

August 2, 2021

**BSE Limited**  
 P. J. Towers,  
 Dalal Street, Fort,  
 Mumbai - 400001  
**Security Code: 532892**

**National Stock Exchange of India Limited**  
 Exchange Plaza, Plot No. C/1, G Block,  
 Bandra-Kurla Complex, Bandra (E),  
 Mumbai - 400051  
**Symbol: MOTILALOFS**

**Subject: CRISIL Rating Outlook revision to AA-/Positive' from AA-/Stable of Material Subsidiaries**

Dear Sir /Madam,

We are happy to inform the Exchange that CRISIL Ratings Limited (“CRISIL”) has made revision in the credit rating “outlook” on long term debt instruments of material subsidiaries of Motilal Oswal Financial Services Limited (“Company”) namely Motilal Oswal Home Finance Limited and Motilal Oswal Finvest Limited, to ‘**CRISIL AA-/Positive**’ from ‘CRISIL AA-/Stable’. Further, CRISIL has reaffirmed the Credit Rating of “CRISIL A1+” on commercial paper of the Company and said material subsidiaries.

The revision in outlook factors Motilal Oswal group’s ability to scale-up of operations in each of its businesses with greater diversification and presence across multiple segments in financial services and improvement in core earnings.

The rating also continues to reflect the group's healthy capitalisation and its strong market position in its businesses.

The outlook revised to “**positive**” is effected in the below mentioned credit facilities:

Company	Instruments	Ratings
Motilal Oswal Home Finance Ltd	Bank Loan Facilities (Long term)	CRISIL AA-/Positive (rating reaffirmed; outlook revised to 'positive' from 'stable')
	Non-Convertible Debentures (Long term)	CRISIL AA-/Positive (rating reaffirmed; outlook revised to 'positive' from 'stable')
	Principal Protected Market Linked Debentures (Long Term)	CRISIL AA-/Positive (rating reaffirmed; outlook revised to 'positive' from 'stable')
	Commercial Paper	CRISIL A1+ (reaffirmed)
Motilal Oswal Financial Services Ltd	Commercial Paper	CRISIL A1+ (reaffirmed)
Motilal Oswal Finvest Ltd	Non-Convertible Debentures (Long Term)	CRISIL AA-/Positive (rating reaffirmed; outlook revised to 'positive' from 'stable')
	Principal Protected Market Linked Debentures (Long Term)	CRISIL AA-/Positive (rating reaffirmed; outlook revised to 'positive' from 'stable')
	Commercial Paper	CRISIL A1+ (reaffirmed)

**Motilal Oswal Financial Services Limited**  
CIN: L67190MH2005PLC153397  
Regd. Off.: Motilal Oswal Tower,  
Rahimtullah Sayani Road,  
Opp. Parel ST Depot,  
Prabhadevi, Mumbai – 400025  
Board: +91 22 7193 4200 / 4263  
Fax: +91 22 5036 2365

The rating rationale letters received from CRISIL are enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Motilal Oswal Financial Services Limited**

**Kailash Purohit**  
**Company Secretary & Compliance Officer**  
**Encl: As above**



## Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

# CRISIL

An S&P Global Company

### Rating Rationale

July 30, 2021 | Mumbai

## Motilal Oswal Financial Services Limited

Rating Reaffirmed

#### Rating Action

<b>Rs.1500 Crore Commercial Paper</b>	<b>CRISIL A1+ (Reaffirmed)</b>
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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL A1+' rating on the commercial paper programme of Motilal Oswal Financial Services Limited (MOFSL).

CRISIL Ratings has revised its outlook on the long-term debt instruments of the other Motilal Oswal group entities to 'Positive' from 'Stable'. Revision in outlook factors in the gradual scale-up of operations with greater diversification and presence across multiple segments in financial services and the expectation of resultant stability and improvement in core earnings. The group has a presence across broking (retail and institutional), asset management (mutual fund, portfolio management services {PMS}, alternate investment funds {AIF}), private equity, wealth management and retail financial-product distribution (distribution of financial products to high-networth individuals {HNIs} and retail), investment banking and lending (housing finance company {HFC}, loan against shares {LAS} & Margin Funding – For HNIs). Over the last few years, the group has scaled up its operations in each of these businesses. The increased retail participation in the capital markets has also supported this growth.

The rating also continues to reflect the group's healthy capitalisation and its strong market position in the equity broking business. These strengths are partially offset by the group's susceptibility to uncertainties inherent in capital-market-related businesses, and limited track record in scaling up the lending business.

The group has a healthy capitalization level with a sizeable network of Rs 4610 crore as on June 30, 2021 (Rs 4488 crore as on March 31, 2021). Further, the gearing of the group remains at a comfortable at 1.1 times as on June 30, 2021 (1.3 times as on March 31, 2021). Excluding the unrealised gains from the investment book, the gearing would still be comfortable level at 1.6 times as on June 30, 2021 (1.8 times as on March 31, 2021). Further, given that large parts of the businesses are fee-based, incremental requirement of capital is not very high– increasing the available -cash flows for the group.

The group remains among the top 10 brokers in terms of number of active clients. Further, in line with the industry, the business has witnessed a strong growth over the past 12-18 months. Revenue from the broking business have grown by 49% year-on-year in Q1 of fiscal 2022 to Rs 512 crore (40% in fiscal 2021 to Rs 1709 crore and Rs 1225 crore in fiscal 2020). Revenues from broking and investment banking businesses are closely linked with the activities in the capital markets. While asset management and wealth management are also linked to capital markets, structural scale up in these and private equity businesses provide some stability to the core earnings of the group via management fees charged on the assets under management (AUM). The AUMs in these businesses have registered a compounded annual growth rate (CAGR) of 34%, 31% and 48%, respectively, over the last 5 years. Consequently, earnings and the profitability of these businesses have improved over the last few years.

The group also has lending operations in the form of housing finance (housed in Motilal Oswal Home Finance Ltd {MOHFL}) and loan against shares (LAS). The housing finance business had faced asset quality challenges in the past and the group has taken corrective measures against the same. However, the business has witnessed increase in gross non-performing assets (gross NPAs) over the last one year on account of pandemic related challenges.

While collection efficiency in MOHFL was impacted during the initial months of the last fiscal due to moratorium provided to borrowers, collections, thereafter had gradually improved towards pre-Covid levels by the end of the fiscal. However, the second wave of Covid-19 pandemic resulted in intermittent lockdowns and localised restrictions. This led to some delays in April-June 2021 but July collections have improved significantly. However, any change in the behaviour of borrowers on payment discipline can affect delinquency levels. Under the RBI's August 2020 Resolution Framework for COVID-19-related Stress, as on June 30, 2021, MOHFL has implemented restructuring on around 4.9% of its portfolio. Going forward, with the

second wave of Covid-19 pandemic, the ability of the management to manage collections and asset quality will remain a key monitorable

### **Analytical Approach**

CRISIL has combined the business and financial risk profiles of Motilal Oswal Financial Services Ltd (MOFSL) and its subsidiaries, including MOFL and Motilal Oswal Home Finance Ltd (MOHFL). That is because the entities, collectively referred to as the Motilal Oswal group, have significant operational, financial, and managerial integration and also operate under a common brand name (Motilal Oswal).

*Please refer to Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **\* Increasing diversification and scale up across financial services businesses, supporting stability in earnings profile**

With gradual scale up of fee-based businesses - such as AMC, WM, PE, IB and fund-based business (housing finance) - revenue streams have become more diverse. The group is also focussing on scaling up of its distribution business (of financial products) through the broking and wealth management channels. Contribution from these businesses to overall revenues has scaled up in the last few fiscals. Group's asset management businesses - AMC, PE utilise the group's distribution network of WM for product distribution, resulting in business synergies and improved return on equity (RoE).

Assets under management (AUM) of the AMC business has witnessed a steady compounded annual growth rate of 34% for the last 5 years and stood at Rs 46300 crore as on June 30, 2021 (Rs 45500 crore as on March 31, 2021). The group has a niche positioning for its higher-yielding equity-focused funds – with only 2.6% of the mutual fund AUM in debt funds. The group has also high focus on passive and international funds. Around 32% of the MF AUM as on June 30, 2021 was managed by passive funds. In fiscal 2020, AUM of AMC and WM witnessed a decline after a sharp fall in the equity markets in the month of March 2020, due to Covid-19 outbreak. However, with benchmark indices gaining ~70% from Mar-2020 levels, the AUM of the group has increased. Its AUM for AMC increased to around Rs 46300 crore as on June 30, 2021 and Rs 45,500 crore as on March 31, 2021 (Rs 29,500 crore as on March 31, 2020). These included assets under portfolio management services (of Rs 15,100 crore as on June 30, 2021), mutual funds (MFs; Rs 28,400 crore), and alternate investment funds (Rs 2,800 crore). The PE and wealth management businesses had AUM of Rs 6900 crore and Rs 28,800 crore, respectively, as on June 30, 2021 (Rs 6,600 crore and Rs 25,300 crore, respectively, as on March 31, 2021). As part of PE funds, the group has managed four real estate funds and three business excellence funds till now. While the real estate funds focusses on debt funding to reputed developers for mid-market residential housing projects in top eight Indian cities, business excellence funds focusses majorly on unlisted companies for long-term investments. The group is in a process to complete the raise of its fifth real estate fund of ~Rs 1000 crore (out of which Rs 810 crore has been raised by June, 30, 2021) and launch its fourth business excellence fund of Rs 4000 crore.

Fund-based business includes housing finance (through MOHFL) and sponsor commitments-cum-investments in equity MF, PE funds, real estate funds, AIFs, and strategic equity investments. Loan book of MOHFL and total quoted equity investments, including mark-to-market (MTM) gains, were Rs 3480 crore and ~Rs 3200 crore, respectively, as on June 30, 2021 (Rs 3,503 crore and around Rs 3100 crore, respectively, as on March 31, 2021).

#### **\* Healthy capitalisation**

Capitalisation remains healthy driven by healthy internal accruals. Absolute networth and consolidated gearing were Rs 4610 crore and 1.1 times, respectively, as on June 30, 2021 (Rs 4488 crore and 1.3 times, respectively, as on March 31, 2021) and Rs 3,123 crore and 1.5 times, respectively, as on March 31, 2020). Further, as per the group's risk policy, the maximum gearing for the group will be restricted at 3 times (excluding borrowings for financing initial public offering for HNIs) over the medium term. The housing finance business had gearing of around xx times on a standalone basis as on June 30, 2021 (3.4 times on a standalone basis as on March 31, 2021).

As on June 30, 2021, the group had unrealised gains of ~Rs 1400 crore distributed among Motilal Oswal Equity Mutual Fund Products (Rs 590 crore), liquid equity shares (Rs 340 crore), Motilal Oswal Private Equity Funds (Rs 370 crore; PE and real estate), Motilal Oswal PMS Products (Rs 70 crore) and Motilal Oswal AIF Products (Rs 30 crore). These investments, apart from sponsor contributions as per the regulation, are strategic in nature and follow a buy-and-hold philosophy. This portfolio has MTM impact on earnings under IND-AS; however, the timing and magnitude of realised gains remain uncertain. Nevertheless, even after removing unrealised gains from networth, gearing of the group remained comfortable at 1.6 times as on June 30, 2021 (1.8 times as on March 31, 2021).

#### **\* Strong market position in the equity broking business**

The group, through MOFSL, ranks among the top ten equity brokers by active number of active clients, as on June 30, 2021, in the highly fragmented broking industry. As on June 30, 2021, the company had 6.5 lakh active customers on NSE, a sharp jump of ~71% from 3.8 lakh as on March 31, 2020. The growth in the business has also been driven by acquisition of small brokers and partnerships with sub-brokers. The group has 20+ lakh retail broking clients and enjoys pan-India presence through 5500+ franchised/sub-broker outlets and 90+ owned branches.

The group had an active client market share of around 3% as of June 30 2021. Its market share of the combined volumes of the Bombay Stock Exchange and National Stock Exchange in both the cash and derivatives segments for fiscal 2021 was around 0.8%, with higher market share in high-yielding cash segment at 2.1% in fiscal 2021. Overall turnover of the business, in line with the industry, witnessed a strong growth in fiscal 2021 at 87%; with a growth in turnover of equity segment at 57% and derivatives segment at 90%. Blended yields have, however, declined over the previous fiscals due to increased share of volumes in the futures and options (F&O) segment. Market position continues to be healthy in the institutional broking segment (despite increasing competition), backed by an established track record, strong execution capabilities, and well-recognised research team.

### **Weaknesses**

#### **\* Exposure to uncertainties inherent in capital-market-related businesses**

A large part of the group's businesses, especially broking and investment banking, remain exposed to economic, political, and social factors that drive investor sentiments. Brokerage revenues are dependent on the level of trading activity in capital markets. Specifically since March 2020, the stock markets have seen high retail participation and daily trading volume coinciding with the lockdown to contain the Covid-19 pandemic and people remaining at home. A significant proportion of client additions at the industry level are in the age bracket of 25-30 years without relevant trading experience. The upward movement of the key benchmark indices during this period has attracted retail investors to market trading. While this has benefited broking industry, including the Motilal Oswal group, sustainability of the market momentum will need to be seen. However, the impact on earnings is partially offset by the high share of business originated through franchisees, resulting in a more variable cost structure compared to that of peers. The group's long-term focus is on diversifying its revenue streams and reducing its dependence on broking operations. Further, AM, WM and PE businesses have revenues in the form of management fees as a proportion of AUM, providing some stability to the revenue profile of the group.

Additionally, the group commenced the housing finance business in the first quarter of fiscal 2015 to improve the stability of the group's earnings via fixed interest income of home loans. While the business faced challenges in the past, corrective measures should support the business performance. Potential improvement in profitability from this segment over the medium term should help diversify the revenue mix of the group.

#### **\* Limited track record in scaling up the lending business**

In fiscal 2018 and 2019, MOHFL faced asset quality challenges due to seasoning of the book, impact of external shocks on the economy, and lack of adequate collection and recovery processes and bandwidth within the company. Its gross non-performing assets (GNPAs) increased to 9.3% as on March 31, 2019 from 4.5% as on March 31 2018 and 0.6% as on March 31, 2017.

However, since fiscal 2019, MOHFL took several corrective measures, including increase in management depth and experience, strengthening up of collections and recovery apparatus by creating a 450+ member team, and enhancing credit appraisal and risk monitoring systems. It has made significant investment in technologies, processes and people to fill the critical gaps at operations levels to support and enhance business scale up. These measures have reduced slippages to Rs 71 crore in fiscal 2021 and 52 crore for fiscal 2020 from Rs 601 crore in fiscal 2019. Also, recoveries have picked up in last fiscal following concerted efforts. As a part of its strategy to clean up the book, it sold GNPAs worth ~Rs 709 crore in the last couple of fiscals to an asset reconstruction company, which brought down GNPAs to 2.2% as on March 31, 2021 from 9.3% as on March 31, 2019. However, on account of impact of second wave of covid in the economy, GNPA of the company increased to 4.7% as on June 30, 2021,

After facing challenges in the asset quality in fiscal 2018 and 2019, the company had curtailed its disbursements in fiscal 2019 and 2020. However, the disbursements in fiscal 2021 witnessed a growth of 42% to Rs 270 crore from Rs 190 crore in fiscal 2020. Nevertheless, its loan book declined by 3% in fiscal 2021 to Rs 3,503 crore as on March 31, 2021, from Rs 3628 crore as on March 31, 2020, because of shift in focus towards collections and sale of assets to an ARC. Going forward, the company intends to grow its loan book prudently over the medium term, while increasing geographical presence. It is expanding its sales team to increase the disbursements and loan book. To manage the growth in the loan book, the company will utilize the relationships with lenders and investors. It raised resources of over Rs 1400 crore in fiscal 2021 at competitive interest rates.

Nevertheless, given the current challenging macro-economic environment, the ability of the management to scale up operations in a profitable manner will remain a monitorable.

### **Liquidity: Strong**

Liquidity of the group is strong, supported by a large proportion of fee-based businesses. Cash and cash balance, unutilised bank lines, and liquid investments aggregated to Rs 3,785 crore as on June 30, 2021, as against overall debt obligation of Rs 1607 crore (including of MOHFL) till September 30, 2021.

### **Rating Sensitivity Factors**

#### **Downward Factors**

- Adverse regulatory actions on the business segments of the group resulting in significant deterioration in business risk profile of the group
- Significant deterioration in asset quality on a sustained basis impacting group's profitability (with credit costs crossing 3% of the group's assets for a sustained period).

**About the Group**

The Motilal Oswal group is one of India's leading providers of capital market-related services, such as retail and institutional broking, asset and wealth management, loan against shares (LAS), margin financing, commodities broking, investment banking, and venture capital management. It commenced the housing finance business in May 2014.

The promoters - Mr Motilal Oswal, Mr Raamdeo Agrawal, and their family members, and Passionate Investment Management Pvt Ltd (PIMPL) - collectively owned 70.7% of MOFSL's equity shares as on June 30, 2021.

For the quarter ended June 30, 2021, the group reported a PAT of Rs 221 crore with a RoE (annualised) of 39.4% for fiscal 2021 as against a PAT of Rs 169 crore with an ROE of 21.1% in the corresponding period previous fiscal.

The group reported PAT of Rs 1260 crore with a RoE of 33.1% for fiscal 2021 as against a PAT of Rs 190 crore with an ROE of 6.1% in the previous fiscal.

**Key Financial Indicators**

As on/for the period ended June 30	Unit	2021	2020
Total assets	Rs crore	9700	10180
Total income	Rs crore	901	727
PAT*	Rs crore	221	169
Gross NPA (HFC)	%	4.7	1.8
Return on network	%	19.4	21.1
Gearing	%	1.1	1.4

\*Includes fair valuation of unrealised gains in fund-based business

As on/for the period ended March 31	Unit	2021	2020
Total assets	Rs crore	14117	11213
Total income	Rs crore	3631	2365
PAT*	Rs crore	1260	190
Gross NPA (HFC)	%	2.2	1.8
Return on network	%	33.1	6.1
Gearing	%	1.3	1.5

\*Includes fair valuation of unrealised gains in fund-based business

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

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**Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity level	Rating assigned with outlook
NA	Commercial paper programme	NA	NA	7-365 days	1500	Simple	CRISIL A1+

**Annexure – List of Entities Consolidated: As on March 31, 2021**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Passionate Investment Management Pvt Ltd	Full	Subsidiary
Motilal Oswal Financial Services Ltd	Full	Subsidiary
Motilal Oswal Investment Advisors Ltd	Full	Subsidiary
Motilal Oswal Commodities Broker Pvt Ltd	Full	Subsidiary
Motilal Oswal Finvest Ltd	Full	Subsidiary
Motilal Oswal Securities International Pvt Ltd	Full	Subsidiary
Motilal Oswal Finsec IFSC Ltd	Full	Subsidiary
Motilal Oswal Capital Markets (Singapore) Pvt Ltd	Full	Subsidiary
Motilal Oswal Capital Markets (Hong Kong) Pvt Ltd	Full	Subsidiary
Motilal Oswal Fincap Pvt Ltd	Full	Subsidiary

MOPE Investment Advisors Pvt Ltd	Full	Subsidiary
Motilal Oswal Wealth Management Ltd	Full	Subsidiary
Motilal Oswal Real Estate Investment Advisors Pvt Ltd	Full	Subsidiary
Motilal Oswal Real Estate Investment Advisors II Pvt Ltd	Proportionate	Associate
India Business Excellence Management Company	Full	Subsidiary
Motilal Oswal Asset Management (Mauritius) Pvt Ltd	Full	Subsidiary
Motilal Oswal Capital Ltd	Full	Subsidiary
Motilal Oswal Trustee Company Ltd	Full	Subsidiary
Motilal Oswal Home Finance Ltd	Full	Subsidiary
Glide Tech Investment Advisory Pvt Ltd	Full	Subsidiary
TM Investment Technologies Private Limited	Full	Subsidiary

#### Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	1500.0	CRISIL A1+		--	25-09-20	CRISIL A1+	23-09-19	CRISIL A1+	04-09-18	CRISIL A1+	CRISIL A1+
			--		--	10-08-20	CRISIL A1+		--		--	--

All amounts are in Rs.Cr.

#### Criteria Details

<b>Links to related criteria</b>
<a href="#">Rating Criteria for Finance Companies</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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## Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



### Rating Rationale

July 30, 2021 | Mumbai

## Motilal Oswal Home Finance Limited

*Ratings outlook revised to 'Positive'; Ratings reaffirmed*

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.2562 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Rs.436.9 Crore Long Term Principal Protected Market Linked Debentures</b>	<b>CRISIL PP-MLD AA-r/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Rs.113.1 Crore Long Term Principal Protected Market Linked Debentures</b>	<b>CRISIL PP-MLD AA-r/Positive (Outlook revised from 'Stable'; Rating Withdrawn)</b>
<b>Non Convertible Debentures Aggregating Rs.545 Crore</b>	<b>CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)</b>
<b>Non Convertible Debentures Aggregating Rs.475 Crore</b>	<b>CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Withdrawn)</b>
<b>Rs.500 Crore Commercial Paper</b>	<b>CRISIL A1+ (Reaffirmed)</b>

<sup>1</sup> crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has revised its outlook on the non-convertible debentures and long term principal protected market linked debentures of Motilal Oswal Home Finance Limited (MOHFL; part of Motilal Oswal group) to **'Positive'** from 'Stable', while reaffirming the ratings at 'CRISIL AA-/CRISIL PP-MLD AA-r'. Rating on the short-term debt instruments of MOHFL has been reaffirmed at 'CRISIL A1+'.

CRISIL Ratings has also withdrawn its rating on the non-convertible debentures and long term principal protected market linked debentures aggregating to Rs 113.1 crore and Rs 475 crore, respectively, after receiving the withdrawal request from MOHFL and third party confirmation for the redemption of above debentures. The withdrawal is in line with the withdrawal policy of CRISIL Ratings.

The ratings on the debt instruments of MOHFL continue to factor in expectation of strong support from its parent, Motilal Oswal Financial Services Ltd (MOFSL), MOHFL's adequate capital and resource profile. These strengths are partially offset by limited track record in scaling up the business.

CRISIL Ratings has revised its outlook on the long-term debt instruments of the Motilal Oswal group entities, including MOHFL, to 'Positive' from 'Stable'. Revision in outlook factors in the gradual scale-up of operations with greater diversification and presence across multiple segments in financial services and the expectation of resultant stability and improvement in core earnings. The group has a presence across broking (retail and institutional), asset management (mutual fund, portfolio management services {PMS}, alternate investment funds {AIF}), private equity, wealth management and retail financial-product distribution (distribution of financial products to high-networth individuals {HNIs} and retail), investment banking and lending (housing finance company {HFC}, loan against shares {LAS} & Margin Funding – For HNIs). Over the last few years, the group has scaled up its operations in each of these businesses. The increased retail participation in the capital markets has also supported this growth.

The rating also continues to reflect the group's healthy capitalisation and its strong market position in the equity broking business. These strengths are partially offset by the group's susceptibility to uncertainties inherent in capital-market-related businesses, and limited track record in scaling up the lending business.

The group has a healthy capitalization level with a sizeable network of Rs 4610 crore as on June 30, 2021 (Rs 4488 crore as on March 31, 2021). Further, the gearing of the group remains at a comfortable at 1.1 times as on June 30, 2021 (1.3 times as on March 31, 2021). Excluding the unrealised gains from the investment book, the gearing would still be comfortable level at 1.6 times as on June 30, 2021 (1.8 times as on March 31, 2021). Further, given that large parts of the businesses are fee-based, incremental requirement of capital is not very high— increasing the available -cash flows for the group.

The group remains among the top 10 brokers in terms of number of active clients. Further, in line with the industry, the business has witnessed a strong growth over the past 12-18 months. Revenue from the broking business have grown by 49% year-on-year in Q1 of fiscal 2022 to Rs 512 crore (40% in fiscal 2021 to Rs 1709 crore and Rs 1225 crore in fiscal 2020). Revenues from broking and investment banking businesses are closely linked with the activities in the capital markets. While asset management and wealth management are also linked to capital markets, structural scale up in these and private equity businesses provide some stability to the core earnings of the group via management fees charged on the assets under management (AUM). The AUMs in these businesses have registered a compounded annual growth rate (CAGR) of 34%, 31% and 48%, respectively, over the last 5 years. Consequently, earnings and the profitability of these businesses have improved over the last few years.

The group also has lending operations in the form of housing finance (housed in Motilal Oswal Home Finance Ltd (MOHFL)) and loan against shares (LAS). The housing finance business had faced asset quality challenges in the past and the group has taken corrective measures against the same. However, the business has witnessed increase in gross non-performing assets (gross NPAs) over the last one year on account of pandemic related challenges.

While collection efficiency in MOHFL was impacted during the initial months of the last fiscal due to moratorium provided to borrowers, collections, thereafter had gradually improved towards pre-Covid levels by the end of the fiscal. However, the second wave of Covid-19 pandemic resulted in intermittent lockdowns and localised restrictions. This led to some delays in April-June 2021 but July collections have improved significantly. However, any change in the behaviour of borrowers on payment discipline can affect delinquency levels. Under the RBI's August 2020 Resolution Framework for COVID-19-related Stress, as on June 30, 2021, MOHFL has implemented restructuring on around 4.9% of its portfolio. Going forward, with the second wave of Covid-19 pandemic, the ability of the management to manage collections and asset quality will remain a key monitorable.

#### **Analytical Approach**

For arriving at its ratings, CRISIL Ratings has assessed the standalone credit risk profile of MOHFL and has factored in the support that MOHFL is expected to receive from its parent, MOFSL.

#### **Key Rating Drivers & Detailed Description**

##### **Strengths:**

##### **\* Expectation of strong support from parent**

MOHFL is the housing finance arm of MOFSL. The Motilal Oswal group holds ~98% stake in the company through MOFSL and its subsidiaries. The parent is one of India's leading providers of capital market-related services and, along with its subsidiaries, is engaged in retail and institutional broking, asset management, wealth management, loans against shares, margin financing, private equity, and investment banking. At a consolidated level, MOFSL has healthy capitalisation with a sizeable network of Rs 4610 crore as on June 30, 2021 (Rs 4488 crore as on March 31, 2021). Further, the gearing of the group remains at a comfortable at 1.1 times as on June 30, 2021 (1.3 times as on March 31, 2021).

CRISIL Ratings believes MOHFL is strategically important to MOFSL because parent has entered the housing finance segment in order to diversify revenue profile and mitigate the cyclicity inherent in capital-market-related businesses. Furthermore, given that most of parent's businesses are fee-based and have limited requirement for incremental capital, the housing finance business provides an avenue to deploy capital for long-term returns. CRISIL believes that MOHFL, being strategically important to MOFSL, will receive strong support from its parent. The Motilal Oswal group has infused Rs 850 crore in MOHFL to date and is expected to continue to support the company's growth plans. The promoters of MOFSL are on the board of directors of MOHFL and the latter is introduced as a Motilal Oswal group company in all its correspondence and collateral. CRISIL believes that this increases MOFSL's moral obligation to support MOHFL.

##### **\* Adequate resource profile**

MOHFL benefits from its association with MOFSL for raising resources. As on June 30, 2021, outstanding borrowing was Rs 2775 crore (Rs 3503 crore as on March 31, 2021). Of this, 44% comprised of term loans, while the rest was contributed by non-convertible debentures (40%), funding from National Housing Bank (NHB, 9%) and securitization (8%). The company's weighted average cost of borrowing was at ~9%, which was in line with that of peers. The company raised over Rs 1400 crore in fiscal 2021, including a line of Rs 75 crore from NHB in March 2021. Additionally, incremental costs of funds has been coming down over the last couple of fiscals for the company. Resources raised in fiscal 2021 had a weighted average funding cost of 7.5% - supported by funding lines from NHB of ~Rs 150 crore at ~6%.

##### **\* Adequate capitalisation**

With Tier-I capital adequacy ratio (CAR) and overall CAR of 46.8% and 47.4%, respectively, as on June 30, 2021 (48% and 51%, respectively, as on March 31, 2021), the company is adequately capitalised. Since inception, the Motilal Oswal group has infused Rs 850 crore as equity, which also includes Rs 200 crore infused in fiscal 2019. Absolute network and gearing

stood at Rs 919 crore and 3.0 times, respectively, as on June 30, 2021 (Rs 910 crore and 3.1 times, respectively, as on March 31, 2021). Gearing is expected to remain below 7-8 times on a steady state basis. MOHFL plans to maintain its capital adequacy well above the norms prescribed by the regulator. Parent is likely to provide required capital to support its subsidiary's growth and also cover for asset side risks over the medium term.

#### **Weakness:**

##### **\* Limited track record in scaling up the lending business**

In fiscal 2018 and 2019, MOHFL faced asset quality challenges due to seasoning of the book, impact of external shocks on the economy, and lack of adequate collection and recovery processes and bandwidth within the company. Its gross non-performing assets (GNPAs) increased to 9.3% as on March 31, 2019 from 4.5% as on March 31 2018 and 0.6% as on March 31, 2017.

However, since fiscal 2019, MOHFL took several corrective measures, including increase in management depth and experience, strengthening up of collections and recovery apparatus by creating a 450+ member team, and enhancing credit appraisal and risk monitoring systems. It has made significant investment in technologies, processes and people to fill the critical gaps at operations levels to support and enhance business scale up. These measures have reduced slippages to Rs 71 crore in fiscal 2021 and 52 crore for fiscal 2020 from Rs 601 crore in fiscal 2019. Also, recoveries have picked up in last fiscal following concerted efforts. As a part of its strategy to clean up the book, it sold GNPAs worth ~Rs 709 crore in the last couple of fiscals to an asset reconstruction company, which brought down GNPAs to 2.2% as on March 31, 2021 from 9.3% as on March 31, 2019. However, on account of impact of second wave of covid in the economy, GNPA of the company increased to 4.7% as on June 30, 2021,

After facing challenges in the asset quality in fiscal 2018 and 2019, the company had curtailed its disbursements in fiscal 2019 and 2020. However, the disbursements in fiscal 2021 witnessed a growth of 42% to Rs 270 crore from Rs 190 crore in fiscal 2020. Nevertheless, its loan book declined by 3% in fiscal 2021 to Rs 3,503 crore as on March 31, 2021, from Rs 3628 crore as on March 31, 2020, because of shift in focus towards collections and sale of assets to an ARC. Going forward, the company intends to grow its loan book prudently over the medium term, while increasing geographical presence. It is expanding its sales team to increase the disbursements and loan book. To manage the growth in the loan book, the company will utilize the relationships with lenders and investors. It raised resources of over Rs 1400 crore in fiscal 2021 at competitive interest rates.

Nevertheless, given the current challenging macro-economic environment, the ability of the management to scale up operations in a profitable manner will remain a monitorable

#### **Liquidity: Strong**

Against upcoming debt repayment of Rs 207 crore till September 30, 2021, the company has cash and cash equivalents and unutilised bank/FI limits aggregating to 567 crore, in the form of cash and equivalents (Rs 300 crore) and unutilized bank lines (Rs 267 crore), as on June 30, 2021. Further, MOHFL has Rs 500 crore of line from parent, MOFSL.

#### **Outlook: Positive**

CRISIL Ratings believes MOHFL will continue to benefit from parent's strong financial, managerial, and operational support.

#### **Rating Sensitivity Factors**

##### **Upward Factor**

\* Upward revision in CRISIL's credit view on MOFSL

\* Significant scale up in market position of the financial services businesses while maintaining asset quality (gross NPA <1%) and earnings profile on a sustained basis

##### **Downward Factor**

\* Reduction in the expected support to MOHFL by MOFSL, or a downward revision in CRISIL's credit view on MOFSL

\* Deterioration in asset quality with gross NPA increasing to above 5%, over an extended period, thereby also impacting profitability.

#### **About the Company**

MOHFL, the housing finance arm of MOFSL, was incorporated in October 2013 under the Companies Act 1956, and received its certificate of registration as a housing finance institution (regulated by the National Housing Bank) in May 2014. The company started operations from May 22, 2014. The loan portfolio was Rs 3,628 crore as on March 31, 2020. The company primarily offers housing loans to customers in the low and middle income groups, with average ticket size of around Rs 8.5 lakh. Lending to the affordable housing segment accounts for almost its entire existing loan book. MOHFL is present in nine states through a network of 110 branches.

For the quarter ended June 30, 2021, the company reported a profit after tax (PAT) of Rs 8.5 crore on a total income (net of interest expense) of Rs 73.4 crore as against a PAT of Rs 11.1 crore on a total income (net of interest expense) of Rs 57.8 crore for the corresponding period previous fiscal.

MOHFL reported a PAT of Rs 40.2 crore on a total income (net of interest expense) of Rs 257 crore for fiscal 2020 as against a PAT of Rs 39.1 crore on a total income (net of interest expense) of Rs 233.0 crore for the previous fiscal.



**Key Financial Indicators**

As on / for the period ended March 31	Unit	2021	2020
Total assets	Rs crore	3817	3887
Total income (net of interest expenses)	Rs crore	257	233
Profit after tax	Rs crore	40.2	39.1
GNPA	%	2.2	1.8
Return on assets (annualised)	%	1.0	0.9
Adjusted gearing	Times	3.1	3.4

**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. The CRISIL Ratings' complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. 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.Cr)	Complexity level	Outstanding rating with Outlook
INE658R07307	Long Term Principal Protected Market Linked Debentures	27-Jun-19	Equity index linked	28-Dec-21	7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	4-Jul-19	Equity index linked	28-Dec-21	2.6	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	11-Jul-19	Equity index linked	28-Dec-21	5.6	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	6-Aug-19	Equity index linked	28-Dec-21	1.7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	28-Aug-19	Equity index linked	28-Dec-21	3.2	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	11-Sep-19	Equity index linked	28-Dec-21	1.6	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	19-Sep-19	Equity index linked	28-Dec-21	3.3	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07307	Long Term Principal Protected Market Linked Debentures	26-Sep-19	Equity index linked	28-Dec-21	3.3	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	15-Nov-19	Equity index linked	18-May-22	7.9	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	21-Nov-19	Equity index linked	18-May-22	2.7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	29-Nov-19	Equity index linked	18-May-22	7.2	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	5-Dec-19	Equity index linked	18-May-22	5.7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	12-Dec-19	Equity index linked	18-May-22	2	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331	Long Term Principal Protected Market Linked Debentures	20-Dec-19	Equity index linked	18-May-22	7.2	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07331		27-Dec-19			1.9		

	Long Term Principal Protected Market Linked Debentures		Equity index linked	18-May-22		Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07349	Long Term Principal Protected Market Linked Debentures	29-Jan-20	Equity index linked	29-Dec-22	16.5	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07349	Long Term Principal Protected Market Linked Debentures	13-Feb-20	Equity index linked	29-Dec-22	9.8	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07349	Long Term Principal Protected Market Linked Debentures	27-Feb-20	Equity index linked	29-Dec-22	7.5	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07349	Long Term Principal Protected Market Linked Debentures	6-Mar-20	Equity index linked	29-Dec-22	6.7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07364	Long Term Principal Protected Market Linked Debentures	11-Jun-20	Equity index linked	10-Dec-21	33.8	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07364	Long Term Principal Protected Market Linked Debentures	18-Jun-20	Equity index linked	10-Dec-21	29.8	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07364	Long Term Principal Protected Market Linked Debentures	30-Jun-20	Equity index linked	10-Dec-21	29.3	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07364	Long Term Principal Protected Market Linked Debentures	15-Jul-20	Equity index linked	10-Dec-21	7.3	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07422	Long Term Principal Protected Market Linked Debentures	31-Jul-20	Equity index linked	1-Jun-23	15.5	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07422	Long Term Principal Protected Market Linked Debentures	14-Aug-20	Equity index linked	1-Jun-23	25.6	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R07422	Long Term Principal Protected Market Linked Debentures	28-Aug-20	Equity index linked	1-Jun-23	13.2	Highly Complex	CRISIL PP-MLD AA-r/Positive
NA	Long Term Principal Protected Market Linked Debentures^	NA	NA	NA	179.7	Highly Complex	CRISIL PP-MLD AA-r/Positive
INE658R08123	Debentures/Bonds	9-Aug-16	11.25%	7-Aug-26	25	Simple	CRISIL AA-/Positive
INE658R07414	Debentures/Bonds	30-Jul-20	9.00%	28-Jan-22	25	Simple	CRISIL AA-/Positive
INE658R07356	Debentures/Bonds	26-Mar-20	10.00%	24-Mar-23	200	Simple	CRISIL AA-/Positive
INE658R07372	Debentures/Bonds	22-Jun-20	9.79%	22-Jun-23	25	Simple	CRISIL AA-/Positive
INE658R07380	Debentures/Bonds	25-Jun-20	9.50%	23-Jun-23	50	Simple	CRISIL AA-/Positive
INE658R07398	Debentures/Bonds	29-Jun-20	9.60%	29-Jun-23	50	Simple	CRISIL AA-/Positive
INE658R07406	Debentures/Bonds	17-Jul-20	9.45%	21-Apr-23	75	Simple	CRISIL AA-/Positive
NA	Debentures/Bonds^	NA	NA	NA	45	Simple	CRISIL AA-/Positive
NA	Long Term Loan	23-Jan-15	NA	31-Jan-20	40.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	2-Feb-15	NA	3-Feb-23	6.3	NA	CRISIL AA-/Positive
NA	Long Term Loan	28-Sep-15	NA	30-Jun-23	14.5	NA	CRISIL AA-/Positive
NA	Long Term Loan	28-Dec-15	NA	30-Dec-23	17.9	NA	CRISIL AA-/Positive
NA	Long Term Loan	28-Dec-15	NA	31-Dec-20	15.0	NA	CRISIL AA-/Positive

NA	Long Term Loan	30-Dec-15	NA	30-Jun-20	17.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Dec-15	NA	30-Dec-25	7.5	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Dec-15	NA	30-Sep-21	25.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	1-Jan-16	NA	1-Jan-19	50.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	12-Feb-16	NA	12-Feb-21	3.1	NA	CRISIL AA-/Positive
NA	Long Term Loan	29-Mar-16	NA	30-Mar-21	4.7	NA	CRISIL AA-/Positive
NA	Long Term Loan	29-Mar-16	NA	15-May-17	25.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Mar-16	NA	30-Mar-26	7.9	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Mar-16	NA	31-Mar-24	19.7	NA	CRISIL AA-/Positive
NA	Long Term Loan	29-Jun-16	NA	30-Jun-24	21.4	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Sep-16	NA	31-Dec-21	7.5	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Sep-16	NA	30-Sep-24	46.2	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Sep-16	NA	30-Jun-24	108.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	30-Dec-24	25.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	30-Dec-26	30.2	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	30-Dec-26	30.3	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	31-Jul-22	6.3	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	30-Mar-25	100.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	31-Dec-23	8.3	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Mar-17	NA	31-Mar-25	8.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	5-Apr-17	NA	5-Apr-22	60.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	5-Apr-17	NA	5-Apr-25	40.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Jun-17	NA	30-Jun-27	16.6	NA	CRISIL AA-/Positive
NA	Long Term Loan	25-Jul-17	NA	24-Jan-22	4.8	NA	CRISIL AA-/Positive
NA	Long Term Loan	1-Aug-17	NA	31-Jul-23	25.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	1-Sep-17	NA	31-Aug-29	68.6	NA	CRISIL AA-/Positive
NA	Long Term Loan	28-Sep-17	NA	28-Sep-25	61.2	NA	CRISIL AA-/Positive
NA	Long Term Loan	5-Dec-17	NA	30-Sep-24	13.5	NA	CRISIL AA-/Positive
NA	Long Term Loan	5-Dec-17	NA	31-Dec-27	17.4	NA	CRISIL AA-/Positive
NA	Long Term Loan	28-Mar-19	NA	28-Mar-24	51.6	NA	CRISIL AA-/Positive
NA	Long Term Loan	3-Jun-19	NA	28-Mar-24	85.9	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Dec-19	NA	31-Dec-24	41.5	NA	CRISIL AA-/Positive

NA	Long Term Loan	28-Feb-20	NA	28-Nov-24	172.7	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Sep-20	NA	30-Sep-25	50.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Aug-20	NA	31-Aug-24	40.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	29-Jun-21	NA	29-Jun-26	50.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Jun-21	NA	31-Mar-27	25.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	25-Nov-20	NA	28-Feb-29	50.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	12-Feb-21	NA	28-Feb-31	75.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	31-Aug-20	NA	30-Aug-21	73.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	30-Mar-21	NA	1-Jan-28	75.0	NA	CRISIL AA-/Positive
NA	Long Term Loan	15-Jun-21	NA	14-Jun-22	100.0	NA	CRISIL AA-/Positive
NA	Cash Credit	NA	NA	NA	25	NA	CRISIL AA-/Positive
NA	Cash Credit	NA	NA	NA	15	NA	CRISIL AA-/Positive
NA	Working Capital Demand Loan	NA	NA	NA	25	NA	CRISIL AA-/Positive
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	655.4	NA	CRISIL AA-/Positive
NA	Commercial Paper	NA	NA	7-365 days	500	Simple	CRISIL A1+

^Yet to be issued

**Annexure - Details of Rating Withdrawn**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity level
INE658R07257	Debentures/Bonds	24-Aug-18	9.90%	24-Aug-23	250	Simple
INE658R08149	Debentures/Bonds	28-Sep-18	10.05%	28-Sep-23	200	Simple
INE658R07265	Debentures/Bonds	19-Oct-18	10.00%	19-Oct-24	25	Simple
INE658R07323	Long Term Principal Protected Market Linked Debentures	28-Aug-19	Equity index linked	26-Nov-20	19.2	Highly Complex
INE658R07323	Long Term Principal Protected Market Linked Debentures	11-Sep-19	Equity index linked	26-Nov-20	3.5	Highly Complex
INE658R07323	Long Term Principal Protected Market Linked Debentures	19-Sep-19	Equity index linked	26-Nov-20	4.2	Highly Complex
INE658R07323	Long Term Principal Protected Market Linked Debentures	26-Sep-19	Equity index linked	26-Nov-20	5.4	Highly Complex
INE658R07315	Long Term Principal Protected Market Linked Debentures	19-Jul-19	Equity index linked	16-Oct-20	28.6	Highly Complex
INE658R07315	Long Term Principal Protected Market Linked Debentures	30-Jul-19	Equity index linked	16-Oct-20	20.9	Highly Complex
INE658R07315		6-Aug-19		16-Oct-20	31.3	Highly Complex

	Long Term Principal Protected Market Linked Debentures		Equity index linked			
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## Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2562.0	CRISIL AA-/Positive		--	29-07-20	CRISIL AA-/Stable	06-12-19	CRISIL AA-/Stable	11-10-18	CRISIL A+/Stable	CRISIL A+/Stable
			--		--	31-03-20	CRISIL AA-/Stable	22-08-19	CRISIL AA-/Stable	13-08-18	CRISIL A+/Stable	Withdrawn
			--		--	13-02-20	CRISIL AA-/Stable	31-05-19	CRISIL AA-/Stable		--	--
Commercial Paper	ST	500.0	CRISIL A1+		--	29-07-20	CRISIL A1+	06-12-19	CRISIL A1+	11-10-18	CRISIL A1+	CRISIL A1+
			--		--	31-03-20	CRISIL A1+	22-08-19	CRISIL A1+	13-08-18	CRISIL A1+	--
			--		--	13-02-20	CRISIL A1+	31-05-19	CRISIL A1+		--	--
Non Convertible Debentures	LT	545.0	CRISIL AA-/Positive		--	29-07-20	CRISIL AA-/Stable	06-12-19	CRISIL AA-/Stable	11-10-18	CRISIL A+/Stable	CRISIL A+/Stable
			--		--	31-03-20	CRISIL AA-/Stable	22-08-19	CRISIL AA-/Stable	13-08-18	CRISIL A+/Stable	--
			--		--	13-02-20	CRISIL AA-/Stable	31-05-19	CRISIL AA-/Stable		--	--
Long Term Principal Protected Market Linked Debentures	LT	436.9	CRISIL PPMLD AA-r /Positive		--	29-07-20	CRISIL PPMLD AA-r /Stable	06-12-19	CRISIL PPMLD AA-r /Stable		--	--
			--		--	31-03-20	CRISIL PPMLD AA-r /Stable	22-08-19	CRISIL PPMLD AA-r /Stable		--	--
			--		--	13-02-20	CRISIL PPMLD AA-r /Stable	31-05-19	CRISIL PPMLD AA-r /Stable		--	--

All amounts are in Rs.Cr.

## Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	40	CRISIL AA-/Positive	Cash Credit	40	CRISIL AA-/Stable
Long Term Loan	1841.5	CRISIL AA-/Positive	Long Term Loan	2031	CRISIL AA-/Stable
Proposed Long Term Bank Loan Facility	655.5	CRISIL AA-/Positive	Proposed Long Term Bank Loan Facility	466	CRISIL AA-/Stable
Working Capital Demand Loan	25	CRISIL AA-/Positive	Working Capital Demand Loan	25	CRISIL AA-/Stable
<b>Total</b>	<b>2562</b>	<b>-</b>	<b>Total</b>	<b>2562</b>	<b>-</b>

## Criteria Details

Links to related criteria
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Rating Criteria for Finance Companies</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support</a>

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## Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



### Rating Rationale

July 30, 2021 | Mumbai

## Motilal Oswal Finvest Limited

*Ratings outlook revised to 'Positive'; Ratings reaffirmed*

#### Rating Action

Rs.100 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- r /Positive (Outlook revised from 'Stable' and rating reaffirmed)
Rs.50 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- r /Positive (Outlook revised from 'Stable' and rating reaffirmed)
Rs.200 Crore Non Convertible Debentures	CRISIL AA-/Positive (Outlook revised from 'Stable' and rating reaffirmed)
Rs.2500 Crore Commercial Paper Programme(IPO Financing)	CRISIL A1+ (Reaffirmed)
Rs.800 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has revised its outlook on the non-convertible debentures and long term principal protected market linked debentures of Motilal Oswal Finvest Limited (MOFL; part of Motilal Oswal group) to **'Positive'** from 'Stable', while reaffirming the ratings at **'CRSIL AA-/CRISIL PPMLD AA-r'**. Rating on the short-term debt instruments of MOFL has been reaffirmed at 'CRISIL A1+'.

Revision in outlook factors in the gradual scale-up of operations with greater diversification and presence across multiple segments in financial services and the expectation of resultant stability and improvement in core earnings. The group has a presence across broking (retail and institutional), asset management (mutual fund, portfolio management services (PMS), alternate investment funds {AIF}), private equity, wealth management and retail financial-product distribution (distribution of financial products to high-networth individuals {HNIs} and retail), investment banking and lending (housing finance company {HFC}, loan against shares {LAS} & Margin Funding – For HNIs). Over the last few years, the group has scaled up its operations in each of these businesses. The increased retail participation in the capital markets has also supported this growth.

The rating also continues to reflect the group's healthy capitalisation and its strong market position in the equity broking business. These strengths are partially offset by the group's susceptibility to uncertainties inherent in capital-market-related businesses, and limited track record in scaling up the lending business.

The group has a healthy capitalization level with a sizeable network of Rs 4610 crore as on June 30, 2021 (Rs 4488 crore as on March 31, 2021). Further, the gearing of the group remains at a comfortable at 1.1 times as on June 30, 2021 (1.3 times as on March 31, 2021). Excluding the unrealised gains from the investment book, the gearing would still be comfortable level at 1.6 times as on June 30, 2021 (1.8 times as on March 31, 2021). Further, given that large parts of the businesses are fee-based, incremental requirement of capital is not very high– increasing the available -cash flows for the group.

The group remains among the top 10 brokers in terms of number of active clients. Further, in line with the industry, the business has witnessed a strong growth over the past 12-18 months. Revenue from the broking business have grown by 49% year-on-year in Q1 of fiscal 2022 to Rs 512 crore (40% in fiscal 2021 to Rs 1709 crore and Rs 1225 crore in fiscal 2020). Revenues from broking and investment banking businesses are closely linked with the activities in the capital markets. While asset management and wealth management are also linked to capital markets, structural scale up in these and private equity businesses provide some stability to the core earnings of the group via management fees charged on the assets under management (AUM). The AUMs in these businesses have registered a compounded annual growth rate (CAGR) of 34%, 31% and 48%, respectively, over the last 5 years. Consequently, earnings and the profitability of these businesses have improved over the last few years.

The group also has lending operations in the form of housing finance (housed in Motilal Oswal Home Finance Ltd {MOHFL}) and loan against shares (LAS). The housing finance business had faced asset quality challenges in the past and the group

has taken corrective measures against the same. However, the business has witnessed increase in gross non-performing assets (gross NPAs) over the last one year on account of pandemic related challenges.

While collection efficiency in MOHFL was impacted during the initial months of the last fiscal due to moratorium provided to borrowers, collections, thereafter had gradually improved towards pre-Covid levels by the end of the fiscal. However, the second wave of Covid-19 pandemic resulted in intermittent lockdowns and localised restrictions. This led to some delays in April-June 2021 but July collections have improved significantly. However, any change in the behaviour of borrowers on payment discipline can affect delinquency levels. Under the RBI's August 2020 Resolution Framework for COVID-19-related Stress, as on June 30, 2021, MOHFL has implemented restructuring on around 4.9% of its portfolio. Going forward, with the second wave of Covid-19 pandemic, the ability of the management to manage collections and asset quality will remain a key monitorable

### **Analytical Approach**

CRISIL Ratings has combined the business and financial risk profiles of Motilal Oswal Financial Services Ltd (MOFSL) and its subsidiaries, including MOFL and Motilal Oswal Home Finance Ltd (MOHFL). That is because the entities, collectively referred to as the Motilal Oswal group, have significant operational, financial, and managerial integration and also operate under a common brand name (Motilal Oswal).

*Refer to Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **Increasing diversification and scale up across financial services businesses, supporting stability in earnings profile**

With gradual scale up of fee-based businesses—such as AMC, WM, PE, IB and fund-based business (housing finance)—revenue streams have become more diverse. The group is also focussing on scaling up of its distribution business (of financial products) through the broking and wealth management channels. Contribution from these businesses to overall revenues has scaled up in the last few fiscals. Group's asset management businesses - AMC, PE utilise the group's distribution network of WM for product distribution, resulting in business synergies and improved return on equity (RoE).

Assets under management (AUM) of the AMC business has witnessed a steady compounded annual growth rate of 34% for the last 5 years and stood at Rs 46300 crore as on June 30, 2021 (Rs 45500 crore as on March 31, 2021). The group has a niche positioning for its higher-yielding equity-focused funds – with only 2.6% of the mutual fund AUM in debt funds. The group has also high focus on passive and international funds. Around 32% of the MF AUM as on June 30, 2021 was managed by passive funds. In fiscal 2020, AUM of AMC and WM witnessed a decline after a sharp fall in the equity markets in the month of March 2020, due to Covid-19 outbreak. However, with benchmark indices gaining ~70% from Mar-2020 levels, the AUM of the group has increased. Its AUM for AMC increased to around Rs 46300 crore as on June 30, 2021 and Rs 45,500 crore as on March 31, 2021 (Rs 29,500 crore as on March 31, 2020). These included assets under portfolio management services (of Rs 15,100 crore as on June 30, 2021), mutual funds (MFs; Rs 28,400 crore), and alternate investment funds (Rs 2,800 crore). The PE and wealth management businesses had AUM of Rs 6900 crore and Rs 28,800 crore, respectively, as on June 30, 2021 (Rs 6,600 crore and Rs 25,300 crore, respectively, as on March 31, 2021). As part of PE funds, the group has managed four real estate funds and three business excellence funds till now. While the real estate funds focusses on debt funding to reputed developers for mid-market residential housing projects in top eight Indian cities, business excellence funds focusses majorly on unlisted companies for long-term investments. The group is in a process to complete the raise of its fifth real estate fund of ~Rs 1000 crore (out of which Rs 810 crore has been raised by June, 30, 2021) and launch its fourth business excellence fund of Rs 4000 crore.

Fund-based business includes housing finance (through MOHFL) and sponsor commitments-cum-investments in equity MF, PE funds, real estate funds, AIFs, and strategic equity investments. Loan book of MOHFL and total quoted equity investments, including mark-to-market (MTM) gains, were Rs 3480 crore and ~Rs 3200 crore, respectively, as on June 30, 2021 (Rs 3,503 crore and around Rs 3100 crore, respectively, as on March 31, 2021).

#### **Healthy capitalisation**

Capitalisation remains healthy driven by healthy internal accruals. Absolute networth and consolidated gearing were Rs 4610 crore and 1.1 times, respectively, as on June 30, 2021 (Rs 4488 crore and 1.3 times, respectively, as on March 31, 2021 and Rs 3,123 crore and 1.5 times, respectively, as on March 31, 2020). Further, as per the group's risk policy, the maximum gearing for the group will be restricted at 3 times (excluding borrowings for financing initial public offering for HNIs) over the medium term. The housing finance business had gearing of around xx times on a standalone basis as on June 30, 2021 (3.4 times on a standalone basis as on March 31, 2021).

As on June 30, 2021, the group had unrealised gains of ~Rs 1400 crore distributed among Motilal Oswal Equity Mutual Fund Products (Rs 590 crore), liquid equity shares (Rs 340 crore), Motilal Oswal Private Equity Funds (Rs 370 crore; PE and real estate), Motilal Oswal PMS Products (Rs 70 crore) and Motilal Oswal AIF Products (Rs 30 crore). These investments, apart from sponsor contributions as per the regulation, are strategic in nature and follow a buy-and-hold philosophy. This portfolio has MTM impact on earnings under IND-AS; however, the timing and magnitude of realised gains remain uncertain. Nevertheless, even after removing unrealised gains from networth, gearing of the group remained comfortable at 1.6 times as on June 30, 2021 (1.8 times as on March 31, 2021).

**Strong market position in the equity broking business**

The group, through MOFSL, ranks among the top ten equity brokers by active number of active clients, as on June 30, 2021, in the highly fragmented broking industry. As on June 30, 2021, the company had 6.5 lakh active customers on NSE, a sharp jump of ~71% from 3.8 lakh as on March 31, 2020. The growth in the business has also been driven by acquisition of small brokers and partnerships with sub-brokers. The group has 20+ lakh retail broking clients and enjoys pan-India presence through 5500+ franchised/sub-broker outlets and 90+ owned branches.

The group had an active client market share of around 3% as of June 30 2021. Its market share of the combined volumes of the Bombay Stock Exchange and National Stock Exchange in both the cash and derivatives segments for fiscal 2021 was around 0.8%, with higher market share in high-yielding cash segment at 2.1% in fiscal 2021. Overall turnover of the business, in line with the industry, witnessed a strong growth in fiscal 2021 at 87%; with a growth in turnover of equity segment at 57% and derivatives segment at 90%. Blended yields have, however, declined over the previous fiscals due to increased share of volumes in the futures and options (F&O) segment. Market position continues to be healthy in the institutional broking segment (despite increasing competition), backed by an established track record, strong execution capabilities, and well-recognised research team.

**Weakness:****Exposure to uncertainties inherent in capital-market-related businesses**

A large part of the group's businesses, especially broking and investment banking, remain exposed to economic, political, and social factors that drive investor sentiments. Brokerage revenues are dependent on the level of trading activity in capital markets. Specifically since March 2020, the stock markets have seen high retail participation and daily trading volume coinciding with the lockdown to contain the Covid-19 pandemic and people remaining at home. A significant proportion of client additions at the industry level are in the age bracket of 25-30 years without relevant trading experience. The upward movement of the key benchmark indices during this period has attracted retail investors to market trading. While this has benefited broking industry, including the Motilal Oswal group, sustainability of the market momentum will need to be seen. However, the impact on earnings is partially offset by the high share of business originated through franchisees, resulting in a more variable cost structure compared to that of peers. The group's long-term focus is on diversifying its revenue streams and reducing its dependence on broking operations. Further, AM, WM and PE businesses have revenues in the form of management fees as a proportion of AUM, providing some stability to the revenue profile of the group.

Additionally, the group commenced the housing finance business in the first quarter of fiscal 2015 to improve the stability of the group's earnings via fixed interest income of home loans. While the business faced challenges in the past, corrective measures should support the business performance. Potential improvement in profitability from this segment over the medium term should help diversify the revenue mix of the group.

**Limited track record in scaling up the lending business**

In fiscal 2018 and 2019, MOHFL faced asset quality challenges due to seasoning of the book, impact of external shocks on the economy, and lack of adequate collection and recovery processes and bandwidth within the company. Its gross non-performing assets (GNPAs) increased to 9.3% as on March 31, 2019 from 4.5% as on March 31 2018 and 0.6% as on March 31, 2017.

However, since fiscal 2019, MOHFL took several corrective measures, including increase in management depth and experience, strengthening up of collections and recovery apparatus by creating a 450+ member team, and enhancing credit appraisal and risk monitoring systems. It has made significant investment in technologies, processes and people to fill the critical gaps at operations levels to support and enhance business scale up. These measures have reduced slippages to Rs 71 crore in fiscal 2021 and 52 crore for fiscal 2020 from Rs 601 crore in fiscal 2019. Also, recoveries have picked up in last fiscal following concerted efforts. As a part of its strategy to clean up the book, it sold GNPAs worth ~Rs 709 crore in the last couple of fiscals to an asset reconstruction company, which brought down GNPAs to 2.2% as on March 31, 2021 from 9.3% as on March 31, 2019. However, on account of impact of second wave of covid in the economy, GNPA of the company increased to 4.7% as on June 30, 2021,

After facing challenges in the asset quality in fiscal 2018 and 2019, the company had curtailed its disbursements in fiscal 2019 and 2020. However, the disbursements in fiscal 2021 witnessed a growth of 42% to Rs 270 crore from Rs 190 crore in fiscal 2020. Nevertheless, its loan book declined by 3% in fiscal 2021 to Rs 3,503 crore as on March 31, 2021, from Rs 3628 crore as on March 31, 2020, because of shift in focus towards collections and sale of assets to an ARC. Going forward, the company intends to grow its loan book prudently over the medium term, while increasing geographical presence. It is expanding its sales team to increase the disbursements and loan book. To manage the growth in the loan book, the company will utilize the relationships with lenders and investors. It raised resources of over Rs 1400 crore in fiscal 2021 at competitive interest rates.

Nevertheless, given the current challenging macro-economic environment, the ability of the management to scale up operations in a profitable manner will remain a monitorable.

**Liquidity : Strong**

Liquidity of the group is strong, supported by a large proportion of fee-based businesses. Cash and cash balance, unutilised bank lines, and liquid investments aggregated to Rs 3,785 crore as on June 30, 2021, as against overall debt obligation of Rs 1607 crore (including of MOHFL) till September 30, 2021.

### **Outlook Positive**

CRISIL Ratings believes Motilal Oswal group will continue to scale up its various product offerings across broking, AM & WM and investment banking and will continue to maintain healthy capitalisation.

### **Rating Sensitivity factors**

#### **Upward Factors**

- Scale-up in operations and further diversification of the revenue streams of the group
- Significant scale-up in market position of the financial services businesses while maintaining asset quality of the HFC business with gross NPA <1%

#### **Downward factors**

- Adverse regulatory actions on the business segments of the group resulting in significant deterioration in business risk profile of the group
- Significant deterioration in asset quality on a sustained basis impacting group's profitability (with credit costs crossing 3% of the group's assets for a sustained period).

### **About the Group**

The Motilal Oswal group is one of India's leading providers of capital market-related services, such as retail and institutional broking, asset and wealth management, loan against shares (LAS), margin financing, commodities broking, investment banking, and venture capital management. It commenced the housing finance business in May 2014.

The promoters—Mr Motilal Oswal, Mr Raamdeo Agrawal, and their family members, and Passionate Investment Management Pvt Ltd (PIMPL)—collectively owned 70.7% of MOFSL's equity shares as on June 30, 2021.

For the quarter ended June 30, 2021, the group reported a PAT of Rs 221 crore with a RoE (annualised) of 39.4% for fiscal 2021 as against a PAT of Rs 169 crore with an ROE of 21.1% in the corresponding period previous fiscal.

The group reported PAT of Rs 1260 crore with a RoE of 33.1% for fiscal 2021 as against a PAT of Rs 190 crore with an ROE of 6.1% in the previous fiscal.

### **Key Financial Indicators**

As on/for the period ended June 30		2021	2020
Total assets	Rs crore	9700	10180
Total income	Rs crore	901	727
PAT*	Rs crore	221	169
Gross NPA (HFC)	%	4.7	1.8
Return on networkth	%	19.4	21.1
Gearing	%	1.1	1.4

\*Includes fair valuation of unrealised gains in fund-based business

As on/for the period ended March 31		2021	2020
Total assets	Rs crore	14117	11213
Total income	Rs crore	3631	2365
PAT*	Rs crore	1260	190
Gross NPA (HFC)	%	2.2	1.8
Return on networkth	%	33.1	6.1
Gearing	%	1.3	1.5

\*Includes fair valuation of unrealised gains in fund-based business

**Any other information:** Not applicable

### **Note on complexity levels of the rated instrument:**

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### **Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity level	Rating assigned with outlook
NA	Commercial paper programme	NA	NA	7-365 days	800	Simple	CRISIL A1+

NA	Commercial paper programme (IPO Financing)	NA	NA	1-30 days	2500	Simple	CRISIL A1+
INE01WN07037	Non-Convertible Debentures*	30-Mar-21	7.5	26-Sep-22	200	Simple	CRISIL AA-/Positive
NA	Long Term Principal Protected Market Linked Debentures*	NA	NA	NA	64.4	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07011	Long Term Principal Protected Market Linked Debentures	18-Sep-20	Equity index linked	18-Apr-23	37.5	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07011	Long Term Principal Protected Market Linked Debentures	29-Sep-20	Equity index linked	18-Apr-23	10.9	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07011	Long Term Principal Protected Market Linked Debentures	08-Oct-20	Equity index linked	18-Apr-23	10	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07011	Long Term Principal Protected Market Linked Debentures	29-Oct-20	Equity index linked	18-Apr-23	26.2	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07011	Long Term Principal Protected Market Linked Debentures	05-Nov-20	Equity index linked	18-Apr-23	0.5	Highly complex	CRISIL PP-MLD AA-r/Positive
INE01WN07029	Long Term Principal Protected Market Linked Debentures	20-Nov-20	Equity index linked	20-Jul-23	0.5	Highly complex	CRISIL PP-MLD AA-r/Positive

\*Yet to be issued

#### Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Passionate Investment Management Pvt Ltd	Full	Subsidiary
Motilal Oswal Financial Services Ltd	Full	Subsidiary
Motilal Oswal Investment Advisors Ltd	Full	Subsidiary
Motilal Oswal Commodities Broker Pvt Ltd	Full	Subsidiary
Motilal Oswal Finvest Ltd	Full	Subsidiary
Motilal Oswal Securities International Pvt Ltd	Full	Subsidiary
Motilal Oswal Finsec IFSC Ltd	Full	Subsidiary
Motilal Oswal Capital Markets (Singapore) Pvt Ltd	Full	Subsidiary
Motilal Oswal Capital Markets (Hong Kong) Pvt Ltd	Full	Subsidiary
Motilal Oswal Fincap Pvt Ltd	Full	Subsidiary
MOPE Investment Advisors Pvt Ltd	Full	Subsidiary
Motilal Oswal Wealth Management Ltd	Full	Subsidiary
Motilal Oswal Real Estate Investment Advisors Pvt Ltd	Full	Subsidiary
Motilal Oswal Real Estate Investment Advisors II Pvt Ltd	Proportionate	Associate
India Business Excellence Management Company	Full	Subsidiary
Motilal Oswal Asset Management(Mauritius) Pvt Ltd	Full	Subsidiary
Motilal Oswal Capital Ltd	Full	Subsidiary
Motilal Oswal Trustee Company Ltd	Full	Subsidiary
Motilal Oswal Home Finance Ltd	Full	Subsidiary

#### Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	800.0	CRISIL A1+		--	19-11-20	CRISIL A1+	23-09-19	CRISIL A1+	05-09-18	CRISIL A1+	--
			--		--	10-09-20	CRISIL A1+		--		--	--
			--		--	10-08-20			--		--	--



							CRISIL A1+					
			--		--	28-02-20	CRISIL A1+		--		--	--
			--		--	06-01-20	CRISIL A1+		--		--	--
<b>Commercial Paper Programme(IPO Financing)</b>	ST	2500.0	CRISIL A1+		--	19-11-20	CRISIL A1+		--		--	--
			--		--	10-09-20	CRISIL A1+		--		--	--
			--		--	10-08-20	CRISIL A1+		--		--	--
			--		--	28-02-20	CRISIL A1+		--		--	--
<b>Non Convertible Debentures</b>	LT	200.0	CRISIL AA-/Positive		--	19-11-20	CRISIL AA-/Stable		--		--	--
			--		--	10-09-20	CRISIL AA-/Stable		--		--	--
			--		--	10-08-20	CRISIL AA-/Stable		--		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	150.0	CRISIL PPMLD AA-r /Positive		--	19-11-20	CRISIL PPMLD AA-r /Stable		--		--	--
			--		--	10-09-20	CRISIL PPMLD AA-r /Stable		--		--	--

All amounts are in Rs.Cr.

## Criteria Details

<b>Links to related criteria</b>
<a href="#">Rating Criteria for Finance Companies</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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