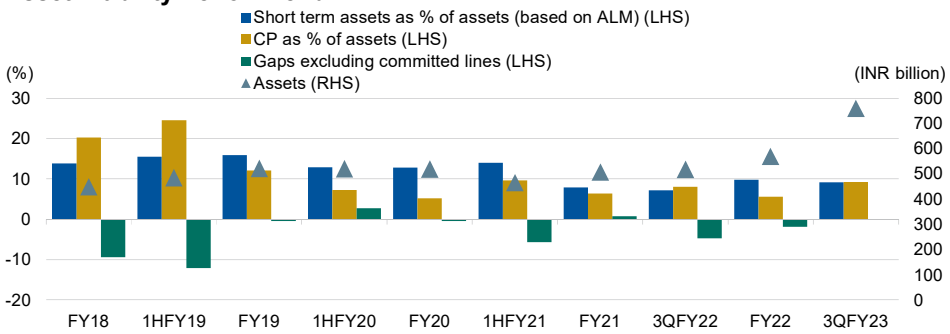
Funding and Liquidity

ABFL's funding composition is changing, with changes in its asset mix. With predominantly short-term funding in FY12, the proportion of long-term funding is increasing, mirroring the trend in its asset portfolio. With the increasing proportion of longer-term assets in its portfolio, this trend is likely to continue.

The company has sufficient access to both capital market and bank funding. The bank funding is spread over multiple private and public banks. ABFL generally carries unutilised lines to tune of INR80 billion at any point in time. However, the portion of short-term funding (CPs) in the funding book increased to 11.3% of the total funding as of 3QFY23 (FY22: 7.3%, FY21: 8.3%), in relation to short-term assets (capital market group , supply chain and treasury book) of 9.4% of the total advances. ABFL's ability to maintain adequate cover for short-term borrowings over the medium term or keep it proportionate to the short-term lending book remains a key monitorable.

Figure 4

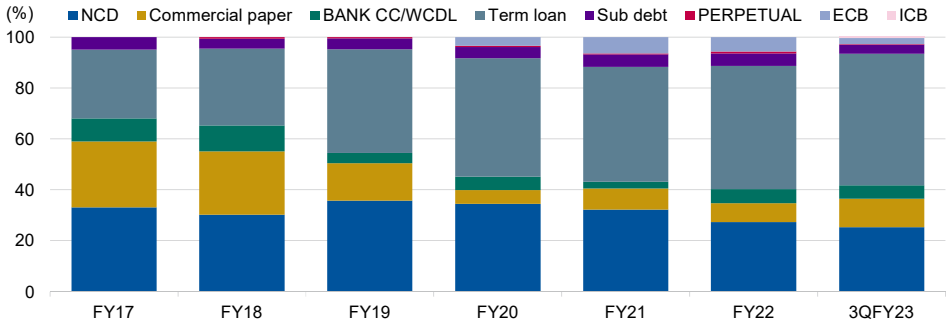
Asset Liability Tenor Trend



Source: Ind-Ra, Company data

Figure 5

Funding Trend for ABFL



Source: Company data, Ind-Ra

ABFL's structural liquidity statement of FY22 had marginal gaps; however, they were adequately covered with unutilised lines. Moreover, considering ABFL is a part of the Aditya Birla group, Ind-Ra expects the ultimate parent to provide support to ABFL during times of stress.

Incrementally, ABFL would match the proportion of short-term borrowings in its liabilities to the extent of short-term assets in the overall AUM. ABFL plans to maintain matched asset liability tenors and can also access the liquidity of the ultimate parent, if required.

Capitalisation/Leverage

While ABFL has been receiving regular capital infusions, the higher growth in its loan book than internal accruals has led to higher consumption of capital levels. ABFL's tier 1 ratio fell to 14.8% in 3QFY23 (FY22: 18.07%, FY21:18.43%) and equity to assets to 14.4% (17.3%, 17.4%) due to higher loan growth seen in 9MFY23 at 48% yoy. As per Ind-Ra's stress test, the capital buffers remain adequate to absorb softer delinquencies migration risk to harder buckets. Management has infused around INR37.1 billion over FY13-3QFY23. ABFL plans to operate at leverage of around 5.5x, considering the semi-wholesale nature of the book.

Profitability

The overall loan book mix has improved, where the share of granular retail & SME assets rose to 65% in 3QFY23. Also, the share of unsecured loans to total advances increased to 25.3% in FY22 (FY21: 18.9%). Consequently, ABFL's operating margins (excluding fees) increased to 6.9% in 3QFY23 (FY22: 5.7%, FY21: 5.3%). The fee and other income contribute additional 0.5%-0.7% as % of total advances. ABFL also through partnerships with fintechs has been able to onboard customers across products, thereby driving overall growth largely on the unsecured side. ABFL is increasing its exposure towards high-yield unsecured personal loans, digital and business loans, which contributed about 27.1% to the loan book in 3QFY23 (FY22: 25.3%), largely to improve its blend margins as other part of the business has direct competition from banks and other financial services players and thereby offers lower pricing power. Incrementally with rise in borrowing rates, there could be some pressure in margin in 3QFY23. ABFL's return on assets for FY22 stood at 2.1% (FY21: 1.7%).

Aditya Birla Finance Limited – Balance Sheet Analysis

	31 March 2019		31 March 2020		31 March 2021		31 March 2022	
	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets	Year-end (INR million)	As % of assets
A. Loans and advances	**5,06,986**	**97**	**4,68,669**	**89**	**4,86,186**	**95**	**5,46,823**	**95**
Project finance	0	0	0	0	0	0	0	0
Term loan	5,06,986	97	4,68,669	89	4,86,186	95	5,46,823	95
Mortgage finance	0	0	0	0	0	0	0	0
Collateral finance	0	0	0	0	0	0	0	0
Loan against commodity	0	0	0	0	0	0	0	0
Loan against IPO	0	0	0	0	0	0	0	0
Corporate finance bills	0	0	0	0	0	0	0	0
Loan to Micro finanace	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
B. Other interest-bearing assets	**15,765**	**3**	**34,772**	**7**	**8,869.6**	**2**	**18,159**	**3**
Other interest-bearing loans								
Investments	15,765	3	33,965	6	7,929	2	16,940	3
Stock of securities	0	0	807	0	941	0	1,219	0
Intercorporate deposits	0	0	0	0	0	0	0	0
C. Loan loss reserves								
D. Total earning assets	**5,22,751**	**100**	**5,03,441**	**96**	**4,95,056**	**96**	**5,64,982**	**98**
E. Fixed assets	**208**	**0**	**195**	**0**	**147**	**0**	**188**	**0**
F. Non-earning assets	**1,534**	**0**	**22,030**	**4**	**19,125**	**4**	**11,865**	**2**
Cash	591	0	18,204	3	15,301	3	6,925	1
Others	943	0	3,826	1	3,824	1	4,940	1
Total assets	**5,24,494**	**100**	**5,25,666**	**100**	**5,14,327**	**100**	**5,77,035**	**100**
G. Short-term funding	**1,00,180**	**19**	**44,638**	**8**	**42,345**	**8**	**55,869**	**10**
Unsecured								
Secured								
H. Long term debt due within a year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
I. Long term funding	**3,31,941**	**63**	**3,89,915**	**74**	**3,69,807**	**72**	**4,03,988**	**70**
Long term borrowings								
Borrowings from related parties								
Public deposits								
Subordinated debt								
J. Other non-interest bearing liabilities	**14,106**	**3**	**3,078**	**1**	**5,562**	**1**	**9,194**	**2**
K. Provisions	**6,498**	**1**	**10,398**	**2**	**11,671**	**2**	**12,784**	**2**
L. Tangible net worth	**71,769**	**14**	**77,638**	**15**	**84,943**	**17**	**95,199**	**16**
Total liabilities and equity	**5,24,494**	**100**	**5,25,666**	**100**	**5,14,327**	**100**	**5,77,035**	**100**

Source: Ind-Ra

Aditya Birla Finance Limited – Income Statement Analysis

	31 March 2019		31 March 2020		31 March 2021		31 March 2022	
	Year-end (INR million)	As % of average earning assets	Year-end (INR million)	As % of average earning assets	Year-end (INR million)	As % of average earning assets	Year-end (INR million)	As % of average earning assets
Interest earned	51,930	10.8	56,494	11.0	52,834	10.6	55,313	10.4
Interest expended	32,875	6.8	36,046	7.0	30,199	6.0	27,091	5.1
Net interest income	**19,054**	**4.0**	**20,448**	**4.0**	**22,635**	**4.5**	**28,222**	**5.3**
Other operating income	4,293	0.8	5,653	1.1	2,446	0.5	2,656	0.5
Personnel expenses	4,551	0.9	4,228	0.8	4,489	0.9	5,207	1.0
Operating expenses	3,792	0.8	4,273	0.8	3,459	0.7	4,265	0.8
Pre-provision operating profit	**15,005**	**3.1**	**17,600**	**3.4**	**17,132**	**3.4**	**21,406**	**4.0**
Provisions for losses/standard assets	2,070	0.4	7,071	1.4	6,818	1.4	6,535	1.2
Operating income after provisions	**12,934**	**2.7**	**10,529**	**2.1**	**10,314**	**2.1**	**14,871**	**2.8**
Taxes	4,593	1.0	2,480	0.5	2,626	0.5	3,788	0.7
Net profit	**8,342**	**1.7**	**8,049**	**1.6**	**7,688**	**1.5**	**11,083**	**2.1**
Ratio analysis								
A. Profitability (%)								
Net profit/equity (avg.)	12.6		10.8		9.5		12.3	
Net profit/total assets (avg.)	1.18		1.53		1.48		2.03	
Non-interest expenses/(net interest income + other operating income)	35.7		32.6		31.7		30.7	
Net interest income/total assets (avg.)	2.7		3.9		4.4		5.2	
Pre-provision operating profit/total assets (avg.)	2.1		3.4		3.3		3.9	
Operating profit after provision/total assets (avg.)	1.8		2.0		2.0		2.7	
Interest expended/total borrowings (avg.)	5.4		8.3		7.1		6.2	
PPOP/avg loans	3.2		3.6		3.6		4.1	
B. Capitalisation (%)								
(Net profit - dividends)/prior period equity	13.5		11.2		9.9		13.0	
Equity/total assets	13.7		14.8		16.5		16.5	
Equity/loans	14.2		16.6		17.5		17.4	
Tier - I capital ratio	14.3		14.3		18.4		14.8	
Tier - II capital ratio	3.1		3.1		4.3		2.7	
Debt/equity (x)	6.0		5.6		4.9		4.8	
Short term borrowings incl. LT debt due in 1 year /total borrowings	23.2		10.3		10.3		12.1	
C. Asset quality (%)								
Provision for loan losses/loans (avg.)	0.4		1.4		1.4		1.3	
Provision for loan losses/pre-provision operating profit	13.8		40.2		39.8		30.5	
Gross NPLs/gross loans	1.19		3.90		2.93		3.58	
Loan loss reserves/gross NPLs	45.6		31.0		41.5		39.5	
Net NPLs/equity	4.6		16.2		9.8		12.4	
PPOP/average loans	3.22		3.61		3.59		4.14	
	9.93		11.22		10.67		9.79	
PPoP/CC	7.2		2.5		2.5		3.3	

Source: Ind-Ra

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