

Average one-year transition rates for long term ratings for the last 5-Financial Year Period ended March 31, 2023

| Rating Category | AAA | AA | A | BBB | BB | B | C | D | Total |
|-----------------|--------|-------|-------|-------|-------|-------|-------|------|-------|
| AAA | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| AA | 0.5% | 90.2% | 8.2% | 0.0% | 0.0% | 0.0% | 0.0% | 1.1% | 100% |
| A | 0.0% | 0.9% | 92.7% | 5.5% | 0.5% | 0.0% | 0.0% | 0.3% | 100% |
| BBB | 0.0% | 0.0% | 3.1% | 90.6% | 5.2% | 0.2% | 0.4% | 0.5% | 100% |
| BB | 0.0% | 0.0% | 0.1% | 7.0% | 86.1% | 3.8% | 0.7% | 2.4% | 100% |
| B | 0.0% | 0.0% | 0.0% | 0.6% | 9.2% | 83.7% | 0.5% | 6.0% | 100% |
| C | 0.0% | 0.0% | 0.0% | 0.0% | 13.6% | 22.7% | 59.1% | 4.5% | 100% |

Notes:

Included in the above computation are three defaulting issuers who were found to have engaged in fraud in forensic audits mandated by the regulator or classified as fraud by lending banks. For the purpose of above calculations Acuité did not exclude these observations. Any conclusion from the above calculations, therefore, may be incorrect.

However, Acuite voluntarily publishes CDR values after adjusting for instances of frauds by issuers and inadequate observations. Acuite also voluntarily publishes 1, 3 and 5-year transition rates which, it believes, is a more appropriate measure to evaluate current performance as today's business environment and rating processes are evolving very fast.