

Date: 03.10.2023

Letter No. FMFL/SEC/2023-24/SE-84

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip Code: FUSION	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code: 543652
--	---

Sub: RATING UPGRADED TO CRISIL A+/STABLE : ANNOUNCEMENT UNDER REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Ma'am,

In accordance with Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL, the Credit Rating Agency, has upgraded its credit rating on the Bank Loan Facilities and Non-Convertible Debentures of Fusion Micro Finance Limited to '**CRISIL A+/Stable**' from '**CRISIL A/Stable**'.

Summary of Rating Action is as below:

Total Bank Loan Facilities Rated	Rs. 5000 Crore
Long Term Rating	CRISIL A+/Stable (upgraded from CRISIL A / Stable)
Rs. 50 Crore Non Convertible Debentures	CRISIL A+/Stable (upgraded from CRISIL A / Stable)

Copy of the Rating Rationale dated 3rd Oct, 2023 received at 08:13 PM today, is enclosed herewith.

Request you to take the same on records.

Thanking you
For Fusion Micro Finance Limited
(Formerly Fusion Micro Finance Private Limited)

Deepak Madaan
Company Secretary & Compliance Officer
Membership No. A24811
Place: Gurugram

Rating Rationale

October 03, 2023 | Mumbai

Fusion Micro Finance Limited

Rating upgraded to 'CRISIL A+/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.5000 Crore
Long Term Rating	CRISIL A+/Stable (Upgraded from 'CRISIL A / Stable')

Rs.50 Crore Non Convertible Debentures	CRISIL A+/Stable (Upgraded from 'CRISIL A / Stable')
--	--

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

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL's Ratings has upgraded its long-term rating on the bank facilities and debt instruments of Fusion Micro Finance Limited (Fusion) to '**CRISIL A+/Stable**' from CRISIL A/Stable.

The rating action takes into consideration the substantial improvement in earnings profile driven by higher net interest margins (NIMs) and controlled credit costs. It also factors in the improvement in scale of operations along with improving asset quality.

In line with revised regulatory framework, the company has enhanced its risk-based pricing by increasing its yields by ~200 to 300 bps during fiscal 2023 leading to expansion in NIMs to 10.5% during the fiscal as against 8.2% the previous year. At the same time, credit costs continue to remain low at 2.2% supported by collection efficiency being consistently over 99% for newer originations done. Benefitting from both improvement in NIMs as well as lower credit costs, overall profitability has improved as reflected in return on managed assets (RoMA) 4.3% for fiscal 2023 (4.5% during Q1 fiscal 2024). The company is expected to sustain improved profitability over the medium term.

The company's portfolio has seen steady growth with Fusion being among the top 5 MFIs operating in India. The company's AUM stood at Rs 9,712 crore as of June 2023 (Rs 9,296 crore as of March 2023 (Y-o-Y growth of 37%) and is expected to have crossed Rs 10,000 crore by end of September 2023. The company has also maintained equal focus on improving its asset quality along with the growth. As of June 30, 2023, the 90+ dpd improved to 3.2% as against 3.5% as of March 31, 2023 and 5.7% as of March 31, 2022. CRISIL ratings notes that company didn't sell any portfolio to ARCs and wrote off Rs 307 crore (3.2% of the portfolio as of June 2023) in last 15 months. Collection efficiency has remained strong with low delinquencies for loans originated in the last 12-18 months. This in-turn has resulted in lower credit costs on incremental basis.

The rating also continues to factor in healthy capital position which continues to strengthen overall credit profile of Fusion. The company was successfully able to raise Rs 600 crore through IPO done in Q3 of fiscal 2023. With this equity raise and substantial improvement in accretions Fusion's networth improved to Rs 2,445 crore in June 2023 as compared to Rs 2,322 crore in March 31, 2023 and Rs 1,338 crore in March 2022. Company's adjusted gearing also improved stood at 3.4 times as on June 30, 2024 as compared to 3.3 times as on March 31, 2023 (4.8 times as on March 31, 2022). Nevertheless, with continuous growth in scale of operations, the ability of company to maintain adjusted gearing below 4.0 times will remain key rating sensitivity factor.

The rating also reflects experienced leadership and senior management team along-with sound risk management/audit processes that are set-up by Fusion. These strengths are partially offset by inherently modest credit risk profile of borrowers, and potential risk from local socio-political issues inherent to the microfinance sector.

Analytical Approach

CRISIL Ratings has evaluated the business and financial risk profiles of Fusion on standalone basis.

Key Rating Drivers & Detailed Description

Strengths:

*** Healthy capitalisation, supported by regular equity infusion and rich pedigree of investors**

On November 2, 2022, Fusion opened its Initial Public Offering with fresh issuance of Rs 600 crore and offer for sale of around Rs 500 crore. The fresh issuance along with internal accruals further strengthens the capitalisation profile of the company. As of March 31, 2023, Fusion networth improved to Rs 2,322 crore with adjusted gearing at 3.3 times as compared to Rs 1,338 crore networth and 4.8 times adjusted gearing in March 2022. As of June 2023, networth stood at Rs 2,445 crore and adjusted gearing at 3.4 times. Going by the past track record, Fusion has been able to raise the required equity capital and ensure that overall capital position remains adequate. This would also substantiate maintenance of adjusted gearing below 4 times and an overall capital adequacy ratio of 20% on a steady-state basis.

*** Improving profitability**

Operating profitability of the company has shown improvement over the last 2 years. The company reported pre provisioning profitability of 5.3% in fiscal 2021 and 5.7% in fiscal 2022. Resultantly, despite the credit costs elevating to 4.2% for fiscal 2021 and 5.3% for fiscal 2022, the company maintained its positive bottom line with a RoMA of 0.8% for fiscal 2021 and 0.3% for fiscal 2022. Further, with the revised regulatory framework (de-regulation of net interest margin), the company has raised their interest yields by about 200 to 300 bps on the incremental disbursements done during last 4-5 quarters. Owing to increase in interest income and controlled credit cost, company reported a PAT of Rs 387 crore and a RoMA of 4.3% in fiscal 2023. Further, in Q1 fiscal 2024, Fusion reported a PAT of Rs 120 crore and a RoMA of 4.5% (annualised). The company is expected to sustain improved profitability over the medium term.

*** Improving asset quality with sound risk management practices**

Fusion asset quality has been improving with 90+ dpd at 3.5% in March 2023 as compared to 5.7% in March 2022, which further improved to 3.2% in June 2023. CRISIL ratings notes that company didn't sell any portfolio to ARCs and wrote off Rs 307 crore (3.2% of the portfolio as of June 2023) in last 15 months.

Nevertheless, the collection efficiency has remained strong with low delinquencies for loans originated in the last 12-18 months. This in-turn has resulted in lower credit costs on an incremental basis. While the company's asset quality performance continues to restore gradually, its ability to achieve and sustain its pre-pandemic level of asset quality position remains monitorable

Fusion has developed adequate risk management systems and practices over the last few years as it expands operations to new markets. This enabled the company to maintain its asset quality performance in existing regions; it also assists in the identification of newer regions. The company evaluates the potential area of operations on Area Lucrative Index, which involves assessment of parameters denoting the credit potential of the region. The company also has an extensive audit team of 329 members as of June 2023, with the number of branches being capped at two per auditor. The branches are graded twice a month on over 100 parameters, which helps the company detect any ongoing or potential issues. In terms of geographic diversity, as of June 2023, the company has expanded its presence to 20 states, with highest exposure to a single state being 23% (33% as on March 31, 2016, prior to demonetisation) and the top five states being 70% (94% as on March 31, 2016). Alongside expansion in geographical presence, the robust growth encountered over the last few years is supported by adequate monitoring of operational parameters, such as calibrated increase in ticket size and AUM exposure per branch, per district and so on.

*** Experienced senior management team**

Fusion is promoted by Mr Devesh Sachdev, who is an alumnus of Xavier School of Management, with over two decades of experience before he started Fusion in 2010. The second line of management comprises professionals with an average experience of over a decade in the fields of commercial and retail lending, audit, operations, people management and IT. The board has adequate representation from investors and extends strategic support to the company.

Weakness:

*** Inherently modest credit profile of borrowers**

A significant portion of the portfolio comprises microfinance loans to clients with below-average credit risk profiles and lack of access to formal credit. Typical borrowers are cattle owners, vegetable vendors, tailors, tea shops, provision stores and small fabrication units. The income flow of these households could be volatile and dependent on the local economy. With the slowdown in economic activity, there could be potential pressure on such borrowers' cash flows at a household level, thereby restricting their repayment capability. Fusion's ability to reinstate repayment discipline among its customers such that pre-pandemic levels of periodic collections are achieved, will be a key monitorable

*** Potential risk from local socio-political issues in the microfinance sector**

The microfinance sector has witnessed two major disruptive events in the past decade. The first was the crisis promulgated by the ordinance passed by the Government of Andhra Pradesh in 2010 and the second was demonetisation in 2016. In addition, the sector has faced issues of varying intensity in several geographies. Promulgation of the ordinance on microfinance institutions (MFIs) by the Government of Andhra Pradesh in 2010 demonstrated their vulnerability to regulatory and legislative risks. The ordinance triggered a chain of events that adversely affected the business models of MFIs by impairing their growth, asset quality, profitability, and solvency. Similarly, the sector witnessed high level of delinquencies post-demonetisation and the subsequent socio-political events. For Fusion, the ultimate credit loss due to disruption after demonetisation was close to 12.4%, which was borne over the following two fiscals. This indicates the fragility of the

business model vis-a-vis external risks. As the business involves lending to the poor and downtrodden sections of the society, MFIs will remain exposed to socially sensitive factors, including charging of high interest rates and consequently, to tighter regulations and legislation.

Liquidity: Strong

Liquidity profile of the company is healthy. The asset-liability management (ALM) profile was comfortable, with cumulative positive mismatches across all buckets up to one year as on June 30, 2023. Cash and equivalents were Rs 1,177 crore as on June 30, 2023. Liquidity buffer to cover total debt and loan repayments including operating expenses over the following two months was 1.1 times (assuming nil collections). In fiscal 2023, the company raised about Rs 7,548 crore of funds through terms loans, non-convertible debentures and Direct Assignment.

Outlook: Stable

Fusion's capitalisation metrics should remain adequate over the medium term, supported by its ability to raise capital. The business risk profile will benefit from the expanding scale of operations and improving asset quality

Rating Sensitivity factors

Upward factors

- Increase in scale of operations while maintaining asset quality
- Sustained profitability (RoMA) above 4% while maintaining adjusted gearing below 3 times

Downward factors

- Deterioration in asset quality or earnings profile, resulting in stressed profitability and capital position.
- Moderation in capitalization – evidenced by adjusted gearing increasing to and remaining above 5 times commensurate with a decline in tier I CAR to below 18%.

About the Company

Company was incorporated on September 5, 1994, as Ambience Fincap Private Limited and later in 2009 was takeover by Mr. Devesh Sachdev and changed name to Fusion Microfinance. Fusion started operation in 2010 as a non-deposit-accepting non-banking finance company and subsequently got converted into an MFI on January 28, 2014. Fusion provides financial services to poor women and predominantly follows the joint-liability group model, wherein each group has 5-7 members. The loans are provided mainly for agricultural and allied activities, business activities, and establishment and expansion of micro enterprises. As on June 30, 2023, the company had a network of 1,033 MFI branches and 70 SME branches spread across over 399 districts within 20 states, with a strong focus on rural and semi-urban areas.

Promoted by Mr Devesh Sachdev, the company has attracted domestic and global investors with high pedigree over the years. After capital infusion in fiscal 2019 and the third quarter of fiscal 2020, Warburg Pincus (through Honey Rose Investment Ltd) acquired a 48.6% stake in the company, making it the largest shareholder in Fusion. This marked the exit of Belgian, NMI, SIDBI and RIF from the investor group and reduction in the respective stakes held by Global Financial, Creation Investments and Oikocredit. Post the recent IPO, Warburg Pincus has remained the majority shareholding of the company along with exit of Global Financial and Oikocredit

Key Financial Indicators

Particulars as on	Unit	Q1 2024	March 2023	March 2022	March 2021	March 2020
		Actual	Actual	Actual	Actual	Actual
AUM (IGAAP)	Rs crore	9,712	9,926	6,786	4,637	3,607
Total income	Rs crore	553	1800	1,201	873	730
Profit after tax (PAT)	Rs crore	120	387	22	44	70
RoMA	%	4.5	4.3	0.3	0.8	1.7
GNPA (Stage 3)	%	3.2	3.5	5.7	5.5	1.1
Adjusted gearing (including off book assets)	Times	3.4	3.3	4.8	3.7	2.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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

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

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

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
NA	Non-Convertible Debenture*	NA	NA	NA	50	Simple	CRISIL A+/Stable
NA	Long Term Bank Facility	NA	NA	NA	4941.6	NA	CRISIL A+/Stable
NA	Subordinated Unsecured Term Loan	NA	NA	Dec-24	30	NA	CRISIL A+/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	28.4	NA	CRISIL A+/Stable

*Yet to be issued

Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	5000.0	CRISIL A+/Stable	15-09-23	CRISIL A/Stable	16-11-22	CRISIL A/Stable	31-12-21	CRISIL A-/Stable	18-12-20	CRISIL A-/Stable	CRISIL A-/Stable
			--	15-05-23	CRISIL A/Stable	14-11-22	CRISIL A/Stable	21-09-21	CRISIL A-/Stable	06-11-20	CRISIL A-/Stable	--
			--	31-03-23	CRISIL A/Stable	04-07-22	CRISIL A-/Stable	14-07-21	CRISIL A-/Stable	21-04-20	CRISIL A-/Stable	--
			--	13-02-23	CRISIL A/Stable	31-05-22	CRISIL A-/Stable	07-07-21	CRISIL A-/Stable	21-01-20	CRISIL A-/Stable	--
			--	--	--	04-02-22	CRISIL A-/Stable	01-07-21	CRISIL A-/Stable	--	--	--
			--	--	--	--	--	13-05-21	CRISIL A-/Stable	--	--	--
			--	--	--	--	--	--	--	--	--	--
Non Convertible Debentures	LT	50.0	CRISIL A+/Stable	15-09-23	CRISIL A/Stable	16-11-22	CRISIL A/Stable	31-12-21	CRISIL A-/Stable	18-12-20	CRISIL A-/Stable	--
			--	15-05-23	CRISIL A/Stable	14-11-22	CRISIL A/Stable	21-09-21	CRISIL A-/Stable	06-11-20	CRISIL A-/Stable	--
			--	31-03-23	CRISIL A/Stable	04-07-22	CRISIL A-/Stable	14-07-21	CRISIL A-/Stable	--	--	
			--	13-02-23	CRISIL A/Stable	31-05-22	CRISIL A-/Stable	07-07-21	CRISIL A-/Stable	--	--	
			--	--	--	04-02-22	CRISIL A-/Stable	01-07-21	CRISIL A-/Stable	--	--	
			--	--	--	--	--	13-05-21	CRISIL A-/Stable	--	--	
			--	--	--	--	--	--	--	--	--	

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Long Term Bank Facility	96.87	Micro Units Development and Refinance Agency Limited	CRISIL A+/Stable
Long Term Bank Facility	168.15	Union Bank of India	CRISIL A+/Stable
Long Term Bank Facility	14.25	Credit Agricole Corporate and Investment Bank	CRISIL A+/Stable
Long Term Bank Facility	38.53	CSB Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	486.67	IDFC FIRST Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	1.36	Bank of Bahrain and Kuwait B.S.C.	CRISIL A+/Stable
Long Term Bank Facility	482.01	The Hongkong and Shanghai Banking Corporation Limited	CRISIL A+/Stable
Long Term Bank Facility	46.88	IDBI Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	83.32	SBM Bank (India) Limited	CRISIL A+/Stable
Long Term Bank Facility	360.41	Kotak Mahindra Bank Limited	CRISIL A+/Stable

Long Term Bank Facility	197.75	National Bank For Agriculture and Rural Development	CRISIL A+/Stable
Long Term Bank Facility	177.36	The Federal Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	35	Indian Overseas Bank	CRISIL A+/Stable
Long Term Bank Facility	34.81	The Karnataka Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	14.88	Canara Bank	CRISIL A+/Stable
Long Term Bank Facility	236.87	RBL Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	39.28	UCO Bank	CRISIL A+/Stable
Long Term Bank Facility	296.6	Standard Chartered Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	360.1	State Bank of India	CRISIL A+/Stable
Long Term Bank Facility	483.33	YES Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	70.42	Small Industries Development Bank of India	CRISIL A+/Stable
Long Term Bank Facility	84.38	BNP Paribas Bank	CRISIL A+/Stable
Long Term Bank Facility	112.5	DBS Bank India Limited	CRISIL A+/Stable
Long Term Bank Facility	451.14	HDFC Bank Limited	CRISIL A+/Stable
Long Term Bank Facility	9	Woori Bank	CRISIL A+/Stable
Long Term Bank Facility	559.73	ICICI Bank Limited	CRISIL A+/Stable
Proposed Long Term Bank Loan Facility	28.4	Not Applicable	CRISIL A+/Stable
Subordinated Unsecured Term Loan	30	IDFC FIRST Bank Limited	CRISIL A+/Stable

Criteria Details

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com</p>	<p>Malvika Bhotika Director CRISIL Ratings Limited B:+91 22 3342 3000 malvika.bhotika@crisil.com</p> <p>Prashant Pratap Mane Associate Director CRISIL Ratings Limited B:+91 22 3342 3000 prashant.mane@crisil.com</p> <p>Abhishek Narang Manager CRISIL Ratings Limited B:+91 22 3342 3000 abhishek.narang@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>

Note for Media:

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

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

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

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

For more information, visit www.crisilratings.com

About CRISIL Limited

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

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

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

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

For more information, visit www.crisil.com

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

CRISIL PRIVACY NOTICE

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

DISCLAIMER

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

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

the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

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

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

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

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

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

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