

RATING RATIONALE

05 May 2020

AU Financiers (India) Ltd

Brickwork Ratings withdraws the Issuer Rating of AU Financiers (India) Ltd.

Particulars:

Instruments	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous (October, 2016)	Present
Issuer Rating	-	-	Long Term	BWR AA (Stable)	Withdrawal of Rating
Total	-	-			-

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) withdraws the issuer rating of AU Financiers (India) Ltd. (AU or the company) at the request of the company as the issuer company ceases to exist as a non-banking finance company (NBFC) on its conversion to a small finance bank.

KEY RATING DRIVERS

Credit Strengths: Not Applicable

Credit Risks: Not Applicable

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Positive: Not Applicable

Negative: Not Applicable

LIQUIDITY INDICATORS : Not Applicable

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

Not Applicable

COMPANY'S PROFILE

AU Financiers India Ltd, an NBFC promoted in 1996 by Director Mr. Sanjay Agrawal, operated in the asset financing space, primarily financing both new and used commercial vehicles and providing loans to MSMEs/SMEs. The company received the license of a Small Finance Bank (SFB) from the Reserve Bank of India (RBI) on 20 December 2016 and commenced the banking operation from 19 April 2017. The company got its shares listed on the BSE and NSE on 10 July 2017. The company received the Scheduled Commercial Bank status in November 2017.

KEY FINANCIAL INDICATORS

Key Financial Indicators (Rs. Crs)	FY2018 Audited	FY2019 Audited
Total Assets	18833	32623
Loan Assets under Management	16188	24246
Net Interest Income	940	1342
Profit after tax	292	382
Networth	2281	3163
Gross NPA (%)	2.0%	2.0%
Total CAR (%)	19.3%	19.3%
Tier 1 CAR (%)	18.4%	16.0%
RoA (%)	2.0%	1.5%
Customers (no.)	>9Lakh	15.23Lakhs
Employees (no.)	11151	12623
Distribution (no.)	497	558
Source: Banks Annual report		

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY -nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sl. No	Instrument/ Facility	Current Rating			Rating History		
		Type	Amount (Rs Crs)	Rating	2019	2018	2017
1	Issuer Rating	Long Term	-	Withdrawn	-	-	BWR AA (Stable) upgraded (05 Oct 2016)
2	Bank Loan	Long term	-	-	-	Withdrawn at the company's request and lenders confirmation (15 Jun 2018) (Rs.703 Cr)	BWR AA (Stable) reaffirmed (09 Mar 2017) (Rs.1096.67 Cr) BWR AA (Stable) upgraded (05 Oct 2016) (Rs.550 Cr)
Total			-		-		

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COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Bank & Financial Institutions](#)
- [Basel III Compliant Instruments](#)

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For print and digital media

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