

Date: January 05, 2022

To

**Listing Department,
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Scrip Code: 955550

Dear Sir/Madam,

Sub: Credit Rating Reaffirmation

Pursuant to the provisions of Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly note that both ICRA Limited and CARE Ratings Limited has reaffirmed the credit ratings of the Company.

Copy of both the press releases are attached herewith for reference.

This intimation is also being uploaded on the Company's website at www.arohan.in.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Arohan Financial Services Limited

**Dinesh Mourya
Senior Manager – Legal & Compliance**

Encl: as above

Arohan Financial Services Limited

December 03, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1,143.22 (Reduced from 2,076.71)	CARE A-; Negative (Single A Minus; Outlook: Negative)	Reaffirmed
Total Bank Facilities	1,143.22 (Rs. One Thousand One Hundred Forty-Three Crore and Twenty-Two Lakhs Only)		
Subordinate Non-Convertible Debentures	135.00	CARE A-; Negative (Single A Minus; Outlook: Negative)	Reaffirmed
Non-Convertible Debentures	325.00	CARE A-; Negative (Single A Minus; Outlook: Negative)	Reaffirmed
Total Long Term Instruments	460.00 (Rs. Four Hundred Sixty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

The reaffirmation of ratings assigned to the long-term debentures and bank facilities of Arohan Financial Services Limited (Arohan) factors in its strong market presence in geographies like West Bengal and Assam, whilst maintaining sizeable scale of operations. The ratings also draw comfort from the company's comfortable capitalization profile and adequate liquidity position.

However, these rating strengths are partially offset by deterioration in asset quality profile followed by moderation in loan book growth on the back of lower disbursements. The ratings also take note of recent turmoil faced by micro-finance industry in states of Assam and West Bengal and its consequent impact on collection profile of AFPL. Furthermore, to shore up its capitalization and liquidity profile, Arohan is looking to raise equity to the tune of Rs.850 crore. Subsequently, Arohan had filed DRHP for an Initial Public Offering (IPO) in February-2021 and expects to complete the same by end Q4FY22.

Key Rating Sensitivities

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade

- Significant scale up in loan portfolio with reduced geographical concentration
- Improvement in profitability profile with return on total assets (RoTA) above 3% on a sustained basis
- Maintenance of comfortable asset quality metrics with GNPA below 5% on a sustainable basis
- Increasing presence and market share in non-eastern geographies

Negative factors: Factors that could individually or collectively lead to negative rating action/upgrade

- Deterioration in asset quality metrics on a sustained basis
- Moderation in liquidity profile with decline in collection efficiency
- Moderation in capitalization with overall CAR below 18%
- Rise in overall leverage/gearing above 6 times

Outlook: Negative

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

The outlook has been maintained at 'Negative' on the expectation of continued pressure on asset quality especially towards loan assets in Assam, however CARE continues to monitor asset quality profile in Assam post the announcement of Assam Microfinance Incentive and Relief Scheme (AMFIRS). Also, the company is in the process of raising significant amount of equity through IPO to maintain healthy capitalization and fund its loan book growth. CARE would continue to monitor the developments with respect to asset quality and profitability and may consider revising the outlook to 'Stable' if the company is able to infuse substantial equity as envisaged in a timely manner.

Detailed description of the key rating drivers

Key Rating Strengths

Experienced promoters

Arohan is promoted by Aavishkaar Group, headed by Mr. Vineet Rai. In September 2012, the group acquired majority stake in Arohan from previous promoters i.e. Mr. Subhankar Sengupta and other institutional investors. Mr. Vineet Rai has around two decades of experience in early-stage investing, small business incubation and microfinance business. Also, the group is backed by other strong institutional investors such as Nuveen (a TIAA company), Triodos Bank, Shell Foundation and others, translating into strong passage of technical know-how for Arohan.

Experienced and professional management team

Arohan's board comprises of 12 members, having significant experience in the banking and financial sectors. The board is headed by Mr. D.K. Mittal (Chairman), a former IAS officer who has served the Government of India in various capacities. Mr. Manoj Nambiar (Managing Director) has about 30 years of experience in consumer finance and retail banking. He was elected as the Chairman of MFIN in July 2019. Also, Mr. Nambiar currently is a member of the five-person committee working under AMFIRS and acts as the representative for NBFC-MFIs in Assam. The senior management team is also considerably experienced with clear demarcation of roles and responsibilities.

Sizeable scale of operations, albeit moderating

Arohan commenced micro-finance operations in 2006. The scale of operation has significantly increased post takeover by the new management in September 2012. The Assets under Management (AUM) of the company has been increasing continuously with a CAGR of around 29% for the last 3 years (FY18-FY21). Post the onset of COVID-19 pandemic in the country and the resultant impact of the same on borrowing profile of low-income MFI borrowers, AUM of the company declined marginally to Rs.4,648 crore (down 4% Y-o-Y) as on March 31, 2021 and further to Rs.4,418 crore as on September 30, 2021. As a result, ability of the company to grow its on-book loan portfolio significantly in the near term remains a key rating sensitivity.

Adequate risk management system and adequate IT infrastructure

The company migrated to FIS (Core Banking System) from Omni in July 2017. FIS Profile is a real-time, multi-currency deposit and loan core banking system, developed by Fidelity National Information Services Inc. (FIS), provider of financial services technology and outsourcing services. The data of all the connected outlets/branches are located at one centralized location; the management information system (MIS) functions can be undertaken more effectively, without much dependency on service outlets/branches, for the required quantum of data. The system is connected in real time to all of the branches as well as to the smartphone-based loan processing applications used by the field officers. Each branch has a terminal that provides facilities for branch data entry, loan processing and cash collections.

Diversified funding profile

Arohan has a moderately diversified resource profile with a mix of equity, long term loans, bank borrowings and debentures with a large lender base. The company raised additional debt of about Rs.2,679 crore through NCDs and term loans in FY21 and Rs.997 crore in H1FY22.

Adequate capitalization

Arohan's CAR remained largely stable at 23.97% as on September 30, 2021 (as against 24.27% as on March 31, 2021) and remained well above regulatory requirement of 15%. The Tier I CAR stood at 21.25% as on September 30, 2021 (as against 19.36% as on March 31, 2021). Also, owing to Arohan returning to profitable operations in H1FY22 on the back of controlled credit costs/provisioning, clubbed with declining borrowing levels, overall gearing of the company improved to 4.67 times as on September 30, 2021, as against 5.59 times as on March 31, 2021, thus providing it a wider headroom to expand its loan portfolio. Also, the capitalization profile is expected to improve significantly post the planned IPO listing in Q4FY22. Furthermore, Arohan has an alternative option to raise equity to the tune of Rs.150-300 crore from existing investors.

Key Rating Weaknesses***Moderation in operational profitability***

End fiscal March 31, 2021, profitability profile of the company witnessed severe moderation majorly on account of surge in provisioning expenses to Rs.504 crore. Also, the operational profitability was impacted due to rising interest costs on the back of sequential increase in total borrowings of the company in FY21, clubbed with declining income profile on the back of moderation in loan book growth. As a result, Arohan reported net loss of Rs.160 crore during FY21, thus resulting in negative return ratios.

However, owing to high provisioning in high FY21 and limited provisioning need in H1FY22, Arohan reported PAT of Rs.30 crore during H1FY22, albeit down 52% Y-o-Y owing to lower income on the back of declining on-book loan portfolio of the company, thus resulting in a positive return on total assets (RoTA) of 1.14%.

Deterioration in asset quality

The GNPA and NNPA as on March 31, 2021 deteriorated significantly and stood at 11.24% and 3.96% respectively. The deterioration in asset quality was due to the combined impact of socio-political issues and COVID-19 pandemic on the income profile of borrowers in major states contributing to the portfolio. Moreover, the slippage in asset quality profile was also on account of deterioration in collection profile in Assam which contributed to about 18% of its Assets under Management (AUM) as on September 30, 2021. Furthermore, owing to the exacerbating impact of second wave of the COVID-19 pandemic, clubbed with moderation in Arohan's AUM, gross NPA, as a %, increased to 11.91%, while net NPA improved marginally to 3.14% on the back of increased provisioning.

However, post improvement in collection profile in states of Assam and West Bengal in Q2FY22 and with the announcement of Assam Microfinance Incentive and Relief Scheme (AMFIRS) by the Assam Cabinet, wherein the state government has planned a capital outlay to the tune of Rs.7,500 crore, CARE expects reduction in asset quality stress for Arohan. Although, ability of the company to maintain a comfortable asset quality profile post the conclusion of the said relief scheme remains a key rating sensitivity.

Geographical concentration of portfolio

The concentration of top three states in MFI loans outstanding (West Bengal, Bihar and Assam) remained stable at 65% as on September 30, 2021, as compared to 67% as on March 31, 2020. The concentration towards West Bengal (highest exposure state) for MFI loans also remained stable at 28%. The company has presence in 16 states across different products i.e. microfinance loans and corporate advances.

Inherent risks in the micro finance industry with increasing competition

Arohan faces competition from larger MFIs who have better access to resources and enjoy the economies of large-scale operations. Further, banks and NBFCs are also trying to increase their direct presence in rural areas to meet the priority sector lending requirement. However, the proposed harmonization guidelines issued by the RBI recently

are expected to benefit the NBFC-MFIs, especially in terms of removal of the margin cap and create a level playing field.

Post the Andhra Pradesh crisis and regulatory intervention by RBI, the microfinance sector has seen strong growth in loan portfolio on account of improving funding profile, control over operating expenses, improving margins and moderate leverage levels. The sector has evolved with the advent of credit bureaus in the sector and subsequent control over asset quality. However, it remains exposed to event-based risks and marginal profile of borrowers. The ability to withstand event risks and avoid further deterioration in the asset quality leading to impact on the overall profitability will be the key considerations.

The credit view will continue to factor in risks associated with unsecured lending, socio-political intervention, geographic concentration and operational risks related to cash based transactions.

Liquidity: Adequate

As per the asset liability mismatch (ALM) statement dated September 30, 2021, there were positive cumulative mismatches across all time buckets supported by a cash and bank balance of Rs.990 crore, against which Arohan had debt obligations of Rs.3,072 crore for the next 12 months. Consequently, ability of the company to maintain collection efficiency of more than 95% whilst growing its loan portfolio significantly remains a key rating sensitivity.

Analytical approach: Standalone.

Applicable Criteria

[Criteria on assigning Outlook and Credit watch to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[CARE Methodology for Non-Banking Financial Companies](#)

[CARE's Methodology on factoring linkages-Parent/Subsidiary](#)

[Financial Sector –Financial Ratios](#)

About the company

Arohan (erstwhile Arohan Financial Services Pvt. Ltd), which started MFI operations in 2006, is a Kolkata-based Non-Banking Finance Company-Microfinance Institution (NBFC-MFI), registered with the Reserve Bank of India (registration in January 2014).

Arohan is majorly engaged in microfinance activity and managed AUM of Rs.4,418 crore as on September 30, 2021 across 13 States for MFI activity and 3 states for MSME lending. The top 3 states for MFI lending are West Bengal, Assam and Bihar.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	H1FY22 (P)
Total operating income	938.36	1,013.68	466.24
PAT	126.80	-159.95	30.08
Interest coverage (times)	1.86	1.61	1.50
Total Assets	5,232.70	5,312.77	4,765.41
Net NPA (%)	0.00	3.96	3.14
ROTA (%)	2.80	-3.03	1.14

A-Audited, P: Provisional

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

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of the rated instrument / facilities - Please refer Annexure-3

Complexity level of various instruments - Please refer Annexure-4
Annexure-1: Details of Instruments / Facilities

Name of the Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	-	1057.92	CARE A-; Negative
Fund-based - LT-Cash Credit	-	-	-	-	85.00	CARE A-; Negative
Fund-based - LT-Bank Overdraft	-	-	-	-	0.30	CARE A-; Negative
Debt-Subordinate Debt	September 20, 2016	INE808K08012	14.25%	September 20, 2022	10.00	CARE A-; Negative
Debt-Non-convertible Debenture/Subordinate Debt	March 28, 2018	INE808K08046	13.50%	April 28, 2025	65.00	CARE A-; Negative
Debt-Non-convertible Debenture/Subordinate Debt	August 14, 2018	INE808K08053	13.50%	September 30, 2025	35.00	CARE A-; Negative
Debt-Non-convertible Debenture/Subordinate Debt	October 24, 2019	INE808K08061	12.85%	October 25, 2026	25.00	CARE A-; Negative
Debentures-Non-Convertible Debentures	June 17, 2020	INE808K07139	11.00%	June 16, 2023	25.00	CARE A-; Negative
Debentures-Non-Convertible Debentures	July 08, 2020	INE808K07147	11.50%	July 10, 2023	25.00	CARE A-; Negative
Debentures-Non-Convertible Debentures	July 13, 2020	INE808K07154	10.50%	January 17, 2022	100.00	CARE A-; Negative
Debentures-Non-Convertible Debentures	July 25, 2020	INE808K07162	11.00%	July 29, 2023	25.00	CARE A-; Negative
Debentures-Non-Convertible Debentures	November 10, 2020	INE808K07238	10.45%	May 19, 2022	150.00	CARE A-; Negative

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	1057.92	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (05-May-20)	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19) 3)CARE A-; Positive (05-Apr-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
3	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (08-Oct-18)
4	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive

								(05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
5	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
6	Debt-Subordinate Debt	LT	10.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (05-May-20)	1)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (25-Feb-20) 2)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
8	Fund-based - LT-Cash Credit	LT	85.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (05-May-20)	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19) 3)CARE A-; Positive (05-Apr-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
9	Debt-Non-convertible Debenture/Subordinate Debt	LT	100.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (05-May-20)	1)CARE A-; Positive (10-Oct-19)	1)CARE A-; Positive (05-Feb-19) 2)CARE A-; Positive (08-Oct-18)
10	Fund-based - LT-Bank Overdraft	LT	0.30	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (05-May-20)	1)CARE A-; Positive (25-Feb-20) 2)CARE A-; Positive (10-Oct-19)	-
11	Debt-Non-convertible Debenture/Subordinate Debt	LT	25.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20)	1)CARE A-; Positive (24-Oct-19)	-

						2)CARE A-; Stable (05-May-20)		
12	Debentures-Non Convertible Debentures	LT	25.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20) 2)CARE A-; Stable (03-Jun-20)	-	-
13	Debentures-Non Convertible Debentures	LT	150.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (06-Aug-20)	-	-
14	Debentures-Non Convertible Debentures	LT	150.00	CARE A-; Negative	1)CARE A-; Negative (23-Jun-21)	1)CARE A-; Stable (12-Nov-20)	-	-

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

1. Unsecured Subordinated NCD- 10 crore	Detailed explanation
Major Financial covenants	
- CAR	CAR shall be above 15% at all point in time
- PAR 30	<=3%
Major Non-financial covenants	
- Standard reporting, affirmative and negative covenants.	Quarterly reports within 45 days, annual reports within 120 days and event-based reports in 5 days
2. Unsecured Subordinated NCD- Rs.100 crore	
Financial covenants	
- CAR	Tier I CAR>10% and overall CAR>15%
- Gross NPL to gross loan portfolio	<=2%
- Gross NPL netted off for overall loan loss provision	<=20% of Net worth
- Net profit after tax on quarterly basis	Positive
Non-financial covenants	
- Standard reporting, affirmative and negative covenants.	Quarterly reports within 45 days, annual reports within 120 days and event-based reports in 5 days
3. Unsecured Subordinated NCD- Rs.25 crore	
Major Financial covenants	
- CAR	CAR to be maintained at a minimum level (currently 15%) as stipulated by RBI
- Gross NPA	<=3%
Major Non-financial covenants	
- Standard reporting, affirmative and negative covenants. No rating revision trigger clause in the term sheet	Quarterly reports within 45 days, annual reports within 120 days and event-based reports in 5 days
4. Secured NCD-	
Major Financial covenants	
- CAR	CAR should not fall below 20%
- Liquidity	Cumulative ALM should always be within the limits prescribed by RBI/Company's ALM policy
- PAR 90 days	Not more than 6%
- Operational self-sufficiency	Min 110%

- Operating cost ratio	Not more than 15%
- TOL: TNW	Max 10x
- Debt Equity Ratio	It should be maintained below 6 times
Non-financial covenants	
- Rating downgrade/upgrade event	In the event that the rating of the Issuer is downgraded by one notch from its current rating, the applicable coupon rate shall be increased by 0.25%. The bank shall have a right of early redemption in case the ratings fall by two notches.

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non-Convertible Debentures	Simple
2.	Debt-Non-convertible Debenture/Subordinate Debt	Complex
3.	Debt-Subordinate Debt	Complex
4.	Fund-based - LT-Bank Overdraft	Simple
5.	Fund-based - LT-Cash Credit	Simple
6.	Fund-based - LT-Term Loan	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

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

Contact us

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Name: Mr. Lalit Sikaria

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Email ID: lalit.sikaria@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information, please contact us at www.careratings.com



ICRA Limited

Ref: ICRA/Arohan Financial Services Limited/05102021/2

October 05, 2021

Mr. Manoj Kumar Nambiar

Managing Director

Arohan Financial Services Limited
PTI Building, 4th Floor, West Wing
DP Block, DP-9, Sector-V, Saltlake
Kolkata – 700 091

Dear Sir,

Re: ICRA-assigned Credit Rating for Rs. 793.36 crore Bank Facilities and Enhancement of Rs. 647.88 crore Bank Facilities of Arohan Financial Services Limited (instrument details in Annexure)

Please refer the Rating Agreement/Statement of Work between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company, on an annual basis, or as and when the circumstances so warrant. Also, please refer to your Rating Agreement/Statement of Work dated August 19, 2021 for rating of enhanced captioned limits of bank facilities of your company from Rs. 793.36 crore to Rs. 1,441.24 crore.

Please note that the Rating Committee of ICRA, after due consideration, has reaffirmed the long term rating of [ICRA]A- (pronounced ICRA A minus) assigned earlier to the Rs. 793.36 crore bank facilities of your Company and has assigned a long-term rating of [ICRA]A- (pronounced ICRA A minus) to the captioned bank facilities ("Rating") of Rs. 647.88 crore (enhancement portion). Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The outlook on the long-term rating is Negative.

In any of your publicity material or other document wherever you are using above rating, it should be stated as [ICRA]A-(Negative).

The aforesaid Rating(s) will be due for surveillance any time before September 27, 2022. However, ICRA reserves the right to review and/or, revise the above Rating(s) at any time on the basis of new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the Rating(s).

The Rating(s) are specific to the terms and conditions of the bank facilities as indicated to us by you, and any change in the terms or size of the same would require a review of the Rating(s) by us. In case there is any change in the terms and conditions or the size of the rated bank facilities, the same must be brought to our notice before the bank facilities is used by you. In the event such changes occur after the Rating(s) have been assigned by us and their use has been confirmed by you, the Rating(s) would be subject to our review, following which there



could be a change in the Rating(s) previously assigned. Notwithstanding the foregoing, any change in the overall limit of the bank facilities from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The Rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated [Instrument] availed/issued by your company.

The Rating assigned to the bank facilities of your Company shall require revalidation if there is any change in the size or structure of the rated bank facilities.

You are also 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 and keep us 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 inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

KARTHIK SRINIVASAN

2021.10.05 13:22:30 +05'30'

Karthik Srinivasan

Senior Vice President

Group Head – Financial Sector Ratings

karthiks@icraindia.com

Encl: Annexure – List of Instrument Rated



Annexure

LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Details of Bank Limits Rated by ICRA (Rated on Long-Term Scale)	Amount (In Rs. crore)	Rating	Rating Assigned/ Reaffirmed on
MUDRA	100.00	[ICRA]A-(Negative)	September 28, 2021
Hinduja Leyland	35.26	[ICRA]A-(Negative)	September 28, 2021
ICICI Bank	73.14	[ICRA]A-(Negative)	September 28, 2021
Syndicate Bank	15.00	[ICRA]A-(Negative)	September 28, 2021
State Bank of India	69.96	[ICRA]A-(Negative)	September 28, 2021
NABARD	250.00	[ICRA]A-(Negative)	September 28, 2021
IDFC First Bank	120.00	[ICRA]A-(Negative)	September 28, 2021
IDFC First Bank	30.00	[ICRA]A-(Negative)	September 28, 2021
Axis Bank Limited	129.55	[ICRA]A-(Negative)	September 28, 2021
Bank of India	40.00	[ICRA]A-(Negative)	September 28, 2021
Federal Bank Limited	44.44	[ICRA]A-(Negative)	September 28, 2021
HSBC Bank	42.86	[ICRA]A-(Negative)	September 28, 2021
IDFC First Bank	125.00	[ICRA]A-(Negative)	September 28, 2021
Indian Bank	100.00	[ICRA]A-(Negative)	September 28, 2021
Kookmin Bank	25.00	[ICRA]A-(Negative)	September 28, 2021
Kookmin Bank	20.00	[ICRA]A-(Negative)	September 28, 2021
Kotak Mahindra Bank	11.67	[ICRA]A-(Negative)	September 28, 2021
NABARD	93.00	[ICRA]A-(Negative)	September 28, 2021
Nabkisan Finance Limited	32.08	[ICRA]A-(Negative)	September 28, 2021
Oikocredit (Maanaveeya Development)	25.00	[ICRA]A-(Negative)	September 28, 2021
Standard Chartered Bank	22.00	[ICRA]A-(Negative)	September 28, 2021
State Bank of Mauritius	12.50	[ICRA]A-(Negative)	September 28, 2021
Woori Bank	24.79	[ICRA]A-(Negative)	September 28, 2021
Total	1,441.24		